1. Message from Auditor Blaha

As CARES Act funding has become available, the Office of the State Auditor (OSA) is actively working to support you. With the multitude of questions around funding, the OSA is doing its part to help you and your community get through this confusing time. We are adding COVID-19 coding into our CTAS software (see update #3), staying in close contact with Minnesota Management and Budget (MMB), and we are connecting with auditors both in Minnesota and around the country to ensure we are all on the same page. From the local level up to federal, we at the OSA are committed to helping you navigate during this time.

On Wednesday, July 22 I joined Governor Walz, Lt. Governor Flanagan, Attorney General Ellison, and Secretary of State Simon to vote in favor of Executive Order 20-81 which requires face coverings (fully covering both nose and mouth) to be worn in certain public settings. This is a statewide mandate that goes into effect at 11:59pm this evening (Friday, July 24).

Given the data supporting the benefits of mask mandates, it is not surprising that so many states - red, blue, and every shade in between - are taking this action. Data clearly shows that wearing masks is good for both our physical and economic health. If we want our economy to further open and recover, this mandate should be a welcome reprieve. Controlling the spread of the virus helps us to avoid turning the dial backwards, which is something we have seen happen in many other states. The facts are clear: wearing a mask not only helps to control the spread, it is critical to moving forward.

It's time for Minnesotans to come together on wearing masks. Thank you for all you do! #MaskUpMN
2. Reminder: Relief Association Benefit Level Changes

Many relief associations review their finances in the summer, after completing their annual Schedule Form, and determine whether to seek a change to their benefit levels.

For more information about the process for changing relief association benefit levels, please see the Office of the State Auditor’s Statement of Position on this topic at: https://www.auditor.state.mn.us/default.aspx?page=20120224.000

3. GID: CTAS Account Coding for CARES Act Funding

With the current distribution of CARES Act funds, the OSA is issuing guidance in the form of recommended account numbers for use in the CTAS program.

Below is a list of recommended account numbers. Not all account numbers that an entity may require are listed. CTAS users can create account numbers as needed. Please remember that any account number created must fall under the proper category listed in the CTAS Chart of Accounts (COA).

Account number and description recommendations:

Revenues:
33180 Federal Grants – CARES

Expenditures:
41990 Other General Government – CARES
41995 Election Exp. – CARES
42870 Other Public Safety – CARES
44190 Health – CARES
45230 Parks – CARES
45520 Libraries – CARES
49295 CARES Expenses (for Enterprise Funds)

Questions regarding CARES Act funding or qualified CARES Act expenditures should be directed to Minnesota Management and Budget (MMB). A link is provided below to MMB Coronavirus Relief Funds for Local Governments page. It is very important that entities maintain sufficient documentation to support all CARES Act expenditures.

The OSA will continue to watch for developments and guidance from MMB that could result in further CTAS account/coding recommendations.

Recommended links:

Minnesota Management and Budget: https://www.revenue.state.mn.us/coronavirus-relief-fund-local-governments
Cities: https://www.lmc.org/resources/ cares-act-funding-covid/
Townships: https://mntownships.org/news/ cares-act-resources-faq/
4. Reminder: TIF Annual Reporting Forms Due August 3

Authorities must submit 2019 TIF Annual Reporting Forms to the Office of the State Auditor (OSA) using the State Auditor Form Entry System (SAFES) on or before August 3, 2020.

Instructions, sample forms, and videos on how to fill out and submit TIF reporting forms are available under the heading “Resources for Completing Forms” on the TIF Forms page (https://www.auditor.state.mn.us/default.aspx?page=tifforms) of the OSA website. If you have any questions, please contact us at TIF@osa.state.mn.us.

5. TIF: When Can an Authority Stop Filing Annual TIF Reports?

Each year we receive questions concerning when an authority can stop filing annual TIF reports.

The TIF Act provides that reporting requirements for a TIF district continue until: 1) the district is decertified, and 2) all tax increment revenue has been expended or returned to the county auditor and no assets remain on the balance sheet. It is common for tax increment or assets to remain after decertification and for reporting to continue.

The OSA must receive a Confirmation of Decertified TIF District Form (https://www.auditor.state.mn.us/default.aspx?page=tifforms) to conclude that reporting is no longer required. When submitting this form to the OSA, remember to include a copy of the resolution decertifying the district if the district is decertified before its required decertification date.

6. Avoiding Pitfalls: Change in Bonded Officers

When the term of a bonded officer of a local unit of government expires or the officer dies, resigns or is removed from office, the local unit of government must conduct a “thorough examination” of the officer’s accounts. The examination may be performed by the local unit of government or by an independent accounting firm.

This Avoiding Pitfall is available on our website at: https://www.auditor.state.mn.us/default.aspx?page=20091019.001

If you are interested in signing up to receive an e-mail version of the E-Update regularly, send an e-mail with your contact information to signup@osa.state.mn.us.

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