State Auditor
Rebecca Otto

OFFICE OF THE STATE AUDITOR

E-Update

The official online news publication of the Office of the State Auditor

September 22, 2017

1. TIF: Excess Increment Deadline

2. Relief Associations: Special Fund Deposit Errors

3. Avoiding Pitfalls: Need For Cross-Training

----

1. TIF: Excess Increment Deadline

September 30th is the annual deadline for the proper expenditure or return of excess tax increment. Excess increments, in general terms, are tax increments that exceed the costs authorized by the TIF plan.

The county auditor must redistribute the excess amount to the city or town, county, and school district in which the TIF district is located in direct proportion to their respective local tax rates.

For more information, see our Statement of Position entitled Redistribution of Tax Increment, which can be found at:

http://www.auditor.state.mn.us/default.aspx?page=20110525.008.

----

2. Relief Associations: Special Fund Deposit Errors

Relief Association special fund assets may be disbursed only for purposes expressly authorized under Minnesota law. The special fund may be used to pay benefits, such as service pensions, disability benefits, and survivor benefits, and pay certain fees and other expenses specifically authorized by law.

Funds erroneously deposited into a relief association's special fund cannot be taken out of the special fund unless the association obtains specific written authorization from the Office of the State Auditor (OSA). The OSA has authority, after a relief association has presented evidence that the deposit error occurred in good faith, to order the transfer from the special fund to the appropriate fund or account an amount equal to the funds deposited in error.

Funds cannot be transferred from the special fund unless and until a relief association obtains written authority from the OSA. If a relief association discovers that funds have been deposited into the special fund in error, please contact the OSA right away at pension@osa.state.mn.us.

----

3. Avoiding Pitfalls: Need For Cross-Training

In small public entities, sometimes only one person is primarily responsible for handling financial matters. This concentration of duties in one individual is not desirable from an accounting point of view.

One measure to help counter this weakness involves training a second person in the specific duties related to the entity's finances. "Cross-training" has numerous benefits. It allows a second person to perform the duties when the employee primarily responsible is unavailable. Having someone else perform the job duties also provides a method of detecting errors and/or irregularities created by the person primarily responsible for those duties. Finally, cross-training provides continuity during periods of employee transitions. Cross-training offers advantages from both an accounting and a management point of view.

If you are interested in signing up to receive an e-mail version of the E-Update regularly, click here.

The Office of the State Auditor is located at 525 Park Street, Suite 500, St. Paul, MN 55103.
Phone: (651) 296-2551 or (800) 627-3529 (TTY) Fax: (651) 296-4755.
Web: www.auditor.state.mn.us.