



**State Auditor  
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## **OFFICE OF THE STATE AUDITOR**

# ***E-Update***

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**August 18, 2017**

1. Pension: General Records Retention Schedule for Fire Relief Associations
2. Website: Pension Newsletter Index
3. Avoiding Pitfalls: Petty Cash (Imprest) Funds - Part I

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### **1. Pension: General Records Retention Schedule for Fire Relief Associations**

Volunteer fire relief associations are governmental entities that receive and manage public money. Therefore, they must follow state guidelines that govern the retention of records.

A General Records Retention Schedule for volunteer fire relief associations is available on the Minnesota Historical Society's website. The Schedule, instructions on its use, and a form for notifying the Historical Society once the Schedule has been adopted by a relief association can be downloaded by going to the Historical Society website at:

[http://www.mnhs.org/preserve/records/docs\\_pdfs/Complete\\_MFRASchedule2012.pdf](http://www.mnhs.org/preserve/records/docs_pdfs/Complete_MFRASchedule2012.pdf).

For more information on the retention of records for volunteer fire relief associations, please see the OSA's Statement of Position on this topic, at:

<http://www.auditor.state.mn.us/default.aspx?page=20110527.008>.

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### **2. Website: Pension Newsletter Index**

Each month, the OSA Pension Division Newsletter contains information for fire relief association members and officials. Past Newsletter articles have covered topics including Benefit Levels, Board of Trustees and Membership, Fundraising, Internal Controls, Investment Information, Pension and Benefit Payment Information, and State Aid.

An index is available on the OSA website which allows you to search articles from past Newsletters. The Index can be accessed from the Pension Newsletter page by going to:

<http://www.auditor.state.mn.us/default.aspx?page=20120703.010>.

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### **3. Avoiding Pitfalls: Petty Cash (Imprest) Funds - Part I**

Petty cash funds, referred to as “imprest funds” in Minnesota’s statutes, are authorized for school districts, towns, counties, and cities. Due to the fact that these are cash funds (currency in the form of coins and bills), extra security precautions should be taken to safeguard these funds.

Each petty cash fund must be established by an entity's governing body, and a “custodian” of the fund must be appointed. Meeting minutes should document the creation, custodian, and amount of any petty cash fund. The governing body should periodically review these funds to determine whether they are still necessary.

Petty cash funds are not separate checking accounts. Rather, by law, these funds are cash (currency). They are allowed for the payment of any proper claim if “it is impractical” to pay the claim in any other manner. The statutes prohibit the funds' use for salaries or personal expenses of an officer or employee. Counties and school districts have additional statutory authority to use a petty cash fund for certain travel advances.

A claim itemizing all disbursements from a petty cash fund must be presented to the governing body at its next meeting. If the governing body approves the claim, the fund’s custodian should be given payment to replenish the fund. If the governing body fails to approve the claim in full, the fund’s custodian is personally responsible for the difference. The laws governing petty cash (imprest) funds are [Minn. Stat. §§ 123B.11](#) (school districts), [366.01, subd. 12](#) (towns), [375.162](#) (counties), and [412.271, subd. 5](#) (cities).

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