



State Auditor
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OFFICE OF THE STATE AUDITOR

E-Update

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March 30, 2012

1. Released: Municipal Liquor Store Report
2. Available: 2012 Supplemental Benefit Reimbursement Amounts
3. Deadline: City & Special District Financial Reporting Forms
4. Deadline: Town Financial Reporting Forms
5. Avoiding Pitfalls: Electronic Funds Transfers

1. Released: Municipal Liquor Store Report

The Office of the State Auditor has released the 2010 Analysis of Municipal Liquor Store Operations, which provides comparative data on liquor operations owned and operated by Minnesota cities. To view the complete report, which includes an Executive Summary, tables, and graphs, go to:

<http://www.auditor.state.mn.us/default.aspx?page=20120326.000>.

2. Available: 2012 Supplemental Benefit Reimbursement Amounts

A listing of the 2012 supplemental benefit reimbursement amounts is now available on the Office of the State Auditor's website at:

<http://www.auditor.state.mn.us/default.aspx?page=20120328.000>.

The supplemental benefit reimbursements were disbursed on or about March 15, 2012, for relief associations that properly submitted reimbursement application forms to the Minnesota Department of Revenue by February 15, 2012.

3. Deadline: City & Special District Financial Reporting Forms

City Financial Reporting Form and Financial Statements

March 31 is the deadline for cities using the cash basis of accounting to submit their annual financial reporting form and financial statements. The reporting form can be found at:

<https://www.auditor.state.mn.us/safes/>.

Financial statement reporting requirements can be found at:

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

Special District Financial Reporting Form and Financial Statements

Special District Financial Reporting Forms and financial statements are due March 31 for districts with a fiscal year end of September 30, 2011. The Financial Reporting Form can be found at:

<https://www.auditor.state.mn.us/safes/>.

4. Deadline: Town Financial Reporting Forms

March 31 is the deadline for towns using the cash basis of accounting to submit their annual financial reporting form. The forms can be accessed at:

<https://www.auditor.state.mn.us/safes/>.

5. Avoiding Pitfalls: Electronic Funds Transfers

To pay vendor claims, local government entities may use electronic funds transfers instead of checks. Electronic funds transfers may also be used to purchase and sell investments.

While these transactions are convenient, they present unique opportunities for fraud. As a result, state law requires local units of government to adopt certain policies and procedures before electronic funds transfers are made. The law specifically requires school districts to have all of the following policy controls in place before using electronic funds transfers:

- On an annual basis, the school board must delegate to a designated business administrator the authority to make electronic funds transfers.
- The disbursing bank must keep on file a certified copy of the delegation of authority.
- The person initiating the electronic transfer must be identified.
- The person initiating the electronic transfer must document the request and obtain approval from the designated business administrator before initiating the transfer.
- Written confirmation of the transaction must be made within one business day after the transaction.
- A list with all transactions made by electronic funds transfer must be submitted to the school board at its next regular meeting.

While these requirements are mandatory for school districts, they provide guidance for other units of government when drafting their policies and procedures.

Statutes governing electronic funds transfers include [Minn. Stat. §§ 385.071](#) (counties), [471.38](#) (school districts), and [471.381](#) (cities, towns, and counties).

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