



## Statement of Position Retention of TIF Records

Minnesota law requires that public records be retained indefinitely, unless they are disposed of with specific permission from the records disposition panel or in accordance with an approved records retention schedule. Most cities use the approved General Records Retention Schedule for Minnesota Cities.<sup>1</sup> Cities and development authorities, including economic development authorities (EDAs), and housing and redevelopment authorities (HRAs), all generate and/or maintain tax increment financing (TIF) records.

A city or authority may have many TIF districts, and TIF districts by their nature are in existence for a long time. Consequently, the number of TIF records generated and maintained can be very large—so large that the cost of storing and maintaining the documents can become a financial consideration. The 2021 provisions of the General Records Retention Schedule for Minnesota Cities represent a practical accommodation of the record management needs of TIF authorities, consistent with the accountability required by state law.<sup>2</sup>

The General Records Retention Schedule for Minnesota Cities identifies audited annual financial reports/statements, general ledgers, and minutes (including EDA and HRA minutes) as permanent records. The 2021 record retention provision divides TIF records into three categories:

- 1) TIF district qualification records substantiating the eligibility and establishment of the district, resolutions, agreements, and certification documents, must be kept for **the life of the district plus ten years**.
- 2) Financial transaction support records, including bills, invoices, receipts, vouchers, and cancelled checks, are required to be retained for **ten years after they are created**.
- 3) Financial transaction support records, again including bills, invoices, receipts, vouchers, and cancelled checks, that have been part of the city's financial audit and for which certain information is recorded in a ledger that is retained for the life of the district plus ten years, are required to be retained for **six years after they are created**.

The ledger must contain the following information to meet this six-year retention period:

- Identification of the TIF district that generated the revenue;
- Whether the expenditure was made to a parcel inside or outside the district;
- The name of the recipient of the expenditure;
- Detailed description of the development activity;
- The amount of the TIF expenditure;

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<sup>1</sup> The schedule can be found at [https://www.mcfoa.org/resources/Documents/2021\\_Retention\\_Schedule.pdf](https://www.mcfoa.org/resources/Documents/2021_Retention_Schedule.pdf).

<sup>2</sup> The text of the record retention provisions relating to TIF records can be found as an Addendum at the end of this Statement of Position.

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- Description of the invoices submitted for the expenditure, sufficient to tie the invoice to the qualifying activity; *and*
- The development purpose of the expenditure, tied to the budget of the TIF plan for the district.

If the ledger does not contain the information necessary to qualify the district for the six-year retention period, the financial support records must be retained for ten years after the date of their creation.

## ADDENDUM

### Text of the record retention provision for TIF Records:

#### FIN 04600 - TAX INCREMENT FINANCE (TIF) DISTRICT RECORDS-DISTRICT CREATION RECORDS.

*Includes district qualification records (documentation and criteria to substantiate the eligibility and establishment of TIF district), resolutions, agreements, county certification documents.*

*Retention: 10 years after expiration of district; Classification: Public;  
Statute: MS 469.1771*

#### FIN 04650 – TAX INCREMENT FINANCE (TIF) DISTRICT RECORDS – FINANCIAL RECORDS (SEE ALSO FIN 04660)

*Includes bills, invoices, receipts, vouchers, and cancelled checks. (See also FIN 04660)*

*Retention: 10 years; Classification: Public*

#### FIN 04660 - TAX INCREMENT FINANCE (TIF) DISTRICT RECORDS – FINANCIAL RECORDS – AUDITED

*Must meet certain criteria. Includes bills, invoices, receipts, vouchers, and cancelled checks if they have been part of the city's annual financial audit and if the following information for each TIF transaction is recorded in a ledger (electronic or paper) that is retained the life of the district plus 10 years: a) the TIF district from which the TIF revenues were generated; b) whether the expenditure was made to a parcel inside or outside the district; c) the name of the recipient of the TIF expenditure; d) detailed description of the development activity; e) the amount of the TIF expenditure; f) description of the invoices submitted for the expenditure, sufficient to tie the invoice to the qualifying activity; and; g) the development purpose of the expenditure, tied to the budget of the TIF plan for the district.*

*Retention: 6 years; Classification: Public*