



State Auditor
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E-Update

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1. Pension Update: Relief Association Officer Salaries
2. Revised: Statement of Position
3. Avoiding Pitfalls: TIF Interfund Loans

1. Pension Update: Relief Association Officer Salaries

Assets of a volunteer fire relief association's special fund may only be disbursed for purposes expressly authorized under state law. One common compliance issue relates to salaries for relief association board members.

State law allows salaries to be paid from the special fund only to the relief association president, secretary, and treasurer, or their designees. Relief associations do not have authority to pay salaries to other trustees unless specific language authorizing the payments was included in the association bylaws prior to January 1, 1986. Members of the board of trustees may be reimbursed from the special fund for reasonable and necessary expenses actually *paid* and *incurred* in the performance of their duties as members of the board. All other payments (such as per diems) to board members should be paid from the general fund.

2. Revised: Statement of Position

A newly-revised Statement of Position is now available on our website.

The Statement of Position on Meeting Minutes has been revised to include the new requirement that a governing body must record all closed meetings, with certain exceptions and at its own expense. The revised Statement can be found at:
http://www.auditor.state.mn.us/other/Statements/meetingMinutes_0710_statement.pdf.

3. Avoiding Pitfalls: TIF Interfund Loans

A development authority or a municipality may advance or loan money to a tax increment financing (TIF) district from its general fund or other authorized fund to finance expenditures. Loans and advances made after July 31, 2001, must be authorized by a resolution adopted by the entity having jurisdiction over the funds.

The terms and conditions for repayment, including the principal amount, the interest rate, and the maximum term of the loan must be in writing. The maximum interest rate allowed is the greater of the rates specified under Minnesota Statutes sections 270C.40 or 549.09, as of the date of the loan. Tables showing the interest rates can be found at: http://taxes.state.mn.us/taxes/individ/paying_your_taxes/payment_plans/interest_assessed_paid.shtml and at: [http://www.mncourts.gov/documents/0/Public/administration/2008 Interest Rates on State Court Judgements.pdf](http://www.mncourts.gov/documents/0/Public/administration/2008%20Interest%20Rates%20on%20State%20Court%20Judgements.pdf).

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