



State Auditor
Rebecca Otto

OFFICE OF THE STATE AUDITOR

E-Update

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1. Released: Report on Local Government Lobbying Costs
2. Deadline: CTAS Survey Due September 30th
3. Pension Update: Conditions on Consultants
4. Revised: Statement of Position
5. Avoiding Pitfalls: Fire Department Checking Accounts

1. Released: Report on Local Government Lobbying Costs

State Auditor Rebecca Otto has released a comprehensive report that shows the costs of lobbying services provided to Minnesota local governments and their associations for calendar year 2007. The report is intended to inform Minnesota citizens and policy makers of the amount spent by their local government on lobbying services.

To view the complete report, go to:

<http://www.auditor.state.mn.us/default.aspx?page=20080918.001>.

2. Deadline: CTAS Survey Due September 30th

The Office of the State Auditor is exploring possible updates to CTAS, the Small City and Town Accounting System. To assist in the effort, CTAS users have been asked to complete an online survey on suggested enhancements to the System. The deadline to complete the survey is September 30th. For more information, call Dave Kazeck at 651-297-3682 or email Dave.Kazeck@state.mn.us.

3. Pension Update: Conditions on Consultants

State law places conditions on consultants who provide legal or financial advice to volunteer fire relief associations. If a relief association hires or contracts with a

consultant, the association must obtain and the consultant must provide a copy of the consultant's certificate of insurance. Consultants subject to this requirement are defined under Minn. Stat. § 424A.04, subd. 3. You can view the statute at: https://www.revisor.leg.state.mn.us/bin/getpub.php?pubtype=STAT_CHAP_SEC&year=current§ion=424A.04.

If you have questions please contact Rose Hennessy Allen at (651) 296-5985 or at Rose.Hennessy-Allen@state.mn.us.

4. Revised: Statement of Position

The Statement of Position on Public Expenditures: Donations and Dues, has been revised to include new statutory authorizations for towns. Towns now have specific statutory authorization to spend funds to commemorate an event of historical significance to the town, to recognize volunteers, service efforts and retiring town officers, and to host or support a community celebration. In addition, a direct link to the League of Minnesota Cities 2008 PowerPoint presentation on "Public Purpose Expenditures" has been added. The revised Statement can be found at: http://www.auditor.state.mn.us/other/Statements/publicexpdonationsdues_0809_statement.pdf.

5. Avoiding Pitfalls: Fire Department Checking Accounts

City audits sometimes reveal that fire department funds are being handled in a manner that is different from other city departments. Specifically, some audits have reported a separate fire department checking account under the control of someone within the department.

Under Minnesota law, city fire department funds should be under the control of the city clerk/treasurer and treated in the same manner as any other city department.

In contrast to a city fire department, a fire relief association is an entity separate from the city. As a result, a relief association can have its own checking account.

To learn more about fire department and relief association funds, see the Statement of Position on this issue on our website at: http://www.osa.state.mn.us/other/Statements/cityfiredeptacctsfirereliefassocacct_0703_statement.pdf.

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