



State Auditor
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OFFICE OF THE STATE AUDITOR

E-Update

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1. Pension: Technology Survey

The Pension Division is conducting a survey about the computer systems and internet connections being used by relief associations in Minnesota. Feedback from the survey will help us make more informed decisions when tailoring reporting forms and/or training sessions to meet relief associations' needs.

An e-mail was sent to volunteer fire relief association trustees and representatives on June 24 that contained a link to the survey. If you received our e-mail and have yet to complete the survey, we encourage you to take a few minutes to answer the short questionnaire. Thank you in advance for your participation!

2. New: Statement of Position

A new Statement of Position entitled "Vending Machines" has been released. The statement describes how to deal with revenue generated from vending machines located in employee work areas of municipal buildings versus public areas of municipal buildings, and when a formal contract should be in place. To view the complete statement, go to:

http://www.auditor.state.mn.us/other/Statements/vendingmachines_0907_statement.pdf.

3. Avoiding Pitfalls: Donations to Non-Profit Entities by Governmental Units

An expenditure of public funds must have both a public purpose and specific statutory or charter authority. Although charities and other non-profit entities may benefit their

communities, government entities may not donate to them without specific statutory or charter authority. For example, although the Red Cross works to benefit the public, a local unit of government is not specifically authorized to donate funds to it.

If no specific authority for a donation exists, public entities may contract with a non-profit entity for a particular service that the public entity is authorized to provide. To avoid allegations that an impermissible donation has been made, the public entity should enter into a written agreement with the non-profit entity, documenting what the public entity is receiving in exchange for the payment.

For more information on this topic, see our Statement of Position entitled “Public Expenditures: Donations and Dues”, go to:

http://www.auditor.state.mn.us/other/Statements/publicexpdonationsdues_0809_statement.pdf.

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