



State Auditor
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OFFICE OF THE STATE AUDITOR

E-Update

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1. Released: Financial and Investment Report of Volunteer Fire Relief Associations
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1. Released: Financial and Investment Report of Volunteer Fire Relief Associations

The State Auditor released the Financial and Investment Report of Volunteer Fire Relief Associations for the year ended December 31, 2010. The report summarizes and evaluates the finances, basic benefit structure, and investment performance of Minnesota's volunteer fire relief associations. The report also includes investment information on three salaried police relief associations and one salaried fire relief association. To view the complete report, which includes an Executive Summary, tables and graphs, go to:

<http://www.auditor.state.mn.us/default.aspx?page=20120314.000>.

2. New: Statement of Position for Fire Relief Associations

A new Statement of Position for volunteer fire relief associations entitled "Survivor Benefits" has been released. The Statement discusses payment by fire relief associations of survivor benefits to surviving spouses, surviving children and designated beneficiaries of deceased volunteer firefighters. The Statement also addresses when and to whom survivor benefits can be paid and how to calculate the amount. The new Statement can be viewed at:

<http://www.auditor.state.mn.us/default.aspx?page=20120315.001>.

3. Pensions: Updated Selected Relevant Statutes Booklet

An updated version of the Selected Relevant Statutes booklet is now available. The booklet was updated to include state laws applicable to volunteer fire relief associations that are referenced in the recently-released Sample Bylaw Guides. Relief association trustees are encouraged to download the booklet for reference when updating bylaws, making investment decisions, and calculating benefit payments.

The Selected Relevant Statutes Booklet can be accessed by going to:

<http://www.auditor.state.mn.us/default.aspx?page=20080304.004>.

The Sample Bylaw Guides can be accessed by going to:

<http://www.auditor.state.mn.us/default.aspx?page=20120208.000>.

4. Avoiding Pitfalls: Timely Recording of Expenditures

A public entity's expenditures should be recorded in the entity's general ledger as soon as the expenditures are made. Do not wait until canceled checks are returned from the bank to enter the expenditures in the general ledger: such delays prevent the entity from accurately presenting its financial position as the transactions are taking place.

When grant funds are involved, the problems related to the delayed recording of expenditures are compounded. For example, if the expenditure is eligible for reimbursement from a grant, the preparation of grant reimbursement forms may be delayed. As a result, grant-eligible expenditures may be disallowed if the grant period expires before the reimbursement forms are submitted.

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