



State Auditor
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OFFICE OF THE STATE AUDITOR

E-Update

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1. New: Statement of Position for Fire Relief Associations
 2. Revised: Statement of Position on Fund Balances for Local Governments
 3. Website: New Pension Newsletter Index Feature
 4. Avoiding Pitfalls: Monitoring Federal Grant Subrecipients
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1. New: Statement of Position for Fire Relief Associations

A new Statement of Position for volunteer fire relief associations has been released. The Statement, entitled "Service Credit Determinations", clarifies the flexibility that fire departments have in defining active service requirements and explains that fire relief associations must operate within a structure defined by state law and their own bylaws when awarding service credit for pension purposes.

The Statement also provides some options for fire departments and fire relief associations to work together to implement a process for determining service credit that works for both entities.

The new Statement can be viewed at:

<http://www.auditor.state.mn.us/default.aspx?page=20120709.000>.

2. Revised: Statement of Position on Fund Balances for Local Governments

The Statement of Position on Fund Balances for Local Governments (GASB 54 Version) has been revised for clarity. The revised Statement can be found at:

<http://www.auditor.state.mn.us/default.aspx?page=20110527.018>.

3. Website: New Pension Newsletter Index Feature

The OSA's Pension Division publishes a monthly newsletter covering a variety of topics of interest to volunteer fire relief association trustees, members, auditors, local governments, and the public. A new feature, an index, has been added to the OSA website which allows you to search alphabetically by topic through these past newsletters.

The Index can be accessed from the Pension Newsletters page on the website, or by going to:

<http://www.auditor.state.mn.us/default.aspx?page=20120703.010>.

4. Avoiding Pitfalls: Monitoring Federal Grant Subrecipients

A governmental entity may pass federal grant funds to another entity. The second entity, known as the “subrecipient” of the grant funds, may be another governmental entity or a non-profit organization. In this situation, the original recipient of the funds has a responsibility to monitor the subrecipient to ensure the grant funds are being used for authorized purposes and as required by the grant agreement and applicable regulations.

These monitoring activities should occur throughout the year and may take various forms, such as:

- Reviewing financial and performance reports submitted by the subrecipient;
- Performing site visits; and
- Maintaining regular contact with the subrecipient and inquiring about program activities.

The Office of Management and Budget (OMB) Circular A-133, Compliance Supplement 2011, Part 6, describes internal controls that may ensure compliance with program requirements. OMB Circular A-133 Compliance Supplement 2011 can be found at:

http://www.whitehouse.gov/omb/circulars/a133_compliance_supplement_2011.

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