



State Auditor
Rebecca Otto

OFFICE OF THE STATE AUDITOR

E-Update

*The official online news
publication of the Office
of the State Auditor*

December 6, 2013

1. Released: 2013 Legal Compliance Audit Guide
2. Scheduled: Working Group Meeting
3. Released: Relevant Statutes Booklet
4. Update: Fire State Aid Forfeiture Deadline
5. Avoiding Pitfalls: Meeting Meals for Board or Council Members

1. Released: 2013 Legal Compliance Audit Guide

Minnesota political subdivision audits must include financial and legal compliance audits. The Office of the State Auditor annually publishes the Minnesota Legal Compliance Audit Guide for Political Subdivisions to establish the minimum scope for the required legal compliance audits.

The 2013 Legal Compliance Audit Guide is now available on the Office of the State Auditor's website in both PDF and Word formats. To view or download the 2013 Minnesota Legal Compliance Audit Guide for Political Subdivisions, go to:

<http://www.auditor.state.mn.us/default.aspx?page=20131202.000>.

2. Scheduled: Working Group Meeting

The Thursday, December 5 meeting of the Volunteer Fire Relief Association Working Group was postponed. The Working Group will meet next on Wednesday, December 18 at 11:00 a.m. at our 525 Park Street office in Saint Paul. Meetings are open to the public. Working Group meeting materials are available at:

<http://www.auditor.state.mn.us/default.aspx?page=20131203.004>.

3. Released: Relevant Statutes Booklet

An updated version of the Volunteer Fire Relief Association Selected Relevant Statutes Booklet is now available. The booklet contains many of the state laws applicable to fire relief associations, including law changes enacted during the 2013 legislative session. Relief association trustees are encouraged to download the booklet for reference when updating bylaws, making investment decisions, and calculating benefit payments. The complete booklet can be viewed at:

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

4. Update: Fire State Aid Forfeiture Deadline

The Office of the State Auditor is pleased to announce that all but one volunteer fire relief association submitted its 2012 reporting-year forms prior to the forfeiture deadline on November 30. State law requires automatic forfeiture of fire state aid for relief associations that do not file all reporting information by November 30.

We would like to thank the relief association trustees, municipal officials, auditors, investment brokers, and members of the Pension Division team, who worked right up to the deadline to ensure that reporting forms were submitted.

5. Avoiding Pitfalls: Meeting Meals for Board or Council Members

Members of the governing body and staff sometimes patronize restaurants either before or after board/council meetings. If the public entity pays for the meals, at least three separate compliance issues are raised:

- There are potential Open Meeting Law issues whenever a quorum of a board/council gets together. The meeting would not be open to the public, and any discussion of matters relating to the public entity may result in an Open Meeting Law violation.
- If matters relating to the public entity are not discussed during the meals, the meals should not be reimbursed because the meal expenses are not a necessary expense and do not serve a public purpose.
- The meals may be taxable income because the board/council members and staff are not in travel status.

Whether a meal is necessary for a meeting depends upon the necessity for holding a particular meeting during mealtime rather than at some other time, and upon the benefits derived from providing food during the meeting. If a board/council meeting must be held during mealtime, we recommend that food be provided to the board/council members and staff on site, avoiding Open Meeting Law, expense reimbursement, and tax issues.

For more information on the tax issues specifically, please see IRS Publication 463 (pages 5-6) at <http://www.irs.gov/pub/irs-pdf/p463.pdf>, and IRS Publication 15 (Circular E) Employer's Tax Guide (pages 12-13) at <http://www.irs.gov/pub/irs-pdf/p15.pdf>.

If you are interested in signing up to receive an e-mail version of the E-Update regularly, [click here](#).

The Office of the State Auditor is located at 525 Park Street, Suite 500, St. Paul, MN 55103.
Phone: (651) 296-2551 or (800) 627-3529 (TTY) Fax: (651) 296-4755.

Web: www.auditor.state.mn.us.