



State Auditor
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OFFICE OF THE STATE AUDITOR

E-Update

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1. Available: Relevant Statutes Booklet
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1. Available: 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 relief associations, including law changes enacted during the 2014 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>.

2. Available: Registration for OSA Annual Training

Registration for the Office of the State Auditor Annual Training is now open. The training will be held on Wednesday, November 19, at the Ramada Hotel Bloomington Minneapolis Airport/Mall Area. Topics covered will include legal compliance, grant requirements, and governmental accounting and auditing. The conference will also include a discussion of the new pension accounting standards.

To download the training brochure, which includes details about the training and links to the online registration, please go to:

http://www.auditor.state.mn.us/other/audittraining_1411_brochure.pdf.

3. Released: Pension Newsletter

The October **Pension Newsletter** has been released. The Newsletter provides information about designation of beneficiary forms and includes a link to a sample form. The Newsletter also provides information about new Governmental Accounting Standards Board Statements that relate to accounting and financial reporting for pension plans and employers.

The complete Newsletter can be viewed at:

<https://www.auditor.state.mn.us/default.aspx?page=pensionDocs>.

4. Avoiding Pitfalls: Establishing Separate Relief Association Accounts

The Office of the State Auditor occasionally finds that a volunteer fire relief association has commingled special and general funds into one bank account, rather than keep them in separate accounts. Fire state aid and municipal contributions must be deposited into the special fund of a relief association. Because the special fund consists of public funds and is a restricted pension fund, Minnesota law strictly limits how the funds may be invested and disbursed. Having a commingled bank account makes it difficult for a relief association to properly track its special fund assets and to ensure compliance with statutory requirements.

Each relief association should deposit fire state aid and municipal contributions into a special fund bank account that is separate from the association's general fund bank account. Establishing separate accounts also facilitates tracking special fund assets and market values that must be reported to the Office of the State Auditor on annual relief association reporting forms.

In addition, if a relief association has a charitable gambling fund, the charitable gambling fund should have its own bank account that is separate from the relief association's special fund and general fund accounts. Donations from lawful gambling cannot be used for the benefit of a pension or retirement fund.

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