



State Auditor  
Rebecca Otto

## OFFICE OF THE STATE AUDITOR

# *E-Update*

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

September 18, 2015

1. Deadline: Special District Reporting Forms
  2. Update: First Certification for 2015 Fire State Aid
  3. Scheduled: Volunteer Fire Relief Association Working Group
  4. Avoiding Pitfalls: Surety Deposits for Out-of-State Construction Contractors
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### **1. Deadline: Special District Reporting Forms**

Special District Financial Reporting Forms and Financial Statements are due September 30 for districts whose fiscal year ended March 31, 2015. The reporting form can be found at:

<https://www.auditor.state.mn.us/safes/>.

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### **2. Update: First Certification for 2015 Fire State Aid**

The Office of the State Auditor is pleased to announce that 405 volunteer fire relief associations and other pension plans met all reporting requirements to be certified as eligible for receipt of their 2015 fire state aid and supplemental state aid in the first round of aid disbursements. State aid will be disbursed on or about October 1 for those plans that met the reporting requirements.

Listings of the fire and supplemental state aid amounts will be posted on the OSA website once they are available. A listing of police state aid amounts will also be posted.

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### **3. Scheduled: Volunteer Fire Relief Association Working Group**

The Office of the State will again convene the Volunteer Fire Relief Association Working Group this fall. The Working Group meets to identify and work through current and pressing relief association issues. The first meeting of the Working Group is set for October 7 and will be held from 11:00 a.m. to 1:00 p.m. at our office in Saint Paul at 525 Park Street, Suite 500.

Additional Working Group meetings have been scheduled for October 21, November 10, December 3, and December 16.

Meetings are open to the public. Agendas and materials will be available on the OSA website at:

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

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#### **4. Avoiding Pitfalls: Surety Deposits for Out-of-State Construction Contractors**

Minnesota entities contracting for construction work with an out-of-state contractor must “deduct and withhold eight percent of cumulative calendar year payments to the contractor which exceed \$50,000.” Amounts withheld are deposited with the Minnesota Commissioner of Revenue as a “surety to guarantee payment of income, franchise, withholding, and sales and use taxes of the contractor.”

This requirement may be waived by the Commissioner of Revenue. In order to obtain an exemption, the out-of-state contractor must obtain Department of Revenue approval by filing Form SDE, *Exemption from Surety Deposits for Non-Minnesota Contractors*. The form explains when an exemption may be approved. The form is available on the Department of Revenue’s website at [http://www.revenue.state.mn.us/Forms\\_and\\_Instructions/sde.pdf](http://www.revenue.state.mn.us/Forms_and_Instructions/sde.pdf)

The relevant statute is [Minn. Stat. §290.9705](#). For more information, see Withholding Fact Sheet 12, *Surety Deposits for Out-of-State Construction Contractors*, on the Minnesota Department of Revenue website at:

<http://www.revenue.state.mn.us/businesses/withholding/factsheets/FactSheet12.pdf>.

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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](http://www.auditor.state.mn.us).