



**State Auditor  
Rebecca Otto**

## **OFFICE OF THE STATE AUDITOR**

# ***E-Update***

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**July 7, 2017**

1. Deadline: Forfeiture Reporting
  2. TIF: Training Sessions for County Staff
  3. Pension: Firefighter Fundraising Activities
  4. Avoiding Pitfalls: Bonds for Public Employees and Officers
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### **1. Deadline: Forfeiture Reporting**

July 20th is the deadline for law enforcement agencies to report final disposition of property seized subject to forfeiture for the month of June. To report final disposition of forfeitures, please go to:

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

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### **2. TIF: Training Sessions for County Staff**

A few seats are still available for our upcoming tax increment financing (TIF) training sessions geared toward county staff. Training sessions begin next week and will be held in Hastings, Marshall, Cambridge, and Moorhead.

Sessions are free of charge. Details and registration information are available on the OSA website at:

[https://www.auditor.state.mn.us/default.aspx?page=trainingopportunities#TaxIncrementFinancing\(TIF\)Division](https://www.auditor.state.mn.us/default.aspx?page=trainingopportunities#TaxIncrementFinancing(TIF)Division).

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### **3. Pension: Firefighter Fundraising Activities**

In summer many organizations hold fundraising events, like street dances or Booyas. We have noticed that there is sometimes confusion over whether the entity hosting an event is a fire department or the separate volunteer fire relief association. Sometimes there is uncertainty over

which entity is the recipient of the funds being raised.

Cities and towns do not have authority to hold fundraisers. As part of a city or town's government, a municipal fire department is likewise prohibited from fundraising, and does not have authority to accept donations. Any donations made to a municipal fire department are city or town funds, which can only be expended as permitted by law.

In contrast, a relief association may solicit donations or conduct fundraisers through its general fund if permitted by the relief association's bylaws. This is because relief associations are nonprofit entities.

In advertisements and solicitations, the relief association should identify itself as the entity conducting the solicitation or fundraiser and state the specific intended purpose for which funds are being raised. A relief association may donate general fund money or equipment purchased with general fund money to a city council or town board. The city or town's governing body must formally accept any donations, including any funds designated for a fire department.

For additional information about fundraisers and donations for fire departments and relief associations, see our Statement of Position on this topic on the OSA website at:

<http://www.auditor.state.mn.us/default.aspx?page=20110527.002>.

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#### **4. Avoiding Pitfalls: Bonds for Public Employees and Officers**

Minnesota law requires fidelity or faithful performance bonds for certain local government positions. In order to minimize the risk of loss of public funds, public entities should review what positions require bonding and then make sure all required bonds are in place. Public entities should also consider whether bonds should be obtained for additional employees/officers.

Some of the positions that require bonds include:

- Statutory city clerks and treasurers, or others as the city council may require ([Minn. Stat. § 412.111](#));
- Public officer or employee delegated the duties of city clerk ([Minn. Stat. § 412.151](#));
- Town clerks ([Minn. Stat. § 367.10](#));
- Town treasurers ([Minn. Stat. § 367.15](#));
- Relief association treasurers ([Minn. Stat. § 69.051](#));
- Port authority treasurers ([Minn. Stat. § 469.051](#));
- Economic development authority treasurers ([Minn. Stat. § 469.096](#)); and
- School district employees who receive district funds ([Minn. Stat. § 123B.14](#)).

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