



October vol. 2, 2007

Pension Division Newsletter

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Working Group Update

The Office of the State Auditor's Volunteer Fire Relief Association Working Group held its first meeting of the year on Tuesday, October 23. One item the Group discussed was audit requirements for relief associations. Relief associations currently must have an audit prepared if the plan's assets or liabilities exceed \$200,000. Once a relief association crosses this threshold, an audit is required even if the assets and liabilities subsequently drop below the threshold. The Working Group members acknowledged that the cost of an audit can be considerable for smaller relief associations, but the members agreed that the value of the audit outweighed the cost. Audits are proactive and preventative, and should give reassurance to plan members and the affiliated municipality. After much discussion, the Working Group members voted to not make any recommendations for changing the audit threshold.

Meeting agendas, minutes, and other materials will be posted in the Fire Relief Association Working Group section of our website at www.auditor.state.mn.us. The next Working Group meeting is Thursday, November 1, from 11:00 am to 1:00 pm at our Saint Paul office. Topics on the agenda for next week's meeting include disability, survivor, and funeral benefit issues. If you have questions regarding the Working Group please contact Rose Hennessy Allen at (651) 296-5985 or Rose.Hennessy-Allen@state.mn.us.

Investment Transitions

Relief associations that are transitioning their investments from Edward Jones, or any other investment company, should discuss and implement a transition plan. Some investments may be transferred to a new broker or transferred to a relief association's name, while other investments may need to be liquidated. Relief associations should also maintain a special fund checking account or other type of money market account that the state fire aid and other contributions can be deposited into, until transferred for investment. Relief associations should promptly deposit all checks and cash received. If transferring money to the State Board of Investment, remember that any investments must be liquidated and a check sent to the SBI for investment. Relief associations can choose to invest just a portion of their assets with the SBI, while keeping a portion at a local bank or with a broker.

If you have questions please contact us:

Paul Rosen, Pension Analyst
(651) 282-5430 Paul.Rosen@state.mn.us

Stephen McDaniel, Student Intern
(651) 282-2391 Stephen.McDaniel@state.mn.us

Aaron Dahl, Pension Analyst
(651) 297-2765 Aaron.Dahl@state.mn.us

Gail Richie, Office Specialist
(651) 282-6110 Gail.Richie@state.mn.us

Rose Hennessy Allen, Pension Director
(651) 296-5985 Rose.Hennessy-Allen@state.mn.us