

Pension Division Newsletter

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New GASB Reporting Requirements

In June 2012, the Governmental Accounting Standards Board (GASB) issued two new public pension accounting standards that will take effect in fiscal years 2014 and 2015 for local and state governments. GASB No. 67, *Financial Reporting for Pension Plans*, sets new requirements for pension plans' 2014 financial statements. GASB No. 68, *Accounting and Financial Reporting for Pensions*, sets new requirements for employers reporting their pension obligations in their 2015 financial statements.

The new GASB rules require that pension liabilities and expenses be calculated and reported in the government entity's financial statements. The GASB rules also define the actuarial methods that must be used to calculate the pension liability amounts.

Relief associations affiliated with a city or town fire department, or with a fire department operated as or by a joint powers entity, may be affected by these new GASB rules.

To comply with the new GASB rules, a municipality that prepares its financial statements in accordance with generally accepted accounting principles will need to include in its city or town audit the net pension liability and expense information of the affiliated relief association.

A relief association may need to have an actuarial valuation performed to obtain the information that the city or town needs. We encourage relief associations, municipalities, and their auditors to work together to address the requirements of these new accounting standards.

Municipalities that do not need to have an audit or prepare cash basis financial statements should not be affected by the new GASB rules and will not need to obtain actuarial information from your relief association.



Office of the State Auditor
 Pension Division
 525 Park Street, Suite 500
 Saint Paul, MN 55103
 (651) 282-6110
 Fax: (651) 282-5298
pension@osa.state.mn.us

What's Ahead:**June 30:**

Reporting forms for relief associations with assets and liabilities of at least \$500,000 are due to the Office of the State Auditor.

August 1:

The 2014 Schedule Form and 2014 Maximum Benefit Worksheet must be certified to the municipality or independent nonprofit firefighting corporation.

September 15:

First certification deadline for 2014 fire state aid. To be certified as eligible, all 2013 information must be submitted to the OSA, the OSA review must be completed, and any issues resolved.

October 1:

Fire state aid is paid for those relief associations certified as eligible on the first certification deadline.

Forgot your SAFES Password?

If you've forgotten your username or password for logging into the State Auditor's Form Entry System (SAFES), the web application for accessing and submitting your relief association's reporting forms, click on the link below. After entering your SAFES username or e-mail address, a new temporary password will be generated and sent to you by e-mail. Usernames are generally in the form of an e-mail address or "FirstName.LastName."

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

If the username doesn't work, or if you are a new relief association trustee, please contact the Pension Division at (651) 282-6110 or at pension@osa.state.mn.us to receive a username and access to the reporting forms.

Reporting Reminder

The 2013 reporting-year forms for volunteer fire relief associations with assets or liabilities of at least \$500,000 are due by June 30, 2014. Relief associations with the June 30 reporting deadline are required to submit audited financial statements in addition to the reporting forms.

After a relief association's assets or liabilities exceed \$500,000, the association's reporting deadline remains June 30 and the association must still submit an audit, even if the association's assets and liabilities subsequently drop below the \$500,000 threshold.

Reporting forms for relief associations with assets and liabilities less than the \$500,000 statutory threshold were due by March 31.

The 2013 reporting-year forms can be accessed through SAFES at:

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

If you have questions regarding your relief association's reporting requirements, please contact the Pension Division at (651) 282-6110 or at pension@osa.state.mn.us.

Helpful hints for completing the reporting forms can be found at:

http://www.auditor.state.mn.us/forms/pen/ReportingForms/pensionrf_infoandhelpfulhints.pdf.

Fundraising Activities

Statements of Position:

Relief associations and fire departments are separate and distinct from each other, each with different rules regarding fundraising and the acceptance of donations. Relief associations should ensure that any fundraisers planned are advertised and managed correctly.

Considerations When Making Benefit Changes

If a relief association’s bylaws permit it, the association may solicit donations or conduct fundraisers. Any fundraising expenses must be paid from the relief association’s general fund. If a relief association conducts fundraisers, the association should clearly identify itself as the entity conducting the solicitation or fundraiser and state the specific intended purpose for which funds are being raised. Relief associations are required to maintain control of their own funds, with accounts that are separate from city or town accounts.

Firefighter Service Credit Determinations

If a relief association wishes to solicit donations, the association should explain clearly whether the donations are for the relief association or for the municipality (designated for the fire department). Donation checks should not be made out to the fire department. Donation checks should be made out to the relief association, or to the municipality with a designation for the fire department.

Checking Accounts for Fire Departments and Fire Relief Associations

Cities and towns have no authority to hold such fundraisers. A municipal department, such as a fire department, does not have authority to maintain its own funds, to conduct fundraisers, or to accept donations. Donations made to a fire department are really donations made to the city or town, with a limitation on how the funds may be used. Additional information on this topic is available at:

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

Survivor Benefits

Pension Division Staff

If you have questions, please contact us:

Aaron Dahl, Pension Analyst
(651) 297-2765

Aaron.Dahl@osa.state.mn.us

Jim Jensen, Pension Analyst
(651) 284-3423

Jim.Jensen@osa.state.mn.us

Michael Johnson, Pension Analyst
(651) 282-5430

Michael.Johnson@osa.state.mn.us

Blake Pekkala, Pension Intern
(651) 296-6279

Blake.Pekkala@osa.state.mn.us

Gail Richie, Office & Admin Assistant
(651) 282-6110

Gail.Richie@osa.state.mn.us

Rose Hennessy Allen, Pension Director
(651) 296-5985

Rose.Hennessy-Allen@osa.state.mn.us