

# Pension Division Newsletter

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## Working Group Update

The Volunteer Fire Relief Association Working Group held meetings on September 29, October 11, and October 20. The Working Group members discussed best practices for relief associations when working with their affiliated municipalities to seek ratification of benefit level changes. Group members also discussed the need for additional training on relief association funding and finances and on the maximum allowable benefit level calculation.

The Working Group members reviewed draft legislation that would clarify the minimum audit procedures for relief associations. Group members also reviewed draft legislation that would update the corporate stock authority in statute to close a loophole that has allowed relief associations to invest in mutual funds or exchange-traded funds that hold precious metals, commodities, futures, or other speculative securities.

Additional legislative proposals reviewed by the Working Group members include technical changes to statute. The Group members reviewed a change that would authorize supplemental benefit payments to emergency medical personnel. This change is contingent on last year's Working Group bill passing that would, subject to local approval, authorize volunteer emergency medical personnel to be members of the relief association and eligible for benefits.

The next Working Group meeting will be on November 9. Topics for the November 9 meeting include a review of the "return-to-service" provision in statute and a discussion on a legislative proposal to prohibit a firefighter from receiving service credit in the Public Employees Retirement Association and in a volunteer fire relief association for the same hours of service.

All meetings are open to the public and will be held from 11:00 a.m. to 1:00 p.m. Meeting agendas and materials will be available on the Office of the State Auditor (OSA)'s website at:

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



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**What's Ahead:**

**November 1:**

Second certification deadline for 2016 fire state aid.

**November 9:**

Working Group Meeting from 11:00 a.m. to 1:00 p.m. at the OSA.

**November 15:**

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

**November 30:**

Final deadline for submitting 2015 reporting-year forms to avoid forfeiture of fire state aid.

**December 6:**

Working Group Meeting from 11:00 a.m. to 1:00 p.m. at the OSA.

## State Aid Forfeiture Deadline

To avoid automatic forfeiture of your relief association's 2016 fire state aid and supplemental state aid, all 2015 reporting-year forms must be submitted to the OSA by November 30, 2016. Notices were sent by e-mail to relief associations that have not yet submitted all required reporting information.

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

## Results from FIRE Form Survey

Thank you for completing the survey the OSA released last month seeking feedback on the new Financial and Investment Reporting Entry (FIRE) form and the submission process. We have reviewed all submitted comments and suggestions. Below are a few follow-up comments that we want to share.

### Form Signatures

If a form is signed electronically in the State Auditor's Form Entry System (SAFES), a paper copy of the signature page is not required. Paper signature pages only need to be submitted if a form signer is unable to sign electronically in SAFES.

We are working on an enhancement to SAFES that will allow PDF versions of submitted forms to be generated as soon as a form is uploaded in SAFES. This means that form signature pages will be available immediately upon submission, instead of the current 24-hours following submission.

### Submitting Revised Forms

We are working on an enhancement to SAFES that will allow forms to be resubmitted, so that revised forms can be uploaded and signed in SAFES. We also will be expanding the types of forms and documents that can be submitted through SAFES.

We hope that both of these enhancements will be completed during the next reporting cycle. We will keep you updated on the status of these and other enhancements to SAFES and to the reporting process.

**Statements of Position:**

**Firefighter Service Credit Determinations**

**Checking Accounts for Fire Departments and Relief Associations**

**Retention of Records**

**Investment Policies**

**Deposit of Municipal Funds**

Below are two compliance issues the OSA has seen related to municipal funds being deposited into the affiliated relief association’s general fund, and suggestions on how to avoid them.

**Reimbursements for Fire Department Expenses**

Minnesota law is clear that all money a relief association receives from a city or town must be deposited into the association’s special fund. A relief association cannot deposit money from a city or town into the association’s general fund, even if the money was intended to reimburse the general fund for municipal fire department expenses paid by the relief association.

For example, some relief associations use their general fund to purchase equipment for the fire department or pay for firefighter training. If a relief association chooses to use its general fund to cover expenses that would otherwise be the city’s or town’s obligation, it must absorb those expenses as the city or town cannot reimburse the relief association’s general fund. Alternatively, the city or town can pay the expenses directly, or the firefighters themselves could pay the expenses and be reimbursed by the city or town.

**Deposit of Funds Intended for the Fire Department**

All funds intended for use by a municipal fire department must be controlled by the city or town. Donations made to a municipal fire department are really donations made to the city or town, with a limitation on how the funds may be used. To accept the donation, the city council or town board must pass a resolution by a two-thirds majority. The resolution should identify all limitations on how the funds may be used, including whether the donation is limited to fire department expenditures. Funds intended for the fire department cannot be deposited into a relief association’s general fund.

**Pension Division Staff**

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