



Pension Division Newsletter

October 2022

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Working Group Updates

State Auditor's Working Group

The 2022-2023 Volunteer Fire Relief Association Working Group convened by the Office of the State Auditor (OSA) held its first meeting on October 19. The Working Group members reviewed potential topics for consideration, and began discussing technical clarifications to the statute that defines how financial requirements for relief associations are determined.

Upcoming Working Group meetings are scheduled for November 10, December 7, and December 14. Meeting agendas and information are available on the Working Group page of the [OSA website](#). Meetings are live-streamed on the OSA's [YouTube channel](#), and recordings are available on the [OSA website](#) following each meeting.

Supplemental State Aid Work Group

Legislation passed during the 2021 session required the OSA to convene a Supplemental State Aid (SSA) Work Group. The SSA Work Group is a temporary group that has held meetings during 2021 and 2022, and is required to present a report to the Legislative Commission on Pensions and Retirement by December 31, 2022.

The purpose of the SSA Work Group is to discuss and articulate options on changing the method of allocating supplemental state aid. Supplemental state aid currently is paid in proportion to the amount of fire state aid that each relief association receives. Recordings of SSA Work Group meetings and meeting materials are available on the [OSA website](#).

State Aid and Reporting Reminder

A listing from the Department of Revenue of the 2022 fire state aid and supplemental state aid amounts can be found on the [OSA website](#).

Please remember that Minnesota law requires forfeiture of fire state aid for relief associations that do not submit all required reporting information to the OSA by November 30, 2022. If 2021 reporting forms are not received by November 30, 2022, a relief association's 2022 state aid will be forfeited. The OSA does not have authority to grant filing extensions past the November 30 deadline.

If you have questions about your relief association's reporting requirements or submitting reporting forms, please contact Pension Division staff for assistance.

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:

November 1:

Second certification deadline for 2022 fire state aid.

November 10:

Working Group meeting 2:00 p.m. to 3:30 p.m.

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 2021 reporting-year forms to avoid forfeiture of fire state aid.

Keeping SAFES Login Information Secure

October is Cybersecurity Awareness Month, and we wanted to take this opportunity to share a reminder about the importance of keeping your SAFES login information secure.

SAFES is the State Auditor’s Form Entry System, which is the secure web application used to access, submit, and electronically sign reporting forms. Because relief association reporting forms posted in SAFES contain member data classified as nonpublic under the Minnesota Government Data Practices Act, relief associations must take steps to protect this data. Here are steps all relief association trustees should take:

- Store your SAFES login information in a secure location. Never share it.
- When new officers are elected, the relief association should contact Pension Division staff to obtain a new SAFES account for the new officer.
- Make sure that the email account used to receive the SAFES password and other account confirmations is only accessible by the individual associated with the account. Do not use shared relief association email accounts.

In addition to these steps, relief associations should consider using a password manager, which is a secure tool for storing, organizing, and protecting passwords. There are many low and no-cost password managers available for download. A simple search for “password managers” will provide internet articles that provide reviews and recommendations. Be sure to conduct your own due diligence to choose a password manager best suited for your relief association’s needs.

2023 User Authorization Form

Access to reporting forms for accountants, auditors, and other consultants who work with relief associations will expire at the end of the calendar year. Access occurs primarily through the State Auditor’s Form Entry System (SAFES), but also extends to other offline relief association documents.

Relief associations will need to renew access for their accountants, auditors, and consultants by completing the 2023 User Authorization Form that is now available for download on the [OSA website](#).

The completed form can be submitted by **email**, by fax to (651) 282-5298, or by mail to: 525 Park Street, Suite 500, Saint Paul, MN 55103.

A completed 2023 User Authorization Form provides access to relief association reporting information through December 31, 2023.

Deposit of Municipal Funds

Statements of Position:

[Fundraisers and Donations](#)

[Checking Accounts for Fire Departments and Relief Associations](#)

[Special and General Funds, and Charitable Gambling Funds](#)

[Maintaining a General Fund after Joining the PERA Statewide Plan](#)

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 relief association’s special fund. A relief association cannot deposit money from a city or town into the relief 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 city or town funds, which can only be expended as permitted by law. To accept such a donation, a city council or town board must pass a resolution by a two-thirds majority. Funds intended for the fire department should not be deposited into a relief association’s general fund.

Pension Division Staff

If you have questions, please contact us:

Michael Johnson, Pension Analyst
(651) 282-5430

michael.johnson@osa.state.mn.us

Molly Resch, Pension Analyst
(651) 297-2765

molly.resch@osa.state.mn.us

Maia Dabney-Miller, Pension Analyst
(651) 284-3423

maia.dabney-miller@osa.state.mn.us

Robin Paulsen, Administrative Specialist
(651) 296-6267

robin.paulsen@osa.state.mn.us

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

rose.hennessy-allen@osa.state.mn.us