



**State Auditor
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OFFICE OF THE STATE AUDITOR

E-Update

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1. Deadline: Forfeiture Reporting
 2. Pension: Firefighter Fundraising Activities
 3. Avoiding Pitfalls: Indirect Cost of Fraud
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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/>.

2. 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's 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 separate 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's 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>.

3. Avoiding Pitfalls: Indirect Cost of Fraud

Weak internal controls increase the risk of fraud. In addition to the loss of funds, fraud carries indirect costs such as damage to an entity's reputation and to employee morale.

For more information on internal controls, see our Statement of Position, The Importance of Internal Controls, at <http://www.auditor.state.mn.us/default.aspx?page=20110607.013>.

If you are interested in signing up to receive an e-mail version of the E-Update regularly, send an e-mail with your contact information to Jim.Levi@osa.state.mn.us

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