



STATE OF MINNESOTA OFFICE OF THE STATE AUDITOR

(651)296-2551 | State.Auditor@osa.state.mn.us | www.osa.state.mn.us

Statement of Position Fire Relief Association Investment Authority

Date Reviewed: 12/26/2025

Date Revised: 12/26/2025

This Statement of Position is not legal advice and is subject to revision.

Investment authority for fire relief associations varies depending on the relief association's asset size and the extent to which it uses an investment advisor or invests through the State Board of Investment (SBI). This Statement of Position provides a summary of the investment authority for relief associations. Relief associations should review the applicable statutory language and, if necessary, consult with an attorney and certified financial planner, broker, or investment advisor with questions regarding specific investments

Relief associations that meet *at least one* of four statutory conditions based on their Special Fund assets may invest under an expanded list of authorized investment securities. The four conditions are:

- Having Special Fund assets with a market value in excess of \$1,000,000;
- Using the services of an investment advisor for the investment of at least 60 percent of the relief association's Special Fund assets, calculated on market value;
- Using the services of the SBI for the investment of at least 60 percent of the relief association's Special Fund assets, calculated on market value; or
- Using a combination of the services of an investment advisor and the services of the SBI for the investment of at least 75 percent of the relief association's Special Fund assets, calculated on market value.¹

Relief associations that do not meet any of the four conditions above are restricted to a limited list of authorized investment securities.² Relief associations bound by the limited list of authorized investment securities are restricted to mostly fixed-income investments. These investments include certificates of deposit, savings accounts, government obligations, and highly-rated corporate obligations.³

For those relief associations that meet at least one of the four conditions listed above, the expanded list of authorized investment securities is available and includes additional fixed income securities, corporate stock, venture capital, resource investments, international securities, and real estate

¹ The investment advisor must be registered with the Securities and Exchange Commission in accordance with the Investment Advisors Act of 1940, or registered as an investment advisor in accordance with Minn. Stat. §§ 80A.58 and 80A.60. See Minn. Stat. § 356A.06, subd. 6.

² See Attachment A.

³ Permissible investments are identified and described in Minn. Stat. § 356A.06, subd. 6.

interests.⁴ Corporate stock investments may include stocks of United States or Canadian corporations and those listed on an exchange regulated by an agency of the United States or Canadian government.⁵

Relief associations that are authorized to invest under the expanded list of authorized investment securities may invest 100 percent of the plan assets in mutual funds or exchange-traded funds, although the underlying assets of the mutual funds and exchange-traded funds must be authorized on the expanded list and are subject to the limitations imposed by the expanded list. Those relief associations that are restricted to the limited list of authorized investment securities may invest up to 100 percent of the plan assets in mutual funds or exchange-traded funds if the mutual funds and exchange-traded funds invest solely in limited list investments, or up to 75 percent of the plan assets if the mutual funds and exchange-traded funds invest in expanded list investments (excluding “other investments”). Any money market mutual funds held by the plan need not be included in the 75 percent limitation.⁶

All relief associations have authority to transfer special fund assets to the SBI for investment in the Minnesota Supplemental Investment Fund (SIF).⁷ The SBI is responsible for the investment management of various retirement funds, trust funds, and cash accounts. The SIF was established by the legislature to provide an investment vehicle for various public retirement plans, including fire relief associations.⁸ There currently are six investment funds within the SIF that relief associations can choose to invest in. The six investment funds are a balanced fund, an actively managed domestic stock fund, an international stock fund, a money market fund, a bond fund, and a domestic stock index fund. Investments in the SIF also must conform to the statutory limitations.

⁴ See Attachment B.

⁵ Permissible investments are identified and described in Minnesota Statutes, section 356A.06, subd. 7.

⁶ Minn. Stat. § 356A.06, subds. 6 and 7.

⁷ Minn. Stat. § 356A.06, subds. 6(h) and 7(i).

⁸ Minn. Stat. § 11A.17.