

Pension Division Newsletter

Inside this issue:

Working Group Update 2
Membership Start Date 2
Fire Equipment Certification Form 2
Fire Department Checking Accounts 3
Pension Division Staff 3

2015 Reporting-Year Forms

The 2015 reporting-year forms will be available soon. Release of the forms was delayed this year because the forms have been completely redesigned to achieve efficiency and make the reporting process easier. For this year, reporting forms due by March 31 will be considered on time if they are received in our office by April 30.

This year, relief associations will complete the new Financial and Investment Reporting Entry (FIRE) Form. The FIRE Form combines the RF, SID, DC, MBP, and MBW forms that relief associations were previously required to complete. Combining these forms into a single form eliminates redundant data entry, streamlines the reporting process, and reduces the number of forms to be signed.

The 2016 Schedule Form will be available for completion at the same time as the 2015 FIRE Form.

A notification will be sent by e-mail when the new forms are available. The notification will include detailed instructions for accessing the forms in our State Auditor’s Form Entry System (SAFES) as well as helpful hints for completing the forms, and instructions for submitting and electronically signing them.

In addition to the reporting forms, each relief association must submit either an Independent Accountant’s Report on Applying Agreed-Upon Procedures or audited financial statements, depending on the size of the relief association’s assets and liabilities. Relief associations with assets of less than \$500,000 and liabilities of less than \$500,000 are required to have their FIRE Form attested to by a certified public accountant in accordance with Agreed-Upon Procedures prescribed by the Office of the State Auditor (OSA). The Agreed-Upon Procedures Guide and Sample Independent Accountant’s Report are available in both MS Word and PDF versions on the OSA website at:

<http://www.auditor.state.mn.us/default.aspx?page=20151209.000>.

Relief associations with assets or liabilities that exceed the \$500,000 statutory threshold must submit audited financial statements. The reporting forms and audited financial statements are due to the OSA by June 30.

The reporting forms, Independent Accountant’s Report, and audit report all may be submitted to the OSA through SAFES.



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:

March 15:

Fire Equipment Certification Form (FA-1 Form) is due to the Department of Revenue.

March 15:

Supplemental benefit reimbursements are paid by the State to the municipality, for transfer to the affiliated relief association, for qualified reimbursement requests received by the Department of Revenue by February 15.

March 31:

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

March 31:

Investment Business Recipient Disclosure Form is due to the Legislative Commission on Pensions and Retirement.

Working Group Update

The 2015-2016 Volunteer Fire Relief Association Working Group bill was scheduled to be heard by the Legislative Commission on Pensions and Retirement (LCPR) on February 24. There was not a quorum at the meeting, though, so the bill could not be processed. We expect that the bill will be heard by the LCPR at one of its March meetings. We will continue to keep you updated on the progress of the bill.

Information about the Working Group and its legislative proposals can be found on the OSA website at:

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

Membership Start Date

A firefighter's start date in the relief association is now clearly defined in statute. Membership in a relief association begins on the date of hire by a municipality, joint powers board, or independent nonprofit firefighting corporation, unless otherwise specified in the relief association bylaws. Relief associations may define a different membership start date in their bylaws if they prefer something other than the statutory default.

The OSA's Sample Bylaw Guides provide several options that can be used as a reference by relief associations when defining the membership start date in their bylaws. The options are identified in Article II of the Sample Bylaw Guides, which can be accessed in PDF and Word version on the OSA website at:

<http://www.auditor.state.mn.us/default.aspx?page=20120208.000>.

Fire Equipment Certification Form

The 2015 Fire Equipment Certification (FA-1) Form is due to the Minnesota Department of Revenue (DOR) by March 15. Submission of the form is required for communities to be eligible for 2016 fire state aid. Five percent of a community's fire state aid is forfeited for each week or fraction of a week that the form is submitted past the March 15 due date.

A copy of the FA-1 Form and a list of fire departments for which the form has been received are provided on the DOR website at:

http://www.revenue.state.mn.us/local_gov/prop_tax_admin/Pages/fsa.aspx.

Fire Department Checking Accounts

Statements of Position:

[Fundraisers and Donations](#)

[Considerations When Making Benefit Changes](#)

[Paying a Defined-Benefit Lump-Sum Service Pension](#)

[Joint Powers Fire Departments and Fire Districts](#)

The OSA has seen some confusion over the differences between fire department checking accounts and relief association accounts. According to statute, a city council must control its city’s finances; a town board must control its town’s finances. City and town fire departments cannot maintain separate checking accounts that are outside the control of the city or town. All city and town checks must be signed by the appropriate municipal officials, and expenditures generally must be approved in advance by the governing body.

All city and town funds must be controlled by the municipality and not by the fire department. Some fire departments have maintained their own checking accounts for a long time (sometimes since the inception of the department). Oftentimes, these accounts are used for fundraising activities and to pay for expenses such as meals for meetings, annual holiday or retirement parties, and miscellaneous expenses of the fire department. Fire department checking accounts must be closed and these types of expenses generally cannot be paid by a city or town.

A relief association, however, can pay for fundraising events and the types of expenses described above through its general fund. A relief association may disburse funds from its general fund for any purpose authorized by the relief association’s bylaws or articles of incorporation.

Statements of Position are available on the OSA website that provide additional information on the prohibition of checking accounts for fire departments, donations and fundraisers, and relief association special and general funds. The Statements of Position can be viewed under the “Pensions” heading at: <http://www.auditor.state.mn.us/default.aspx?page=statements>.

Pension Division Staff

If you have questions, please contact us:

Michael Johnson, Pension Analyst
(651) 282-5430

Abigail Mediger, Pension Analyst
(651) 297-2765

Ryan Sendelbach, Pension Analyst
(651) 284-3423

michael.johnson@osa.state.mn.us

abigail.mediger@osa.state.mn.us

ryan.sendelbach@osa.state.mn.us

Christopher Stack, Pension Intern
(651) 296-6279

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

christopher.stack@osa.state.mn.us

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