



Pension Division Newsletter

June 2023

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Reporting Reminder

Reporting forms for relief associations with special fund assets or liabilities of at least \$500,000 are required to be submitted to the Office of the State Auditor (OSA) by June 30. Relief associations with assets or liabilities above this statutory threshold must also submit an annual audit to the OSA.

Whether a relief association has exceeded the statutory threshold is determined using end of year asset and liability amounts, and is based on Special Fund amounts only. After a relief association exceeds the threshold in either assets or liabilities, according to the previous year's financial report, an audit is required beginning with the next reporting year's reports.

The [2022 Minnesota Legal Compliance Audit Guide for Relief Associations](#) prescribes the minimum procedures and audit scope for legal compliance audits.

The reporting forms can be accessed through the [State Auditor's Form Entry System \(SAFES\)](#) website. Helpful hints for completing, submitting, and electronically signing the reporting forms are included in the [Reporting Checklist for Volunteer Fire Relief Associations](#).

If you have not already done so, please complete and submit the [2023 User Authorization Form](#) to provide the relief association's accountant or auditor with access to the relief association's reporting information.

Relief associations with assets and liabilities that are both less than \$500,000 are permitted to submit certified, rather than audited, financial statements to the OSA and have a March 31 reporting deadline. The certification must be signed by a certified public accountant in accordance with [agreed-upon procedures and forms](#) prescribed by the OSA.

New Training Video

A new training video titled "[SAFES: A Complete Guide for Fire Relief Associations](#)" is available on the OSA website. The video explains how relief association officers and municipal officials log into the State Auditor's Form Entry System (SAFES) to access and sign pension reporting forms.

Additional training videos for relief association trustees can be found under the "Pension Division" heading of the OSA's [Training Opportunities](#) webpage.

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What’s Ahead:

June 30:

Reporting forms for relief associations with assets or liabilities of at least \$500,000 are due to the OSA.

August 1:

The 2023 Schedule Form must be certified to the municipality or independent nonprofit firefighting corporation.

September 15:

First certification deadline for 2023 fire state aid. To be certified as eligible, all 2022 information must be submitted to the OSA, the OSA review must be completed, and any issues resolved.

Internal Controls for Special Events

Many relief associations plan to hold special events or fundraisers this summer. For a relief association hosting a special event, written policies and procedures documenting internal controls for the handling of funds at the event are important. Approval of the policies and procedures by the relief association’s board of trustees emphasizes their importance and authority.

Documenting the policies and procedures will help people who work at the event understand their role in the internal control system. Documentation will also improve the efficiency and consistency of transaction processing and will support risk identification, evaluation, and mitigation. The documentation should:

- Describe procedures as they are intended to be performed;
- Indicate who is responsible for performing each procedure; and
- Explain the design and purpose of control-related procedures.

A Statement of Position answering some questions frequently asked regarding internal controls can be found on the [OSA website](#).

Additional information that is specific to relief association fundraising activities is provided in a separate Statement of Position on the [OSA website](#). This document provides suggested practices for relief associations holding fundraisers or soliciting donations and information about donations from a relief association to the affiliated municipality.

Requirement to Report Evidence of Theft

Public pension plan trustees and employees, including trustees and employees of fire relief associations, are required to promptly report in writing to the OSA and local law enforcement evidence of theft or misuse of public funds. The written report to the OSA must include a detailed description of the alleged incident or incidents.

In addition, whenever a public accountant discovers evidence pointing to possible misconduct on the part of a relief association trustee or employee during the course of auditing the books and affairs of the relief association, the public accountant must promptly make a report of such discovery to the OSA and the county attorney.

Information on how to report financial concerns to the OSA, and to access the form for reporting, can be found on the [OSA website](#).

State Auditor’s Working Group

Statements of Position:

There is one open seat on the State Auditor’s Fire Relief Association Working Group. The seat is for a defined-benefit plan representative. Potential candidates must be a current trustee or member of a relief association with a defined-benefit plan.

[Internal Controls](#)

Anyone who has questions or would like to be considered for this open position should contact Rose Hennessy Allen at (651) 296-5985 or rose.hennessy-allen@osa.state.mn.us.

[Fundraisers and Donations](#)

To minimize the likelihood of the Working Group’s proposals not being acted on during next year’s legislative session, the group is meeting earlier this year and plans to wrap up its work by early fall.

[Management of Records](#)

The first two meetings of the Working Group are scheduled for **July 26** and **August 16**. Both meetings will be held from 2:00 pm to 3:30 pm, and will be held in a hybrid format with options to attend in-person at our office in Saint Paul or remotely via Teams. Meetings also will be livestreamed with recordings available on the [OSA website](#).

[Considerations When Making Benefit Changes](#)

Please forward to us any topics that you would like the Working Group to consider by using the above phone number or email address.

Pending Working Group proposals being carried over include:

- Adding definitions to the relief association statutes of “volunteer,” “paid on-call,” “part-time,” and “full-time/career” firefighter;
- Updating firefighter and relief association references to reflect the new definitions;
- Clarifying when municipal ratification of a benefit level or bylaw change is required; and
- Clarifying eligibility for supplemental benefits when a relief association dissolves.

Pension Division Staff

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