



Pension Division Newsletter

September 2023

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2023 Fire and Supplemental State Aid

The Office of the State Auditor (OSA) is pleased to announce that nearly 60 percent of volunteer fire relief associations and other pension plans met all reporting requirements to be certified as eligible for the Department of Revenue's review to determine qualification for 2023 fire and supplemental state aid in the first round of state aid disbursements. Both state aid distributions will occur on or about October 1 for those plans certified by the OSA and deemed by the Department of Revenue as qualified to receive state aid.

A list of the 2023 fire and supplemental state aid amounts will be posted on the [OSA's website](#) at the end of September or early October.

If your relief association has not yet submitted its 2022 reporting-year forms to the OSA, please do so as soon as possible. The second certification deadline for 2023 fire and supplemental state aid is November 1.

To be certified as eligible for receipt of state aid in the second round of payments, a relief association must have submitted all required 2022 reporting information to the OSA with enough time for the OSA to complete its review and for all issues identified by the OSA to have been satisfactorily resolved by the relief association before November 1.

State Auditor's Working Group

The Fire Relief Association Working Group met on September 20. Working Group members finalized review of pending legislative proposals previously adopted by the Working Group but not yet enacted by the Legislature.

Working Group members also approved draft language to clarify investment allocations for relief associations with a defined contribution plan, and approved draft language clarifying benefit and reporting requirements that should apply when a relief association is involuntarily dissolved.

The final scheduled Working Group meeting of the year will be on **October 4** from 2:00 pm to 3:30 pm. The meeting will be held in a hybrid format with options to attend in-person at our office in Saint Paul or remotely via Teams.

Agendas and materials, links to watch meeting livestreams, and recordings of previous meetings are posted on the [OSA website](#).

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What's Ahead:

October 1:

Fire state aid is paid for those relief associations certified as eligible on the first certification deadline.

October 4:

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

November 1:

Second certification deadline for 2023 fire state aid.

November 15:

Fire state aid is paid for those relief associations certified as eligible on the second certification deadline.

Deposit of State Aid

As state aid distributions will be made soon to many cities and towns, for payment to their affiliated relief associations, we want to remind you of the statutory requirement for timely deposit of the aid amounts.

The municipal treasurer is required by statute to transmit fire state aid and supplemental state aid to the treasurer of the affiliated relief association within 30 days after receipt if there is a relief association organized and the association has filed a financial report with the municipality.

If the relief association has not filed a financial report with the municipality, the municipal treasurer shall delay transmission of the fire state aid to the relief association until the complete financial report is filed.

The FIRE Form that must be signed annually by the municipal clerk and be submitted to the OSA may be used as the financial report referred to in this statutory provision. Upon receipt, the relief association treasurer should be sure that the fire state aid is promptly deposited into the relief association's special fund.

2024 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 2024 User Authorization Form posted on the [OSA website](#).

Multiple Signatures on Checks

Minnesota law requires special fund disbursements paid by check to be signed by the relief association treasurer and by at least one other trustee who is designated as a signer by the board of trustees.

In addition to being required by statute, multiple signatures are part of a relief association's system of internal controls. When more than one person signs a check, each person is verifying that the relief association's board of trustees has approved the check for payment.

Electronic or wire funds transfers are also permitted if internal control policies and procedures are established and approved by the board of trustees. The policies and procedures must provide for authentication of the electronic disbursements by the relief association treasurer and at least one other trustee.

Internal Controls

Statements of Position:

Internal controls are procedures designed to protect a relief association from loss or misuse of its assets. Sound internal controls help ensure that transactions are properly authorized and the information contained in the financial reports is reliable.

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

Segregation of duties is an important internal control intended to prevent unauthorized transactions. Recommendations for segregating duties include having an individual other than the relief association’s treasurer receive and review unopened bank statements, reconcile the bank accounts, and review cancelled checks for unusual activity.

[Fundraisers and Donations](#)

Reconciling the bank accounts means that a relief association trustee, such as the secretary, reviews the income and expenses the bank has recorded on its statements and compares them with what the treasurer has recorded in the relief association’s checkbook or accounting program.

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

Examples of “red flags” that would merit further review include any discrepancies between bank statements and the checkbook or accounting program, receipts not matching deposits, disbursements to unknown or unapproved vendors, one signature on checks or presigned blank checks, and gaps in receipt or check numbers.

[Importance of Internal Controls](#)

Another important component of a strong control environment is the prohibition of the use of relief association funds for any personal reason—even in an emergency. It is not acceptable for relief association members or trustees to “borrow” funds temporarily from relief association funds. No “I.O.U’s” should be allowed—ever.

Relief association members and trustees are required by law to promptly report evidence of theft or misuse of public funds to law enforcement and to the OSA. A relief association should discuss internal controls with its auditor, who may have additional helpful suggestions based on his or her experience with the specific association. See the OSA’s [Statement of Position](#) for more information.

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