



July 2007

Pension Division Newsletter

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Treasurer Fidelity Bonds

State law requires the treasurer of a volunteer fire relief association to give the association a good and sufficient bond in an amount equal to at least ten percent of the assets of the relief association; however, the amount of the bond need not exceed \$500,000. The Pension Division has become aware of relief association treasurers that are covered by a bond that is subject to a deductible. Because the statutory requirement specifies that the bond must be in an amount equal to at least ten percent of the assets of the relief association, the bond should not be subject to a deductible. Relief association treasurers should review their fidelity bond and make changes as necessary to ensure that it is not subject to a deductible.

Broker Certification Form

As mentioned in our May newsletter, the Office of the State Auditor is requiring all volunteer fire relief associations that use a broker to submit a copy of a signed Broker Certification Form (BC-1) to be eligible for 2007 state fire aid. The Pension Division would like to thank the many relief association trustees and representatives that have submitted copies of the form. Pension analysts have noticed, however, that a number of the BC-1 forms that were submitted are incorrect versions of the form. Please review the BC-1 form before submission to ensure that the statutory references in Section II are to Sections 356A.06, 356.64, and 69.775.

Relief associations can find a copy of the correct BC-1 form by visiting the Office of the State Auditor's website at www.auditor.state.mn.us. Click on the "Forms" link on the left-hand side of the screen. Click on "Pension," and then choose "Pension Reporting Forms." A PDF copy of the BC-1 is provided. If you have questions, please contact Gail Richie at (651) 282-6110 or Gail.Richie@state.mn.us.

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