Certification Deadline and State Aid Amounts

The Office of the State Auditor is pleased to announce that 601 volunteer fire relief associations and other pension plans met all reporting requirements to be certified as eligible for receipt of their 2010 fire state aid in the first round of aid disbursements. This is the largest number of plans certified for the first round of payments since the 2005 reporting year. State aid will be disbursed on or about October 1 for those plans certified as eligible for the first round of payments.

A listing of the 2010 state fire aid amounts is available on our website at: http://www.auditor.state.mn.us/default.aspx?page=20070105.001.

The next certification deadline for state fire aid is November 1. State aid will be disbursed on or about November 15 for relief associations that file by that deadline and meet their reporting requirements to be certified as eligible for the second round of payments.

If your relief association has not yet submitted all of its 2009 reporting forms to the Office of the State Auditor, please remember that all 2009 reporting information must be submitted to our office by November 30 to avoid automatic forfeiture of your association’s 2010 state fire aid. If you have questions regarding your reporting requirements, please contact Gail Richie at (651) 282-6110 or at Gail.Richie@state.mn.us.

Investment Study Group Update

The Investment Study Group held two meetings, in August and September, and will be reconvening for an additional two meetings in November. The Study Group agreed on a number of substantive and technical changes that, if passed into law, will clarify the investment statutes and provide additional investment authority. The Study Group’s changes will simplify the “lists” of authorized investment securities that relief associations must follow and clean-up outdated language.

The Study Group is also proposing changes that would make the list of authorized investment securities used by most relief associations similar to the Minnesota State Board of Investment’s list. This change would provide relief associations with expanded investment authority,
including expanded authority for exchange-traded fund investments, international investments, and alternative investments.

The next Study Group meetings will be on November 10 and November 23 from 2:00 p.m. to 4:00 p.m. at our Saint Paul office. Information about the Study Group, including a membership list and meeting materials, is available on the Office of the State Auditor’s website at: [http://www.auditor.state.mn.us/default.aspx?page=20100826.001](http://www.auditor.state.mn.us/default.aspx?page=20100826.001).

**Working Group Update**

The Volunteer Fire Relief Association Working Group will reconvene in October. We are working on finalizing the Working Group membership and meeting dates. Working Group meetings have tentatively been scheduled for October 14, November 9, and December 7, from 11:00 a.m. to 1:00 p.m. at our Saint Paul office. Additional information about the Working Group will be provided in our October Pension Newsletter.

If you have topic suggestions for the Working Group to consider, please contact Rose Hennessy Allen at (651) 296-5985 or at [Rose.Hennessy-Allen@state.mn.us](mailto:Rose.Hennessy-Allen@state.mn.us).

**Multiple Signatures on Checks**

Requiring multiple signatures on checks is part of a relief association’s internal controls. When more than one person signs a check, each person is verifying that the relief association board of trustees has approved the check for payment.

Checks should never be pre-signed. Signing checks prior to approval by the relief association board of trustees defeats this safeguard.

In addition, signature cards on file with the bank should be updated regularly so only those individuals currently authorized to sign checks are named. Banks need to be made aware that the relief association’s checks should not be negotiated without all of the required signatures.

Additional information on the importance of internal controls is provided in the Office of the State Auditor’s Statement of Position on this topic. The Statement is available on our website at [http://www.auditor.state.mn.us/other/Statements/importanceic_0703_statement.pdf](http://www.auditor.state.mn.us/other/Statements/importanceic_0703_statement.pdf).

**Compliance Helpful Hints**

This segment of our Newsletter is intended to highlight common mistakes and provide education so that your relief association can be proactive in preventing similar mistakes from occurring. Reminders regarding two common compliance mistakes are provided below.

- **State Fire Aid Transfers** – The municipal treasurer is required under state law to transmit the state fire 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. The financial report referred to in this statutory provision may be satisfied by the Reporting Form that must be signed annually by the municipal clerk and be submitted to the Office of the State Auditor. The relief association treasurer should ensure that the state fire aid is promptly deposited into the association’s Special Fund.
• **Municipal Contribution Payments** – If a municipality is required to make a contribution to the affiliated relief association, the contribution must be made during the calendar year in which it is due. For example, the 2009 Schedule Form for lump-sum plans calculates the municipal contribution requirement for 2010. If the 2009 Schedule Form shows that your affiliated city, town, or independent nonprofit firefighting corporation is required to make a contribution to your relief association, the contribution must be paid by December 31, 2010. Information about municipal contribution requirements and payments is provided in the Office of the State Auditor’s Statement of Position on this topic, which is available on our website at: [http://www.auditor.state.mn.us/other/Statements/requiredmunicipalcontributions_0901.pdf](http://www.auditor.state.mn.us/other/Statements/requiredmunicipalcontributions_0901.pdf).

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If you have questions please contact us:

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