



State Auditor
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OFFICE OF THE STATE AUDITOR

E-Update

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1. Deadline: Forfeiture Reporting
2. Reminder: Firefighter Fundraising Activities
3. Avoiding Pitfalls: Use of Credit Cards

1. Deadline: Forfeiture Reporting

July 20th is the deadline for law enforcement agencies to report final disposition of property seized subject to forfeiture for the month of June. To report final disposition of forfeitures, please go to:

<https://www.auditor.state.mn.us/safes/>.

2. Reminder: Firefighter Fundraising Activities

Many organizations hold fundraising events like street dances or Booyas in summer. In some instances it is not clear whether a fire department or the separate volunteer fire relief association is hosting the event, and which entity is the recipient of the funds being raised.

Cities and towns do not have authority to hold fundraisers. As part of a city or town government, municipal fire departments are likewise prohibited from fundraising and do not have authority to accept donations. Any donations made to a municipal fire department are city or town funds, which can only be expended as permitted by law.

In contrast, a relief association is a separate nonprofit entity, and may solicit donations or conduct fundraisers through its general fund if permitted by the relief association's bylaws. The relief association should identify itself as the entity conducting the solicitation or fundraiser and state the intended purpose for the funds being raised in advertisements and solicitations. A relief association may donate general fund money or equipment purchased with general fund money to a city council or town board. The city or town's governing body must formally accept any donations, including any funds designated for a fire department.

For additional information about fundraisers and donations for fire departments and relief

associations, see the OSA's Statement of Position on this topic at:

<http://www.auditor.state.mn.us/default.aspx?page=20110527.002>.

3. Avoiding Pitfalls: Use of Credit Cards

Cities, towns and school districts have the authority to use credit cards to purchase goods and services. However, the use of credit cards can open up local units of government to numerous financial risks, including the loss of public funds. In an effort to minimize these risks, Minnesota law requires the implementation of a number of internal controls. We urge the adoption of a comprehensive credit card policy that implements statutory requirements, as well as good management practices.

For suggestions on safeguards that should be included in a credit card policy, see the OSA's Statement of Position "Credit Card Use & Policies" at:

<http://www.auditor.state.mn.us/default.aspx?page=20110607.011>.

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