



State Auditor  
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# OFFICE OF THE STATE AUDITOR

## *E-Update*

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August 22, 2014

1. Deadline: 2014 Fire State Aid
  2. Released: TIF Newsletter
  3. Avoiding Pitfalls: Contracts and Conflicts of Interest
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### **1. Deadline: 2014 Fire State Aid**

The first certification deadline for 2014 fire state aid for volunteer fire relief associations is September 15. To be certified as eligible for receipt of fire state aid in the first round of payments, all 2013 reporting information for a relief association must be submitted to the Office of the State Auditor, our review of the reporting information must be completed, and any identified issues must be resolved by that date. Relief associations that have submitted reporting forms but have been notified by Pension Division staff that additional information is needed are encouraged to submit the requested information as soon as possible.

Relief associations that do not submit all required reporting information and resolve any identified issues by the September 15 deadline may be eligible to receive their 2014 fire state aid during the second round of payments, in November.

If you have questions regarding relief association reporting requirements, please contact the Pension Division at (651) 282-6110 or at [pension@osa.state.mn.us](mailto:pension@osa.state.mn.us).

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### **2. Released: TIF Newsletter**

The August **TIF Newsletter** has been released. The Newsletter contains information on the newly updated and expanded 2014 TIF County Guide. The Newsletter also provides information on certification of a district and on 2013 annual reporting.

To view the complete Newsletter, go to:

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

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### 3. Avoiding Pitfalls: Contracts and Conflicts of Interest

Generally, a public officer authorized to make a sale, lease, or contract in an official capacity must not have a personal financial interest in that sale, lease, or contract, or personally benefit financially from it. See [Minn. Stat. § 471.87](#). A “public officer” includes at least:

- Elected officers;
- Town supervisors and town board members;
- County officials, county deputies, county clerks, and employees of such officials; and
- School board members.

For the complete scope of who is included in this prohibition, consult with your legal counsel.

Under an exception to the general rule, a governing body, by unanimous vote, may contract for goods or services with an interested public officer if the contract is one for which competitive bids are not required by law. [Minn. Stat. § 471.88, subs. 1 and 5](#).

To use this broad exception, however, the governing body and the interested officer must follow the procedures set forth in [Minn. Stat. § 471.89](#). First, the governing body must authorize the contract in advance of its performance by adopting a resolution setting out the essential facts and determining that the contract price is as low as or lower than the price at which the commodity or services could be obtained elsewhere. Second, before claims are paid on the contract, the interested officer must file with the clerk of the governing body an affidavit providing, among other things, an itemization of the commodity or services furnished, the interest of the officer in the contract, and a statement that to the best of the officer's knowledge and belief the contract price is as low as, or lower than, the price at which the commodity or services could be obtained from other sources. [Minn. Stat. § 471.89](#) also describes the steps that must be taken in an emergency, when the contract cannot be authorized in advance.

Sample resolutions and affidavits may be found on (1) the League of Minnesota Cities’ website at: <http://www.lmc.org/media/document/1/officialconflictinterest.pdf>; and (2) the Minnesota Association of Townships’ website at: <http://www.mntownships.org/vertical/Sites/%7BD45B3299-B0BE-4D08-8A42-B7053B4AE74F%7D/uploads/%7B5E972A11-B5E7-45D8-9B1F-465F90F082C9%7D.PDF> (see pages 9-11).

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