

Pension Division Newsletter

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Reporting Reminder

Reporting forms for relief associations with assets or liabilities of at least \$500,000 are required to be submitted to the Office of the State Auditor (OSA) by June 30. Relief associations with assets or liabilities above this statutory threshold must also submit an annual audit to the OSA.

Whether a relief association has exceeded the statutory threshold is determined using end of year asset and liability amounts, and is based on Special Fund amounts, only. After a relief association exceeds the threshold in either assets or liabilities, an audit is required beginning with the next reporting year's reports.

Relief associations with assets and liabilities that are both less than \$500,000 have a March 31 reporting deadline and must submit an agreed-upon procedures report with the reporting forms.

The 2017 reporting-year forms can be accessed through the State Auditor's Form Entry System (SAFES) at:

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

Helpful hints for completing the reporting forms can be found at:

https://www.auditor.state.mn.us/forms/pen/ReportingForms/pensionrf_checklist.pdf.



Office of the State Auditor
 Pension Division
 525 Park Street, Suite 500
 Saint Paul, MN 55103
 (651) 282-6110
 Fax: (651) 282-5298
pension@osa.state.mn.us

Forgot your SAFES Password?

A new process has been implemented for obtaining SAFES passwords. If you have forgotten your SAFES password or are obtaining a password for the first time, click on the link below.

<https://www.auditor.state.mn.us/SAFES/Default/ForgotPassword>

Enter your SAFES username or e-mail address and you will receive an e-mail with a link. Note that the link in the e-mail expires after 20 minutes. Click on the link to open the SAFES Password Reset webpage. Enter a password of your choosing to set your password. Passwords must be at least eight characters and include one letter, one number, and one special character (any character on your keyboard that is not a letter or number).

What’s Ahead:

June 30:

Reporting forms for relief associations with assets or liabilities of at least \$500,000 are due to the OSA.

August 1:

The 2018 Schedule Form must be certified to the municipality or independent nonprofit firefighting corporation.

September 15:

First certification deadline for 2018 fire state aid. To be certified as eligible, all 2017 information must be submitted to the OSA, the OSA review must be completed, and any issues resolved.

Protecting Private Member Data

Some reporting forms that a relief association completes contain private member information. For example, the annual Schedule Form completed by defined-benefit lump-sum relief associations contains member birth dates, years of service, leaves of absence, and vesting information. Private data must be protected in accordance with Minnesota’s Data Practices Act.

A relief association, therefore, should not post a copy of the Schedule Form or other reporting forms containing private member data in the fire hall or other public place without first redacting (removing or covering up) all private data.

The Data Practices Office within the Minnesota Department of Administration provides information about data practices on its website, at: <https://mn.gov/admin/data-practices/>.

Calculating Months of Active Service

Relief associations have authority to award service credit for pension purposes based on each completed year of active service that a member has served with the affiliated fire department or, if the relief association’s bylaws authorize it, to prorate service credit on a monthly basis.

If a relief association’s bylaws authorize the monthly proration of service credit, the bylaws may define what constitutes a “month.” The bylaw definition must require a calendar month to have at least 16 days of active service. If the bylaws allow service credit to be prorated on a monthly basis but do not define a “month,” a “month” must be a completed month of active service measured from the member’s date of entry to the same date in the subsequent calendar month.

The OSA’s Sample Bylaw Guides include sample language that a relief association may use as a reference if the relief association elects to prorate service credit monthly or to define a “month” of service credit in its bylaws. The Sample Bylaw Guides are provided in both MS Word and Adobe PDF formats on the OSA website at: <http://www.auditor.state.mn.us/default.aspx?page=20120208.000>.

Sample Bylaw Guides:

LUMP-SUM

[City Fire Department](#)

[Town Fire Department](#)

[Joint-Powers Fire Department](#)

[Independent Corporation](#)

DEFINED-CONTRIBUTION

[City Fire Department](#)

[Town Fire Department](#)

[Joint-Powers Fire Department](#)

[Independent Corporation](#)

Internal Controls for Special Events

Many relief associations hold special events during the summer. For a relief association hosting a special event, written policies and procedures documenting internal controls for the handling of funds at the event are important. Approval of the policies and procedures by the relief association’s board of trustees emphasizes their importance and authority.

Documenting the policies and procedures will help people working at the event understand their role in the internal control system. Documentation will also improve the efficiency and consistency of transaction processing and support risk identification, evaluation, and mitigation. The documentation should:

- Describe procedures as they are intended to be performed;
- Indicate who is responsible for performing each procedures; and
- Explain the design and purpose of control-related procedures.

A Statement of Position answering some questions frequently asked regarding internal controls can be found on the OSA website at:

<http://www.auditor.state.mn.us/default.aspx?page=20110607.013>.

Requirement to Report Evidence of Theft

Public pension plan trustees and employees, including trustees and employees of volunteer fire relief associations, are required to promptly report in writing to the OSA and local law enforcement evidence of theft or misuse of public funds. The written report to the OSA must include a detailed description of the alleged incident or incidents.

In addition, whenever a public accountant discovers evidence pointing to nonfeasance, misfeasance, or malfeasance on the part of a relief association trustee or employee during the course of auditing the books and affairs of the relief association, the public accountant must promptly make a report of such discovery to the OSA and the county attorney.

Information on how to report financial concerns to the OSA, and a form for reporting, can be found on the OSA website at:

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

Statements of Position:

[Retention of Records](#)

[Records Management](#)

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

[Fundraisers and Donations](#)

Records Retention Schedule

Relief associations are governmental entities that receive and manage public money. Therefore, they must follow state guidelines that govern the retention of records.

A relief association has several options for the retention of its records. A relief association’s board of trustees may choose to adopt the General Records Retention Schedule for Volunteer Fire Relief Associations in its entirety and notify the Minnesota Historical Society of its adoption. Relief associations choosing this option may destroy certain types of records after they have been maintained for a specified length of time as detailed in the schedule.

Alternatively, a relief association may choose to modify the General Records Retention Schedule or to create its own schedule. Relief associations choosing these options must submit the proposed schedule to the State Records Disposition Panel for approval before the customized schedule can be used and any records destroyed.

If a relief association fails to choose one of these options, the association must permanently retain all of its records.

The general records retention schedule, instructions, and a form for use in notifying the Minnesota Historical Society that the schedule has been adopted can be found at:

http://www.mnhs.org/preserve/records/docs_pdfs/Complete_MFRASchedule2012.pdf.

Additional information about relief association records management can be found in OSA Statements of Position on this topic. See the Statements of Position column to the left for links to the informational documents.

Pension Division Staff

If you have questions, please contact us:

Michael Johnson, Pension Analyst

(651) 282-5430

michael.johnson@osa.state.mn.us

Karen Morales, Pension Analyst

(651) 284-3423

karen.morales@osa.state.mn.us

Molly Resch, Pension Analyst

(651) 297-2765

molly.resch@osa.state.mn.us

Robin Paulsen, Administrative Specialist

(651) 296-6267

robin.paulsen@osa.state.mn.us

Christina Rademacher, Intern

(651) 296-6279

christina.rademacher@osa.state.mn.us

Rose Hennessy Allen, Pension Director

(651) 296-5985

rose.hennessy-allen@osa.state.mn.us