

424A.05 RELIEF ASSOCIATION SPECIAL FUND.

Subdivision 1. **Establishment of special fund.** Every volunteer firefighters relief association shall establish and maintain a special fund within the relief association.

Subd. 2. **Special fund assets and revenues.** The special fund must be credited with all fire state aid and police and firefighter retirement supplemental state aid received under sections 69.011 to 69.051 and 423A.022, all taxes levied by or other revenues received from the municipality under sections 424A.091 to 424A.096 or any applicable special law requiring municipal support for the relief association, any funds or property donated, given, granted or devised by any person which is specified for use for the support of the special fund and any interest or investment return earned upon the assets of the special fund. The treasurer of the relief association is the custodian of the assets of the special fund and must be the recipient on behalf of the special fund of all revenues payable to the special fund. The treasurer shall maintain adequate records documenting any transaction involving the assets or the revenues of the special fund. These records and the bylaws of the relief association are public and must be open for inspection by any member of the relief association, any officer or employee of the state or of the municipality, or any member of the public, at reasonable times and places.

Subd. 3. **Authorized disbursements from special fund.** (a) Disbursements from the special fund may not be made for any purpose other than one of the following:

(1) for the payment of service pensions to retired members of the relief association if authorized and paid under law and the bylaws governing the relief association;

(2) for the purchase of an annuity for the applicable person under section 424A.015, subdivision 3, for the transfer of service pension or benefit amounts to the applicable person's individual retirement account under section 424A.015, subdivision 4, or to the applicable person's account in the Minnesota deferred compensation plan under section 424A.015, subdivision 5;

(3) for the payment of temporary or permanent disability benefits to disabled members of the relief association if authorized and paid under law and specified in amount in the bylaws governing the relief association;

(4) for the payment of survivor benefits or for the payment of a death benefit to the estate of the deceased active or deferred firefighter, if authorized and paid under law and specified in amount in the bylaws governing the relief association;

(5) for the payment of the fees, dues and assessments to the Minnesota State Fire Department Association and to the Minnesota State Fire Chiefs Association in order to entitle relief association members to membership in and the benefits of these associations or organizations;

(6) for the payment of insurance premiums to the state Volunteer Firefighters Benefit Association, or an insurance company licensed by the state of Minnesota offering casualty insurance, in order to entitle relief association members to membership in and the benefits of the association or organization; and

(7) for the payment of administrative expenses of the relief association as authorized under section 69.80.

(b) Checks or authorizations for electronic fund transfers for disbursements authorized by this section must be signed by the relief association treasurer and at least one other elected trustee who has been designated by the board of trustees to sign the checks or authorizations. A relief association may make disbursements authorized by this subdivision by electronic fund transfers only if the specific method of

payment and internal control policies and procedures regarding the method are approved by the board of trustees.

Subd. 3a. **Corrections of erroneous special fund deposits.** Upon notification of funds deposited in error in the special fund and after presentation of evidence that the error occurred in good faith, the state auditor may require the relief association to provide a written legal opinion concluding that the transfer of funds from the special fund is consistent with federal and state law. Taking into consideration the evidence of good faith presented and the legal opinion, if any, provided, the state auditor may order the transfer from the special fund to the appropriate fund or account an amount equal to the funds deposited in error.

Subd. 4. **Investments of assets of the special fund.** The assets of the special fund must be invested only in securities authorized by section 424A.095.

History: 1979 c 201 s 15; 1981 c 224 s 211,274; 1983 c 219 s 9; 2000 c 461 art 15 s 11; 2006 c 271 art 13 s 4; 2008 c 349 art 14 s 11; 2009 c 169 art 10 s 39-42; 2010 c 359 art 13 s 11,12; 2013 c 111 art 5 s 80; 2014 c 296 art 12 s 11; 2015 c 68 art 9 s 9,10