

	GENERAL SUBJECT:	
	Accountability of Public Funds	
	SPECIFIC SUBJECT:	
	County Funds Disbursed to Volunteer Fire and Rescue Companies	
POLICY NUMBER:	NUMBER OF PAGES:	
FP501	4	
EFFECTIVE DATE:	REVISED DATE:	
7/1/2012	02/18/15	

1. PURPOSE:

- A. The primary purpose of this policy is to provide assurance that County funds disbursed to volunteer fire and rescue companies are accounted for in a clear and transparent manner and are used only for the public good. This policy further defines what County funds can be used for, safeguarding requirements and reporting requirements.

2. SCOPE:

- A. This policy only applies to County funds only and does not cover funds a volunteer company may receive from other sources such as from fund raising, insurance billing or charitable giving.
- B. This policy excludes Aid to Locality (ATL) funding disbursed by the County which is covered by separate policy.

3. DEFINITIONS:

- A. Appropriation – An amount authorized to be disbursed by the Board of Supervisors.
- B. County funds – All local funds disbursed to Fire and/or Rescue companies by the County for the purpose of providing fire and rescue services excluding Aid to Locality Funding (ATL).
- C. Desk Review – General review of submitted information for completeness and policy compliance.
- D. Financial records - For purposes of this policy, financial records are defined as invoices, cancelled checks, bank statements or other documentation that supports a claimed expense was used for a permitted purpose.
- E. Fiscal Year - July 1 to June 30.
- F. In-Kind Services – Services performed pro bono.

4. PROVISIONS:

- A. Source of County Funds
 - i. The source of County funds disbursed to volunteer fire and rescue companies shall be determined by the Board of Supervisors.

B. Amount of Funds to be Appropriated

- i. **As part of the annual budget process, the Finance department will prepare an estimate of the amount of funding available for appropriation for fire and/or rescue companies based on the following formula.**

The estimated amount of general tax collections derived from a real estate tax rate of 3.5 cents and personal property tax rate of 5 cents.



A fixed sum of \$259,500



Total amount of funding available for appropriation.

- ii. **The actual appropriation for fire and/or rescue companies will be approved by the Board of Supervisors in conjunction with adoption of the County's annual budget. Actual disbursements to each company are contingent on compliance with the provisions of the County's Funding Agreement.**

C. Permitted Uses of County Funds

- i. The following categories represent permitted uses of County funds by volunteer fire and rescue companies.
1. Fire Fighting Vehicles:
 - a. Acquisition costs associated with fire fighting vehicles including debt service costs (principal and interest)
 - b. Operational expenses associated with fire fighting vehicles including repairs, maintenance and fuel.
 2. Fire Fighting Equipment:
 - a. Acquisition costs associated with firefighting equipment including debt service costs.
 - b. Operational expenses associated with firefighting equipment including repairs, maintenance, supplies and fuel.
 3. Emergency Medical Service (EMS) Vehicles:
 - a. Acquisition costs associated with EMS vehicles including debt service costs.
 - b. Operational expenses associated with EMS vehicles including repairs, maintenance and fuel.
 4. EMS Equipment:
 - a. Acquisition costs associated with EMS equipment including debt service costs.
 - b. Operational expenses associated with EMS equipment including repairs, maintenance, supplies and fuel.
 5. Personal Protective Clothing & Equipment
 6. Training
 7. Facility construction, operation and maintenance
 - a. Only expenditures associated with facilities whose primary use is to house apparatus, provide training or conduct department meetings are permitted.
 8. Insurance:
 - a. Includes coverage for vehicles, primary facility, general liability, workers compensation, fidelity bonds etc.
 9. Volunteer stipends
 10. Public Fire Safety Education

11. Miscellaneous expenditures incurred during the direct delivery of fire or rescue services.

D. Prohibited Uses of County Funds

- i. County funds cannot be used for:
 - 1. Fund raising or social activities.
 - 2. To make charitable donations.
 - 3. To reimburse for in-kind services.
 - 4. For any expense that is not conducive to providing public fire and rescue services.

E. Basis for Disbursing County Funds

- i. Payments to volunteer fire and rescue companies will be disbursed in advance of expenditures.

F. Disbursement Schedule

- i. The County will disburse funding to volunteer fire and rescue companies in two installments during the fiscal year providing all County required financial reports and supporting documentation is received in a timely manner and in good order.
 - 1. Disbursement #1 (July)**
 - a. In July, the County will remit to each County volunteer fire and rescue company their pro rata share of any general tax revenues designated for volunteer fire and rescue companies collected by the Accomack County Treasurer from the preceding February 1 to May 31.
 - 2. Disbursement #2 (February)**
 - a. In February, The County will remit to each County volunteer fire and rescue company their pro rata share of any general tax revenues designated for volunteer fire and rescue companies collected by the Accomack County Treasurer from the preceding June 1 to January 31 plus any additional fixed sums appropriated by the Board of Supervisors..

G. Safeguarding of County Funds

- i. County funds must be deposited in an account with a financial institution/bank that is insured by the FDIC (Federal Deposit Insurance Corporation).
- ii. Total County funds deposited in any one financial institution/bank cannot exceed the FDIC insurance limit currently at \$250,000 per depositor per bank.
- iii. County funds may be invested only in the following secure investments:
 - 1. Certificates of Deposits covered entirely by FDIC insurance.
 - 2. United States Treasury obligations (bill, notes and bonds) or U.S. agency obligations that are fully guaranteed by the US government.
- iv. All Companies must purchase and maintain a blanket fidelity bond or other suitable insurance coverage that protects them from member dishonest acts, malfeasance etc. The amount of coverage must be in an amount of not less than \$100,000.

H. Reporting Requirements

- i. All companies receiving County funds are required to complete an annual financial report.

- ii. Reporting requirements are limited to County funds only. No reporting of other funds received by the Company is required (i.e. insurance revenue, private contributions, etc.).
- iii. The format of the annual financial report will be dictated solely by the County.
- iv. The Annual Financial Report must be:
 - a. Prepared for the period 7/1 to 6/30.
 - b. Prepared using the cash basis of accounting.
 - c. Certified by the company president.
 - d. Submitted to the Accomack County Department of Public Safety by 9/30 at the following address: 24420 Lankford Highway, Post Office Box 102, Tasley, VA 23441.
- v. **Failure to submit the annual financial report will result in the withholding of future Company funding.**
- vi. The Department of Public Safety will notify Companies upon receipt of the annual financial report.

I. Carryover of unused appropriations

- i. Companies are permitted to retain all unused County funds.

J. Compliance Review

- i. The Department of Public Safety is responsible for performing a “desk review” of financial reports submitted by Companies. Those determined to be in compliance with this policy will be forwarded to the Central Accounting office. Those judged not in compliance will be returned back to the company for revision.

K. Appeals Process

- i. Disputes between the County and a company over compliance with this policy may be appealed at the company’s request. A request for an appeal must be made in writing to the Department of Public Safety within 60 days of the event giving rise to the dispute. Upon written receipt of the appeal request, the Department of Public Safety will schedule an appeal hearing to take place no more than 30 days hence. The appeal will be heard by a three member panel consisting of the County Administrator, Fire Commission Chair and the Board of Supervisors Vice-Chairperson. Decisions made by the panel will be communicated in writing to the company within 14 days following the decision.

L. Recordkeeping Requirements

- i. All canceled checks, bank statements, invoices or other supporting documentation associated with a use of County funds must be maintained for three years. This three year retention period begins on the first day of the fiscal year following the use of the funding. For example, documentation associated with expenditures of County funds for the fiscal year ending 6/30/11 must be maintained until with 6/30/14.

M. Audit

- i. All financial records associated with the use of County funds are subject to audit or review by the County or its agent. Companies are required to make records available to the County or its agent within 30 days of notification.