



Agency Practices Aid to Localities Entitlement Program

**A Mandatory Annual Allocation Disbursed to
Jurisdictions from the Commonwealth's
FIRE PROGRAMS FUND**

Commonwealth of Virginia

Virginia Department of Fire Programs

and the

Virginia Fire Services Board

**Commonwealth of Virginia
Department of Fire Programs
Attn: Grants and Local Aid Manager
1005 Technology Park Drive
Glen Allen, Virginia 23059-4500**

Tel: (804) 371-0220

Fax: (804) 371-3358

A) PURPOSE and AUTHORITY

This document describes the practices, consistent with the *Code of Virginia* (the Code) §38.2-401 and current policy guidance from the Virginia Fire Services Board (VFSB), by which the Virginia Department of Fire Programs (VDFP or the Agency) executes the administration and expenditure of entitlements allocated from the Fire Programs Fund. Each qualifying jurisdiction within the Commonwealth is entitled to an annual allocation based on their population but subject to certain minimum levels. This allocation may only be used for “fire service purposes” and “may not supplant or replace locally appropriated funds”.

B) DEFINITION OF TERMS

Fiscal Period – The Commonwealth’s fiscal periods are inclusive 12-months, from July 1st through and including June 30th of the next calendar year.

Aid to Localities (ATL) – This terminology itself is not actually specified in the language of the *Code*. The concept is however one that is both common within the public sector and in widespread use particularly for fund accounting. As used herein ATL:

- Refers exclusively to the annual allocation specified – §38.2-401.B of the Code, as further addressed by this Policy, including:
 - That allocation’s disbursement to jurisdictions statewide, and...
 - Any forfeiture and subsequent general re-allocation as ATL.

Eligible Jurisdiction – Refers exclusively to each Independent CITY, COUNTY, and TOWN incorporated within the counties, as listed by the SECRETARY OF THE COMMONWEALTH in the Annual Report. This expression is sometimes used interchangeably with “Locality.”

C) PRECEDENCE OF LAW & DISCLAIMER

Nothing contained within this document shall or be construed to supersede the applicable laws and regulations of the COMMONWEALTH OF VIRGINIA. In the event of a conflict, the applicable law shall supersede the conflicting provision of this Practices document..

D) GENERAL OVERVIEW

The CODE provides for the collection of an annual levy each fiscal period from the insurance industry. Such levy is collected by the STATE CORPORATION COMMISSION (SCC) as of March 1st of the next immediate fiscal period. The amounts collected are thereafter reconciled and that reconciled principal is transferred into the FIRE PROGRAMS FUND (FUND) during the latter half of June of that same year.

Consistent with the *CODE*, the ATL total amount for any fiscal period is comprised of two components. The first component represents 75% of that principal amount initially transferred each year by the SCC as thereafter adjusted. The second component is the total amount of all irrevocable forfeitures by jurisdictions of allocations uncollected by them in a prior fiscal period.

Before any calculation for that 75% of the transferred principal is made, several types of reductions from that principal may first need to be accounted for and set-aside. Reductions may include:

- Any amount so specified in the **present Appropriations Act** as a payment, transfer, or other conveyance from the FIRE PROGRAMS FUND. (In the absence of an Appropriations Act for a given fiscal period, such may then pertain to any active appropriations authorization in place consistent with *CONSTITUTION OF THE COMMONWEALTH OF VIRGINIA*.)
- Any amount specified by **other applicable “Acts of Assembly”** as a payment, transfer, or other conveyance from the FIRE PROGRAMS FUND and not theretofore satisfied.
- Any amount specified by the **CODE** itself as a payment, transfer, or other conveyance from the FIRE PROGRAMS FUND. (i.e., Monies to be set aside for the “Dry Hydrant” Program or “Fire Service Grant Program.”)

Once these amounts have been deducted from that initial principal, 75% of the remaining transfer amount is then set-aside for allocation to jurisdictions as ATL.

In order for jurisdictions to collect their ATL, the *Code* requires that they satisfactorily complete and submit timely two (2) documents to the Virginia Department of Fire Programs (VDFP or Agency) annually:

- An Annual Report in which they must report to the Agency on the prior year’s ATL usage
- A Disbursement Agreement for ATL funds they are presently allocated to receive.

Beginning with the FY2012 funding year, all jurisdictions will be required to include with their Annual Report submissions to the Agency accounting documentation (such as General Ledger reports, bank statements, or spreadsheets) demonstrating the following items:

- Cash carry forward from previous funding years (if applicable)
- Current ATL funding for the year being reported
- Interest earned on the ATL funds
- Qualifying expenditures for the current funding year being reported
- Cash carry forward balance into future reporting years (if applicable)

If, at the end of any annual reporting period, the eligible jurisdiction has not submitted to VDFP a satisfactory annual report and a completed agreement form, any ATL funds due to that locality for the next year shall not be retained by the jurisdiction but shall be retained in the Fund. See § 38.2-401.B of the Code. Additionally, jurisdictions that fail to collect their allocation within two (2) years of funds availability shall irrevocably forfeit that amount, and any such amount is retained in the Fund for distribution to localities in the next allocation cycle. Funds are made available on July 1 of the current fiscal year funding cycle and are available for collection by the locality until June 30 of the second year. For example, funds made available July 1, 2011 for the FY2012 funding cycle will be available for collection by the jurisdictions until June 30, 2013.

The VFSB grants to the VDFP the authority to interpret and administer the ATL Entitlement Program in accordance with the Code and the VFSB ATL Policy.

E) STATEMENT OF POLICY DISBURSEMENT OF FIRE FUND

1. Jurisdictions Eligible for ATL – The Code requires at §38.2-401.B that allocations shall be made from the FUND to jurisdictions “...providing fire service operations to be used for the improvement of volunteer and career fire services in each of the receiving localities.” Eligibility is restricted exclusively to those jurisdictions within the Commonwealth of Virginia as provided in the Code. Fire Departments or fire service organizations are **not eligible** to receive ATL funds directly from the Agency.
2. ATL Allocation Period Defined – Funds received by the Agency each June from SCC are used in arrears for ATL in the current fiscal period.

Beginning July 1, 2010 and continuing every July 1 thereafter, the annual transfer of principal as collected by the SCC for the FIRE PROGRAMS FUND each June shall be the basis for computing ATL allocations to jurisdictions for the current fiscal period commenced the previous July 1st and concluding June 30th of the current fiscal year in which the SCC transfer is received.

3. Minimum Allocations – The Code specifies minimum allocations for Counties, cities, and towns based upon population. Should the calculation of a jurisdiction’s population-based allocation fall below the statutory minimum, then that jurisdiction’s allocation is raised to the statutory minimum for the fiscal period in question. The VFSB shall be authorized to exceed statutory allocations for eligible counties, cities, and towns, but may not reduce allocations below the statutory minimums specified in the Code.

The Board will inform the Agency not more than 90-days nor less than 30-days before the start of a fiscal period the minimums to be so applied; should the Board not so notify the Agency/not elect to change the minimums, the then existing minimums shall remain in effect for the forthcoming fiscal period. (See Exhibit [A])

4. Authorized Use of ATL – Pursuant to § 38.2-401.B. of the Code, ATL funds shall be used for the following purposes

Compensation of personnel used to provide fire service training. Instructors may be employed permanently, temporarily part-time or by contract.

Reimbursement of expenses associated with attendance and participation at fire related training; classes or courses offered by accredited colleges and/or universities for fire related degree programs; fire related coursework leading to a fire-related degree and non-fire-related coursework leading to a fire-related degree; or fire related educational conferences, seminars, workshops, and classes held within and outside Virginia.

Cost of construction, improvement and/or expansion of regional or local fire service training facilities. This includes construction of: burn and smoke buildings, flammable liquid pits, SCBA mazes, props for hazardous materials and heavy technical rescue, and classroom space. All construction must be done in accordance with applicable laws, ordinances, policies and procedures governing the zoning of land and construction of buildings.

Purchase of personal protective firefighting equipment, EMS equipment for fire services personnel only, breathing apparatus, tools and vehicles used to provide fire suppression, hazardous materials mitigation, or heavy technical rescue capabilities. NFPA standards shall provide guidance to the appropriateness of the equipment.

Equipment and supplies used to support and expand fire inspection activities and investigations as it relates to fire incidents.

Cost of personnel to provide public fire safety education programs. Educators may be employed permanently, temporarily part-time or by contract. Equipment and supplies used to educate the public in fire safety and prevention.

Costs incurred for emergency medical care equipment/supplies for fire services personnel only are permitted as an allowable use of ATL funds.

5. Annual Report Categorical Descriptions - The following items expand upon the allowable uses of ATL funds by category listed on the Annual Report.

C1 - Training of Firefighting personnel NOT reported in [C6] – Expenses such as registration fees and all travel costs associated with attendance and participation at fire related educational conferences, seminars, workshop, and classes held within and outside Virginia. Examples include conference registration/tuition, lodging, mileage, and meals while traveling to the fire related training.

C2 – Public Fire safety education programs – Cost of personnel to provide public fire safety education programs and the equipment and supplies used solely for the public education. Examples include posters, advertisements, and salary expenses for permanent, temporary, contract, part-time and full time workers.

C3 – Local Fire Service training facilities as such principally or solely serves the locality – Cost of construction and capital improvements of local fire service training facilities. Examples include the construction of burn buildings, flammable liquid pits, mazes, props for hazardous materials and heavy technical rescue, and classroom space.

C4 – Fire Service training facilities including those that are Regional/multi-jurisdictional - same as C3

C5 - Emergency medical care and equipment for Fire Personnel – Equipment and care used solely for fire personnel who are first responders in the direct commission of firefighting or fire suppression and are in need of emergency medical care. Examples include AED machines and first aid kits to be used solely for the emergency care of fire personnel.

C6 - Personnel costs related to fire and medical training for Fire Personnel NOT reported in [C1] – Payroll expenses to cover the direct fire service operations while the firefighting personnel are attending the firefighting training in [C1]. An example includes backfilling the usual firefighting personnel shift with a second shift of direct firefighting personnel to work while the usual shift attends the training as described in C1.

C7 - Personal (Fire) Protective Equipment – Personal protective firefighting equipment, breathing apparatus, and tools used to provide firefighting or fire suppression. Examples include boots, SCBA, fire protective clothing including turnout gear, personal fire shelters used in wildland fire suppression.

C8 - (Fire) Vehicles including Apparatus - Vehicles used to provide fire suppression, hazardous materials mitigation, or heavy technical rescue capabilities as used by firefighters who are first responders in the direct commission of firefighting or fire suppression. Examples include fire engines, pumpers, ladder trucks, hoses, ladders, and fire boats where there is an established marine firefighting program.

C9 - Fire Fighting Equipment and Supplies - Equipment and supplies used to support and expand fire fighting, fire inspection activities, and fire investigations as used by firefighters who are first responders providing firefighting or fire suppression. Examples include hoses, ladders, and handheld tools used in firefighting.

6. Non-Authorized Use - ATL shall not supplant or replace locally appropriated funds.

ATL shall not provide compensation for lost wages due to class attendance or participation.

ATL funds may not be used for costs incurred for supplies and equipment used in EMS response or delivery.

The following items are **NEVER** an allowable use of ATL funds. (The list is not all inclusive.)

1. Sales Tax.
2. Furniture such as desks, chairs, tables, and file cabinets.
3. Routine maintenance expenses.
4. Purchases of and training on general software packages such as the Microsoft Office Suite.
5. Storage trailers.
6. Medical equipment or supplies used for emergency or ambulatory medical treatment for non-firefighting personnel.
7. Compensation for lost wages due to class attendance or participation.
8. Replacement of or to supplant locally appropriated funds.

To reduce the financial burden on the locality, VDFP strongly recommends that the jurisdiction contact the Grants Manager **before** any purchases are made on items that are uncertain or may not fall clearly within the allowable ATL expense categories. This will allow VDFP to evaluate each item on a case by case basis and apply the resulting outcome consistently throughout the Commonwealth to maintain the intent of the ATL program.

7. Appeals Process

Inquiries regarding the usage of ATL funds are to be sent to VDFP for review and consideration. VDFP will make an evaluation of the inquiry considering COV §38.2-401, ATL Policy, and ATL Practices documents. VDFP will provide a formal decision to localities via certified e-mail with read receipt. All Board members shall be copied on denial correspondence.

Localities may appeal decisions about the allowable use of ATL funds. Notices of appeal are to be received by VDFP within 14 business days of the read receipt of the e-mail correspondence. Failure to submit notice of appeal will render VDFP's decision final. Upon receipt of a notice of appeal, VDFP will notify the locality of the next scheduled VFSB meeting, encouraging the locality to be present to discuss its appeal. If the next VFSB meeting occurs in less than seven (7) business days, the appeal will be scheduled for the next subsequently scheduled VFSB meeting. Should the locality fail to appear for its

appeal and does not provide adequate advance notice of its absence, VDFP's original decision will stand as final.

8. Allowed "carry-forward" of ATL by Jurisdictions – Jurisdictions may conditionally 'carry-forward' ATL funds.

The allocation of funds is scheduled upon successive 12-month periods coincident with the Commonwealth's fiscal periods. Pursuant to §38.2-401.A, unexpended monies shall not revert to the General Fund or any other Special Revenue Fund, but shall remain in the Fire Programs Fund.

The carry-over by jurisdictions of ATL held by them from one fiscal (Reporting) period to the next shall not generally be abridged. Any such balances carried-forward shall be accounted for by jurisdictions in their Code mandated Annual Reports to the Agency. VDFP shall monitor such balances and shall advise the Board of any irregularity, suspected abuse, or other concerns, so that the Board may review this provision of the Policy and make adjustments as they may thereafter deem necessary.

History of Applicable ATL Minimums
 Exhibit [A]

Effective	Cities & Counties	Towns	Initial Fiscal Period...
Origin	\$8,000	\$3,000	FY-1984
July 1997 – VGA Action	\$10,000	\$4,000	FY-1997
April 2001 -- BOARD Action	\$12,000	\$6,000	FY-2001
June 2006 - BOARD Action	\$16,000	\$8,000	FY-2007
February 2013 - BOARD Action	\$20,000	\$10,000	FY-2014