

Aid to Localities Entitlement Program



Virginia Department of Fire Programs

and the

Virginia Fire Services Board

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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.
 - §38.2-401.B of the Code of Virginia can be found at:
<http://law.lis.virginia.gov/vacode/38.2-401/>

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.”

Eligible Use of ATL Funds (Per the COV §38.2-401.B) - Funds allocated to the counties, cities and towns pursuant to this subsection shall not be used directly or indirectly to supplant or replace any other funds appropriated by the counties, cities and towns for fire service operations. Such funds shall be used solely for the purposes of training volunteer or career firefighting personnel in each of the receiving localities; funding fire prevention and public safety education programs; constructing, improving and expanding regional or local fire service training facilities; purchasing emergency medical care and equipment for fire personnel; payment of personnel costs related to fire and medical training for fire personnel; or for purchasing personal protective equipment, vehicles, equipment and supplies for use in the receiving locality specifically for fire service purposes.

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 (VD FP 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 FY2015 funding year, all jurisdictions will only be required to submit their Annual Report Package to the Agency. Accounting documentation (such as General Ledger reports, bank statements, or detailed spreadsheets) demonstrating the following items must be maintained by the jurisdiction for audit purposes:

- Cash carry forward from previous funding years (if applicable)
- Current ATL funding for the year being reported
- Interest earned on the ATL funds (reporting of interest optional)
- 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. If this occurs, the Virginia Fire Services Board (VFSB) will be notified via writing by the Agency. 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, 2015 for the FY2016 funding cycle will be available for collection by the jurisdictions until June 30, 2017.

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 –
5. Such funds shall be used solely for the purposes of training volunteer or career firefighting personnel in each of the receiving localities; funding fire prevention and public safety education programs; constructing, improving and expanding regional or local fire service training facilities; purchasing emergency medical care and equipment for fire personnel; payment of personnel costs related to fire and medical training for fire personnel; or for purchasing personal protective equipment, vehicles, equipment and supplies for use in the receiving locality specifically for fire

service purposes. Notwithstanding any other provision of the Code, when localities use such funds to construct, improve or expand fire service training facilities, fire-related training provided at such training facilities shall be by instructors certified or approved according to policies developed by the Virginia Fire Services Board. Distribution of this 75 percent of the Fund shall be made on the basis of population as provided for in §§ 4.1-116 and 4.1-117; however, no county or city eligible for such funds shall receive less than \$10,000, nor eligible town less than \$4,000. The Virginia Fire Services Board shall be authorized to exceed allocations of \$10,000 for eligible counties and cities and \$4,000 for eligible towns, respectively. Allocations to counties, cities, and towns receiving such allocations shall be fair and equitable as set forth in Board policy. Any increases or decreases in such allocations shall be uniform for all localities. In order to remain eligible for such funds, each receiving locality shall report annually to the Department on the use of the funds allocated to it for the previous year and shall provide a completed Fire Programs Fund Disbursement Agreement form. Each receiving locality shall be responsible for certifying the proper use of the funds. If, at the end of any annual reporting period, a satisfactory report and a completed agreement form have not been submitted by a receiving locality, any funds due to that locality for the next year shall not be retained. Such funds shall be added to the 75 percent of the Fund allocated to the counties, cities, and towns of the Commonwealth for improvement of fire services in localities. 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 Fire Services personnel NOT reported in [C6] – Expenses such as registration fees and all travel costs associated with attendance and participation in support of the fire services at educational opportunities held within and outside Virginia. Examples include, but are not limited to conference registration/tuition, lodging, mileage, and meals while traveling to the fire services training. Examples also include, but are not limited to support of health and safety initiatives and professional development for fire service personnel in compliance with the NFPA Training Standards.

C2 – Community Risk Reduction programs – Cost of fire services personnel to provide public community risk reduction educational programs and the equipment and supplies used solely for the public education. Examples include, but are not limited to 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 to construct, improve or expand fire service training facilities and fire-related training props/aids and equipment storage provided at such training facilities to support NFPA Training Standards. Examples include, but are not limited to 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 – Cost of constructing, improving and expanding regional or local fire service training facilities and equipment storage to support NFPA Training Standards. Examples include, but are not limited to the construction of burn buildings, flammable liquid pits, mazes, props for hazardous materials and heavy technical rescue, and classroom space.

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, but are not limited to AED machines and first aid kits to be used solely for the emergency care of fire personnel.

C6 - Payment of 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 fire services personnel are attending the fire or medical training for fire personnel . An example includes backfilling the usual fire services 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 Protective Equipment for Fire Service Personnel – Personal protective equipment, breathing apparatus, equipment, and tools used to support operational needs. Examples include, but are not limited to the purchase of or emergency/critical repair of items such as boots, SCBA, fire protective clothing including turnout gear, personal fire shelters used in wild land fire suppression.

C8 - Fire Services Vehicles - Vehicles used for fire services purposes in compliance with the applicable NFPA Standards. Examples include, but are not limited to the purchase or emergency/critical repairs, for fire engines, pumpers, ladder trucks, and fire boats where there is an established marine firefighting program. *(*** Emergency/ critical repairs are defined as rendering frontline apparatus/ vehicle inoperable or unable to meet its intended use and an exemption must be requested through the Agency prior to expenditure. Routine maintenance and repairs are not included)*

C9 - Fire Services Equipment and Supplies - Equipment and supplies used to support and expand the support of fire services operations as well as to support the health and safety initiatives for fire service personnel in compliance with the applicable NFPA Standards. Examples include, but are not limited to the purchase or emergency/critical repairs for items such as hoses, ladders, and handheld and power tools used in the performance of fire services operations. *(*** Emergency/ critical repairs are defined as rendering the equipment inoperable or unable to meet its intended use and an exemption must be requested through the Agency prior to expenditure. Routine maintenance and repairs are not included)*

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

The following items are **not permitted as** an allowable use of ATL funds.

1. Sales Tax.
2. Routine maintenance expenses.
3. Medical equipment, supplies, and vehicles used for emergency or ambulatory medical treatment for non-firefighting personnel.
4. Compensation for lost wages due to class attendance or participation.
5. 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 and the ATL Policy. VDFP will provide a provisional decision to localities via certified e-mail with a read receipt. All Board members shall be copied on the Agency's provisional correspondence if the Agency

determines the ATL usage request does not meet the intent of the COV §38.2-401 and the ATL Policy

Localities may appeal the Agency’s provisional decision(s) about the allowable use of ATL funds to the Virginia Fire Services Board.

Notices of appeal are to be received by VDFP within 30 calendar days of the read receipt of the e-mail correspondence. Failure to submit notice of appeal will render VDFP’s provisional 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. . It is incumbent on the locality to appear before the Virginia Fire Services Board to appeal their request(s).

The Agency will develop a tracking database to capture all denials by fiscal year. The denials tracking database will be provided to the Virginia Fire Services Board at the conclusion of each fiscal year.

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.

CERTIFICATION:

We the undersigned as Chairman of the VIRGINIA FIRE SERVICES BOARD and Executive Director of the VIRGINIA DEPARTMENT OF FIRE PROGRAMS jointly adopt the foregoing Policy which supersedes all prior Policies/Policy Statements effective as of November 7, 2015.

	
Walter Bailey Chairman Virginia Fire Services Board	Melvin D. Carter Executive Director Virginia Department of Fire Programs

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