

# Emergency Services Fiscal Policy



Washington County,  
Maryland

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Emergency Services Financial Policy  
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### **Purpose**

The primary purpose of this policy is to provide guidance on County allocation of funds to Emergency Service Companies (Companies). The policy is to provide reasonable assurance that County funds are accounted for in a clear and transparent manner, are used for appropriate emergency services expenditures, and that services are provided in accordance with adopted policies and procedures in order to receive allocations from the County. The policy also defines what County funds can be used for, timing of payments, and fiscal reporting requirements.

### **Scope**

This policy applies to all County allocations defined as any subsidies, reimbursements, distributions, grants (direct or pass-through) or incentives. The policy does not apply to other revenues sources independent of the County.

The Washington County Volunteer Fire and Rescue Association (Association) shall at a minimum comply with the fiscal reporting requirement section of this policy and be in compliance with the entire policy if receiving County allocations.

This policy does not supersede Gaming revenues which are governed under separate rules, regulations and reporting.

### **Appropriation of Funds**

The amount of funds available for each Emergency Service Company shall be determined and appropriated by the County Commissioners in conjunction with the annual budget process.

Any request for change in the general operational, utility, or other allocation shall be submitted to the Director of Emergency Services and in accordance with emergency services plans adopted and implemented.

### **Payment of Appropriation**

The County will disburse funding in four equal installments during the fiscal year providing all required County financial reports and documents have been received in a timely manner and prepared in good order.

The four installments will be scheduled for payment by July 1<sup>st</sup>, October 1<sup>st</sup>, January 1<sup>st</sup>, and April 1<sup>st</sup>.

### **Spending Guidelines for County Funds**

Allowable expenditures of County Emergency Services funds:

- Emergency service vehicles and equipment:
  - Acquisition costs associated with and including debt service (principal and interest)
  - Operational expense associated with repairs, maintenance, and fuel.
- Personnel expenses including payroll and benefit costs
- Personal protective clothing and equipment
- Training costs related to emergency services
- Facility, operation and maintenance
  - Only expenditures associated with facilities whose primary use is to house apparatus, provide training, or conduct department meetings are allowable, all other facility costs must be supported by non-county revenues
- Insurance
  - Includes coverage for service vehicles and equipment, primary facilities, general liability, bond insurance, board insurance, etc.
- Public emergency services education
- General Administrative costs related to emergency service delivery including but not limited to:
  - Accounting costs
  - Bank fees
  - Office supplies
  - Postage
  - Copier and telephone
- Other expenditures incurred in providing core emergency service functions as defined in the definitions section

Disallowed expenditures of County Emergency Services funds:

- Fund raising or social activities
- Charitable donations
- To reimburse for in-kind services
- For any expense that is not conducive to providing public Emergency Services

### **Fiscal Reporting Requirements**

All Companies and the Association shall have completed any annual fiscal reporting requirements with the Office of Budget and Finance as a condition to receiving any form of financial assistance, direct distributions and or coverage of expenses.

### Annual Financial Reporting Requirements

Annual financial reporting shall consist of the following:

- Financial Statements in the highest to lowest order of availability
  - Audited Financial Statements or;
  - Reviewed Financial Statements or;
  - Compiled Financial Statements or;
  - Company prepared financial statement
- Auditor letters regarding significant findings, if presented
- Form 990 and supporting documentation
- Certification Statement (Appendix A)
- Total annual operating budget (Association only)

The annual financial packet will be considered not filed if any form is missing or substantially incomplete. For the purposes of the policy, financial information filed under this policy is considered proprietary information.

### Annual Filing Requirements

Volunteer Emergency Companies:

- The reports are due no later than six months after the company's year end.
- The report must be complete and accurate.
- The financial statements and Form 990 shall agree. If they do not, a reconciling statement shall be provided.
- If information is not available by the six month period, an extension form can be filed and approved by the Office of Budget and Finance. (Appendix B)
  - If an extension is filed and approved fifty percent of the remaining allocations will be withheld until the annual financial reports are filed and approved by the Office of Budget and Finance. Once the completed report is filed the withheld funds will be disbursed with the County's next scheduled payment cycle.
  - If no financial reporting is made by the six month due date and no extension request is made by the company, all public funds will be withheld.

Failure to file annual financial documents, receive appropriate extensions within nine months of a company's year-end, or provide services in accordance with County adopted policies and procedures will result in forfeiture of all public funds withheld during that period. The funds may then be redistributed or withheld by the Board of County Commissioners, as they deem appropriate.

Washington County Volunteer Fire and Rescue Association:

- The Financial Statements and IRS form 990 are due no later than six months after the Association's year end.
- The report must be complete and accurate.
- The financial statements and IRS form 990 shall agree. If they do not, a reconciling statement shall be provided.
- The Association's total corporate annual budget and the Association's County budget requests, if any, are due January 31st of each year.
- If information is not filed by the due dates stated above, the County will withhold the Gaming distributions until the reports are filed with the Office of Budget and Finance. Once the completed report is filed, the withheld funds will be disbursed with the County's next scheduled payment cycle.
- The County Commissioners shall accept or reject the Association's total annual budget by a majority vote as documented in the minutes.
- The Association shall provide the County a copy of the Association minutes showing majority approval of the total corporate annual budget filed with the County.

The Office of Budget and Finance will send notification to the Companies and the Association acknowledging receipt of financial reports and or extensions. It will be the Emergency Service Company's and Association's responsibility to notify the Office of Budget and Finance of any change in personnel and or address for notification purposes.

Reporting and format requirements will be determined by the Office of Budget and Finance. The Director of Budget and Finance shall have the authority to make minor changes to the policy for administrative clarification or easier interpretation of the policy, providing policy intent is not affected by the change.

**Compliance Review of Financial Reports**

The Office of Budget and Finance will perform a compliance review of the fiscal reports submitted. Any questions during the review will be discussed and or resolved with the individual company and or Association. The Office of Budget and Finance will work to resolve any questions quickly.

**Length of Service Awards Program (LOSAP) and Emergency Medical Service Staffing Agreement Reporting Requirements**

The Company shall disclose all required information and documentation under the LOSAP plan and the Emergency Service Staffing Agreement, and any other related agreements. The Annual Reporting Requirements apply as a condition to receive and or

fund LOSAP and Emergency Service Staffing programs. The information must be provided in the format deemed appropriate by the County.

In the event that a Company fails to provide the required information regarding the LOSAP plan within 30 days of the request, the County may withhold distribution of operating allocations until the information is submitted. Failure to submit the required information within 90 days will result in forfeiture of all County funds.

Should the Company fail to provide the required information regarding Emergency Service Staffing within 30 days from the date due, the Company's next grant installment shall be withheld until the information is submitted to the Office of Emergency Services. Failure to submit the required information within 90 days will result in forfeiture of all County funds.

#### **Recordkeeping requirements**

All canceled checks, bank statements, invoices, and other supporting documentation associated with County appropriations shall be maintained for a minimum of three years. The three year retention period begins on the first day of the fiscal or calendar year following the use of the County funds. The following is an example:

Year End	Retention Period
June 30, 2014	June 30, 2017
December 31, 2014	December 31, 2017

#### **Audit Requirements**

All financial reports and the associated supporting documents shall be subject to audit or other levels of service (i.e. agreed upon procedures) by an independent accountant to be selected and paid for by the County Commissioners or subject to review by the County Office of Budget and Finance. Companies and the Association shall make records available to the County or its agent within 30 days of notification.

Failure to cooperate with the County or its agents will be sufficient cause for the County to cease distribution of all public funds to the company in question, and consider disciplinary action under the authority of Chapter 10, Subtitle 4, Section 10-401 of the Code of the Local Public Laws of Washington County, Maryland.



### **Appeal Process**

Disputes regarding actions taken by the Office of Budget and Finance over compliance with this policy may be appealed by the company in writing. The written request must be made within 60 days of event giving rise to the dispute and sent to the County Administrator's Office. Upon receipt of the request the County Administrator's Office will schedule an appeal hearing to take place no later than 30 days from receipt. The appeal will be heard by a four member panel consisting of the County Administrator, President of the Fire and Rescue Association, the County Attorney, and the Director of Emergency Services. Decisions will be made and communicated in writing to the company within 30 days of the hearing.

### **Questions**

Any questions concerning the reporting requirements and or policy may be directed to the Office of Budget and Finance at 240-313-2300 for guidance.



**Forms and Filing Options**

Form Location Filing Options	Description
Internet Location of Forms	<a href="http://www.washco-md.net//budget_finance/budget.shtm">www.washco-md.net//budget_finance/budget.shtm</a>
Hard Copies of Forms	100 West Washington Street, Room 304 Hagerstown, Maryland 21740 240-313-2313
E-mail Filing of Forms	dbrown@washco-md.net
Faxed Filing of Forms	Fax: 240-313-2301 Washington County Maryland Office of Budget and Finance Attention: Accounting Supervisor
Mailed Filing of Forms	Washington County Office of Budget and Finance 100 West Washington Street Room 304 Hagerstown, Maryland 21740  Attention: Accounting Supervisor
Contact Information	Washington County, Maryland Office of Budget and Finance Accounting Supervisor 240-313-2313

### **Definitions**

Emergency Service Company – A volunteer fire department, rescue department, or ambulance department that is incorporated, designated, and approved and recognized by the Washington County Volunteer Fire and Rescue Association, Inc., and the County Commissioners of Washington County. The authority which is noted under Chapter 10, Subtitle 4, Section 10-401 of the Code of the Local Public Laws of Washington County, Maryland or a paid company recognized by the City of Hagerstown.

Allocation – Any form of support such as a subsidy, reimbursement, appropriation, grant, or incentives.

Appropriation – An amount authorized for disbursement and/or payment on behalf of Emergency Services by the Board of County Commissioners of Washington County, Md

Annual Budget Process – Annual budget process begins in January, with formal adoption no later than June 30. The County fiscal year is July 1<sup>st</sup> through June 30<sup>th</sup>.

Compliance Review – A general review of submitted information reviewed for completeness and policy compliance.

Core Emergency Service Function – Washington County defines core emergency service functions for the County as:

- Firefighting
- Emergency medical services
- Hazardous materials containment and disposal
- Promoting fire safety
- Responding to road traffic collisions
- Responding to other emergencies

Underlying the core functions, the following services are essential in providing emergency services within Washington County:

- Emergency call handling and mobilizing resources
- Emergency response to fire, road traffic collisions and other emergencies
- Emergency response for medical services
- Fire safety enforcement
- Promoting emergency services safety
- Warning and informing the public
- Volunteer retention
- Information sharing with other responders