



## MISSISSIPPI INSURANCE DEPARTMENT

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## MISSISSIPPI INSURANCE DEPARTMENT Bulletin 2005-4

### Guidelines for the Legal Use of State Fire Protection Funds Revised June 4, 2013

#### I. PURPOSE AND SCOPE

In accordance with MS Code §§45-11-7(9), 83-1-37 and 83-1-39, the Commissioner of Insurance is hereby authorized and empowered to establish standard guidelines for the use and accountability for municipal and county insurance rebate monies (hereinafter "Fire Protection Funds") distributed pursuant to the provisions of MS Code §§83-1-37 and 83-1-39. Such guidelines shall include requirements for the establishment of record keeping and reports to the Commissioner of Insurance by municipalities and counties relating to the receipt and expenditure of fire protection funds, the training of fire department personnel, and the submission to the Commissioner of Insurance of other data reasonably related to the local fire protection responsibilities which the Commissioner deems necessary.

The purpose of these guidelines is to give local government officials, county fire coordinators, and fire service providers who are responsible for expending these funds for fire protection services a standard for determining legal uses of the fire protection funds that must be met before the fire protection funds can be received by counties and/or municipalities.

Although fire service organizations today provide many services to the public other than fire suppression, the legislative intent for the use of these funds is to assist counties and municipalities in purchasing specific items necessary for providing fire protection.

#### II. LEGAL USE OF FIRE PROTECTION FUNDS

Fire protection funds received pursuant to MS Code §§83-1-37 and 83-1-39, shall be expended by the County Board of Supervisors and the Mayor and Board of Aldermen/Council of Municipalities for fire protection purposes in the following categories:

- A. Training expenses** – Must be fire related training. EMS, First Responder, Homeland Security, and advanced Hazmat do not qualify.

- B. Purchase of Fire Equipment** – This equipment must be used for the purpose of response to, suppression of, or prevention of a fire. Fire Protection Funds may be used to purchase necessary equipment or to upgrade equipment. Upgrading equipment for accounting purposes means increasing the book value of an asset utilizing Generally Accepted Accounting Practices. Equipment purchased must be operated and controlled by the fire department and carried on department inventory.
- C. Purchase of Insurance** – On county or municipal owned firefighting equipment.
- D. Capital outlay** - Purchasing new fire suppression apparatus, construction of facilities to house equipment and facilitate training needs, or to pledge as security for same, not to exceed ten (10) years. A written plan must be submitted and approved by the Commissioner of Insurance when pledging as security or saving for a specific purpose.
- E. Fire Protection Service Contracts** - Including, but not limited to, Fire Protection Service contracts involving municipalities, legal fire protection districts, and non-profit corporations, providing or coordinating fire services in or out of the county or municipality. Fire Protection contracts are subject to all restrictions applicable to the use of fire protection funds and must be submitted to the State Fire Coordinator's office for review and approval by the Commissioner of Insurance.
- F. Direct appropriations to Legal Fire Protection Districts** –Fire Protection Districts located in counties are subject to all restrictions applicable to the use of fire protection funds. Any county-owned equipment or other property, authorized for use by the Board of Supervisors may be used by any legally created fire department;
- G. Computer, internet and software purchased in order to utilize the Mississippi Fire Incident Reporting System** - These funds cannot be used to provide phone services or expenses incurred in the daily operations of the fire department, such as fuel, utilities, repairs, and maintenance to the facility, fire vehicle, or equipment.
- H. Training of County/Municipal personnel** - As needed for the adoption of and compliance with the codes established and promulgated by the Mississippi Building Code Council.
1. The legislature provided \$250,000 to counties, MS Code §83-1-39, and \$250,000 to cities, MS Code §83-1-37, for this purpose. These funds are to be disbursed on a per capita basis based on the most recent federal census.
  2. Code Funds not expended for the intended purpose within twelve (12) months of receipt SHALL be moved to the regular Fire Protection Fund account.

**Items purchased under the above categories must be used to support or enhance response to, suppression of, or prevention of a fire.**

### III. UNEXPENDED FIRE PROTECTION FUNDS

Fire protection funds not expended in a given fiscal year for fire protection purposes shall be placed in a special fund with a written plan approved by the Commissioner of Insurance. The written plan should include the purpose for retaining said funds, the item or items to be purchased, and the timeline for the purchase of the specified item or items.


No salaries or wages may be paid out of these funds; however, County Fire Coordinator and County Fire Investigator expenses incurred while in the performance of their respective duties and responsibilities, including training, can be paid utilizing these funds; and, **all purchases made with these funds shall be in the direct control and supervision of the fire department for which they were purchased or authorized under contract to provide fire protection.**

For any other use of the fire protection funds not included in this bulletin, please make a written request for determination on whether such use is allowable under state law. The written request should be made to the State Fire Coordinator, Post Office Box 79, Jackson, Mississippi 39205. Email requests are acceptable and should be directed to: [Fireservices@mid.ms.gov](mailto:Fireservices@mid.ms.gov) Attn: State Fire Coordinator. Each case will be evaluated and a written response from the Commissioner of Insurance will be issued.

### IV. AUDITING OF FIRE PROTECTION FUNDS

Should the Commissioner of Insurance believe that a county or municipality is using the funds in a manner not consistent with its legal use; the Commissioner shall request the State Auditor to conduct an investigation into the use of said funds.

Should a county or municipality have any questions concerning this Bulletin or the matters contained therein, please contact the State Fire Coordinator's Office at (601) 359-1062.

  
MIKE CHANEY  
COMMISSIONER OF INSURANCE