



**Firemen's Insurance and Inspection Fund (1%)
Expenditure Guidelines
South Carolina State Firefighters' Association**

What is Firemen's Insurance and Inspection Fund (1%) money?

In 1907, the S.C. General Assembly passed legislation called the Firemen's Insurance and Inspection Fund for "the betterment and maintenance of skilled and efficient fire departments within the county." The money is a privilege granted by the General Assembly to fire departments who meet certain requirements. The fund is a one-percent tax collected on all fire insurance premiums written in the state, and thus is commonly referred to as "one-percent money." The complete statute is 23-9-310 (Article 3) is downloadable at www.scstatehouse.net.

How is Firemen's Insurance and Inspection Fund (1%) money collected?

By December the 31st of each year, all in-state and out of state insurance companies doing business in South Carolina must report to the Department of Insurance the amount of fire insurance premiums written for improvements to all assessed property in each county. The Department of Insurance then assesses a one-percent tax on every insurance company for the fire insurance premiums written per county. The total amount collected in the one-percent tax assessment from all insurance companies gives the Department of Insurance a per county amount of Firemen's Insurance and Inspection Fund (1%) money to be distributed. Improvements are defined as buildings or structures because there is no fire insurance written on a land without structures to insure. Assessed property means all property for which taxes are collected. For example, churches, schools, government buildings, etc. are tax exempt, and therefore not assessed. Your department does not receive any Firemen's Insurance and Inspection Fund (1%) money for non-assessed buildings even though they pay for fire insurance.

How is Firemen's Insurance and Inspection Fund (1%) money distributed to my fire department?

The Department of Insurance distributes the "per-county" amount of the one percent tax to the forty-six (46) County Treasurers through the State Treasurer. Each County Treasurer distributes the money to all qualified fire departments based on the percentage of the total assessed value of the county that constitutes your fire departments response or coverage area (This information comes from the County Assessor). For example, if your county receives a total amount of \$400,000 and the response area for your fire department contains 10% of the total assessed value of the county; then, your department should receive 10% of the \$400,000 or \$40,000.

What is the role of the Fire Chief with regard to the Firemen's Insurance and Inspection Fund (1%) money?

While the Fire Chief is responsible for the overall operation of the fire department, the Firemen's Insurance and Inspection Fund (1%) money is shared equally by all members of the fire department. Each fire department member, regardless of rank, has an equal vote in how the money should be spent. Specifically, fifty-one percent (51%) of the entire fire department membership, excluding retirees who are considered non-voting members, must vote and approve all Firemen's Insurance and Inspection Fund (1%) expenditures. However, a Fire Chief from a municipality is required by law to serve as a member of the Local Board of Trustees. A Fire Chief from an unincorporated area may serve as a member of the Local Board of Trustees but is not required to serve. The responsibility of the Local Board of Trustees is to ensure that all expenditures requested are approved by 51% of the entire fire department, excluding retirees, and are approved Firemen's Insurance and Inspection Fund (1%) expenditures consistent with state statutes.

What is the role of the State Fire Marshal with regard to the Firemen's Insurance and Inspection Fund (1%) money?

Each Fire Department participating in the privilege of Firemen's Insurance and Inspection Fund (1%) money, must submit inspection reports to the State Fire Marshal on a quarterly basis. In addition, each department must submit an "Equipment Certificate" to the state Fire Marshal by October 31st of each year.

What is the responsibility of the S.C. State Firefighters' Association with regard to the Firemen's Insurance and Inspection Fund (1%) money?

The S.C. State Firefighters' Association is statutorily empowered to administer and supervise the Firemen's Insurance and Inspection Fund (1%). Any requested expenditures exceeding \$100.00 must be forwarded to the Association and approved by the State Supervisory Committee or the Association 1% Staff. The Association also conducts random audits by a Certified Public Accountant to ensure that all expenditure procedures are followed and to account for all funds. In addition, each fire department who receives Firemen's Insurance and Inspection Fund (1%) money must be a member of the Association.

For what purposes can my fire department utilize the Firemen's Insurance and Inspection Fund (1%) money?

Fire Departments must spend Firemen's Insurance and Inspection Fund (1%) money in one of three categories. These categories are Retirement and Insurance, Training and Education, and Recruitment and Retention.

What are the specific guidelines for spending the Firemen's Insurance and Inspection Fund (1%) money in these three categories?

1. Retirement and Insurance

Retirement:

- Retirement plans that provide nondiscriminatory benefits to all fire department members and require retirement, disability or death before benefits are distributed are generally eligible plans.
- A copy of each department's adoption agreement for its retirement plan must accompany the request in order that it may be reviewed by General Counsel for Firemen's Insurance and Inspection Fund (1%) statute compliance.
- In order to comply with federal retirement plan laws and regulations, the SC Firefighter's Retirement System is divided into two plans:
 - (1) A Tax Qualified Plan for paid firefighters ("Qualified Plan")
 - (2) A Length of Service Award Program ("LOSAP") for volunteer firefighters.
- Both plans allow a department to adopt a uniform, nondiscriminatory method for eligibility based on a points or incentive system, but the Qualified Plan states that any firefighter working 1,000 hours or more a year must be eligible.
- Both plans provide that the contributions to the plan must be allocated equally among all eligible firefighters but allow individual departments to adopt different contribution amounts and vesting schedules.
- Many departments have both paid and volunteer firefighters and must pay strict attention to the requirements of each plan.
- Because of their inactive status, retirees or life members who have their Association dues paid by the Firemen's Insurance and Inspection Fund (1%) from a fire department do not meet the eligibility requirements for participation in either plan.

Group Insurance:

- Insurance may include death benefit, disability, workers compensation, bond insurance and any other type of insurance voted on by majority of members that is not the responsibility of the governmental subdivision.

2. Training and Education

Training and Education Materials:

- Training materials may include books, videos, DVD/Blu-Ray players, projection equipment, computers and computer software designed to be used for instructional purposes only.
- Training props such as forcible entry door and roof props.

Fire Prevention/Public Fire Education:

- Training for fire department members or for the citizens in the area of fire prevention.
- The purchase of smoke and carbon monoxide detectors may be allowed for the purpose of distribution to the general public.
- Expenditures for use in fire prevention, public fire education and community relations that is justifiable to the State Supervisory Committee and Local Board of Trustees.
- Please specify type of training, purchase of smoke/carbon monoxide detectors or other fire prevention request.

Conference and Seminar Expenses:

- S.C. State Firefighters' Association Fire-Rescue Conference includes fees for privately owned vehicle (POV) mileage, lodging, food allowance and other expenses voted on by majority of members.
- Schools/seminars may include registration fees, privately owned vehicle (POV) mileage, lodging, food allowance and other expenses for any person approved by a majority of the members of the particular department.
- These expenses may be provided to any attending member approved by a majority of the members of the department. After receiving the approval from the S.C. State Firefighters' Association, the department can provide the member with per diem expenses based on www.gsa.gov.

Training and Education Fee

- The Training and Education Fee for the S.C. State Firefighters' Association is an allowable expense voted on by a majority of the department members.

3. Recruitment and Retention

Drill Night Suppers/Family, Holiday, Retirement Dinners:

- **Identify the number of annual drill night suppers multiplied by the number of firefighters participating up to a cost of \$15.00 per meal, per person.**
- **Identify the number of holiday dinners times the number of invitees at a cost of up to \$40.00 per dinner, per invitee. Each member listed on the department's SCSFA roster may invite one guest. The SCSFA also allows a department to invite up to (25) non-members to each family/holiday/retirement dinner. Some examples of non-members may include retirees not carried on your roster, support staff, council members and clergy.**
- **Specify any other function or social event to include attendees, members, and/or invited guests. You must categorize all expenditures for all social events. Approved costs may cover food, beverage, decorations, and entertainment. All of these must be within the \$40 maximum per attendee.**
- **For each drill night supper and family/holiday/retirement dinner, the department must keep on file a sign-in/roster for all attendees.**
- **No alcoholic beverages may be purchased with Firemen's Insurance and Inspection Fund (1%) money.**
- **Gift certificates for firefighters, spouses and children of any kind are not permissible. Remember, the Code of Laws of South Carolina prohibit the distribution of cash or gifts to firefighters and no funds may be expended in any manner for any purpose for which any city, town, unincorporated community, or county may be legally liable.**

Awards:

- **Funds can be used for plaques, badges, trophies, service pins for retirement or special events.**

Incentive Program:

- **Incentive programs to encourage attendance at training meetings or fire calls, etc. should be tied to awards such as special uniforms, plaques, or retirement contributions. For retirement incentive programs, see the above retirement section.**
- **The incentive program should be related to the mission of the department and should encourage attendance, proficiency and enhance firefighting skills.**
- **There should be a base entry level for participation by all members of the department and tiers to encourage exceptional performance.**

Furniture and Appliances:

- **May be used for televisions, DVD players, day room furniture, and/or special kitchen items, all limited to department use.**

Facility Construction and Renovation:

- **Under certain circumstances facilities may include renovations to existing facilities, land or property lease.**
- **Only those fire departments that actually own the land and facility may use Firemen's Insurance and Inspection Fund (1%) money for this use.**
- **A copy of the deed evidencing ownership must accompany the request.**

Specialty Clothing:

- **Clothing such as tee-shirts, golf shirts, jackets, coats, pants, sweat suits, coveralls, and shoes.**
- **Badges and pins may include pocket badges, uniform badges, and collar insignias.**
- **Caps may include baseball caps, visors or hats**
- **Shoes may include workout shoes and non-firefighting duty boots**
- **Other special uniforms such as Class A are allowed if not provided by the Fire Department. Please specify.**
- **All apparel must include the department's logo/name**

Health and Physical Fitness equipment:

- **Equipment may include balls, basketball goals, ping-pong tables, pool tables, exercise equipment and gym, and/or health club memberships.**

Coffee/Kitchen Fund:

- **Coffee supplies and/or coffee service contracts are a legitimate expense provided they are approved by a majority of the department members and are for the use of the membership at the department or fire scene.**

Flower Fund:

- **Flowers and/or fruit baskets for the sick or bereaved are permissible provided there is a written departmental policy governing the dollar amount, circumstances and the recipient.**
- **Memorials in lieu of flowers to individuals or non-profit organizations are prohibited.**

Dues and Subscriptions:

- **Dues include the S.C. State Firefighters' Association or other fire-service related associations.**
- **Please specify the organization, the segment of fire department membership covered, and the amount for any dues requested other than South Carolina State Firefighters' Association.**
- **Union dues are not permissible.**
- **Subscriptions may include newspaper, professional fire firefighting related magazines, cable television, and/or internet service for department use only.**