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Statement of Position

Fire Department and Fire Relief Association Fundraisers and Donations

Fire departments and volunteer fire relief associations are separate and distinct, with different rules regarding fundraising and the acceptance of donations. The intent of this Statement of Position is to ensure that, during the course of fundraising, a fire department, with its more limited authority, is not mistaken for a volunteer fire relief association and that a volunteer fire relief association is not mistaken for a fire department.

Fundraisers and Donations

A volunteer fire relief association is a governmental entity separate from the municipality. One way in which a fire relief association differs from a city or town fire department is that a volunteer fire relief association is required to maintain control of its own funds. It receives and manages public money to offer retirement benefits for those providing firefighting and emergency first response services. Because fire relief associations are required to maintain control of their own funds, they need to maintain their own financial accounts, separate from the city or town accounts.

In addition, if a fire relief association's bylaws permit it, the association may solicit donations or conduct fundraisers. Cities and towns, however, have no authority to hold such fundraisers. In advertisements and solicitations, the fire relief association should identify itself as the entity conducting the solicitation or fundraiser and state the specific intended purpose for which funds are being raised. Proceeds from fundraising events should be held in the fire relief association's general fund, not in a municipal fire department account.¹

If permitted by the fire relief association's bylaws, a relief association may offer general fund money or equipment purchased with general fund money to a city council or town board as donations. The city's or town's governing body decides whether donations for a

¹ See Statement of Position relating to fire department, fire relief associations and checking accounts at: <http://www.auditor.state.mn.us/default.aspx?page=20110527.001>.

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This Statement of Position is not legal advice and is subject to revision.

fire department are accepted. A relief association should not purchase or install fire department equipment without the governing body's approval.

A municipal department, such as a fire department, does not have authority to accept donations. Thus, donations made to a fire department are really donations made to the city or town, with a limitation on how the funds may be used. To accept such a donation, a city council or town board must pass a resolution by a two-thirds majority. The resolution should identify all limitations on how the funds may be used, including whether the donation is limited to fire department expenditures.

Once a piece of equipment is donated to a municipality, it becomes that municipality's property. The municipality will have to maintain the equipment and may need to insure the equipment and add it to the city's or town's asset list. Fire relief associations should work with the city or town to make sure any donation is one the municipality wants to accept.

If the fire relief association wishes to solicit donations, the fire relief association should explain clearly whether the donations are for the fire relief association or for the municipality, designated for the fire department. Any advertisement or solicitation should state clearly whether a donation is for the fire relief association or for the municipality. Donation checks should not be made out to the fire department. Donation checks should be made out to the fire relief association or the municipality, with a designation for the fire department.