

Excerpted from the Fire Commissioner's Handbook

FIRE COMPANY vs. FIRE DISTRICT

A Fire Company is a non-profit corporation which is established pursuant to Title 15 of the New Jersey statutes. This entity has its own certificate of incorporation filed with the Secretary of State. It also has its own bylaws which govern the actions and activities of the members of the organization. A Fire District is a municipal entity which is established and governed by the laws and statutes of New Jersey and are found in New Jersey Statutes Annotated Title 40A:14-70 AND 40A:5A et. seq. It is of the utmost importance that the members of the Boards of Fire Commissioners make themselves knowledgeable of and adhere to the principles contained therein. It is a public body corporate which is an autonomous entity separate and distinct from the Fire Company. A Fire District by statute has the obligation to provide fire protection to the residents and taxpayers within the geographical boundaries of the Fire District.

It is important to remember that a member of the Board of Fire Commissioners of a Fire District is an elected public official and must recognize that he or she represents therefore the entirety of the public in making decisions and not just the Fire Company. You must be able to distinguish your role as a firefighter from your role as a Commissioner.

A Fire District and a Fire Company are separate entities with each providing fire protection services to the public. Each has its own officers and its own bylaws. It is important to recognize this distinction in serving as a Commissioner.

FIRE COMPANY vs. FIRE DISTRICT ASSETS AND MONIES AND EXPENDITURE OF FUNDS

Since the Fire District and Fire Company are separate entities each has its own monies and assets. The funds may not be commingled and each of the entities should have its financial records audited as required by law. A Fire District must have an annual audit performed as mandated by New Jersey statute (see 40A: 14-89 & 40A:5A-15). A Fire Company should have an annual audit or accounting and may be required by statute to provide an audit or accounting to a Fire District or municipality when the Fire Company receives public funds from either the Fire District or municipality. A Fire District receives public monies through a fire tax and must expend these monies in accordance with New Jersey statutory requirements. A Fire District must specifically comply with the statutory law on public bidding when expending monies. In addition all assets purchased by the Fire District should be titled to or owned by the Fire District. It is inappropriate and possibly illegal to expend public monies as the Fire District and title or recognize ownership of the assets as that of the Fire Company.

The Fire Company generally receives funds from a Fire District or a municipality. The Fire Company can also receive contributions through fundraising, donations or *grants*. An Attorney General's opinion has been issued which addresses the statutory laws which must be adhered to concerning expenditure of Fire District monies. The Fire Company bylaws may also address the issue of expenditure of funds and may have to be followed. In addition there is case law in New Jersey which addresses ownership of the assets purchased and whether the Fire Company actually is the owner of the assets. New Jersey State Association of Fire Districts