

**STATE FIRE PROTECTION GRANT FUND**

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**State Authorization: G.S. 58-85A-1**

**Department of Insurance  
Controller's Office**

**Agency Contact Person - Program**

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**The auditor should not consider the Supplement to be “safe harbor” for identifying audit procedures to apply in a particular engagement, but the auditor should be prepared to justify departures from the suggested procedures. The auditor can consider the supplement a “safe harbor” for identification of compliance requirements to be tested if the auditor performs reasonable procedures to ensure that the requirements in the Supplement are current.**

**The grantor agency may elect to review audit working papers to determine that audit tests are adequate.**

**Auditors may request documentation of monitoring visits by the State Agencies.**

**I. PROGRAM OBJECTIVE**

The State Fire Protection Grant Fund was established by the General Assembly to compensate local fire districts and political subdivisions of the State for providing local fire protection to State-owned buildings and their contents.

**II. PROGRAM PROCEDURES**

**Authorization**

The authorization for the State Fire Protection Grant Fund is North Carolina General Statutes Chapter 58-85A-1.

**Administration**

The Department of Insurance administers the State Fire Protection Grant Fund with allocations distributed on the basis of an equitable and uniform statewide method to the State's local fire districts and political subdivisions. The method of allocation to the State's local fire districts and political subdivisions is determined by the Department of Insurance's Risk Management Division within the Office of the State Fire Marshal.

### **Fund Allocations**

The General Assembly appropriates annually to the State Fire Protection Grant Fund up to \$4,180,000 from the General Fund, \$158,000 from the Highway Fund, and \$1,345,000 from the University of North Carolina receipts. Funds received from the General Fund shall be allocated only for providing local fire protection for State-owned property supported by the General Fund; funds received from the Highway Fund shall be allocated only for providing local fire protection for State-owned property supported by the Highway Fund; and funds received from the University of North Carolina receipts shall be allocated only for providing local fire protection for State-owned property supported by University of North Carolina receipts.

### **Application Process**

There is no application process. The Department of Insurance is directed by General Statute 58-85A to establish a fair and equitable distribution of state funds to local fire departments. Funds are allocated, local fire departments are notified, and funds are disbursed by the Department of Insurance. However, local fire departments must have a federal identification number to be eligible for Fire Protection funds, and the Office of the State Fire Marshal must maintain an updated list of completed property within each jurisdiction; therefore, fire departments should be aware of state property within their jurisdiction and confirm that all property is noted by the Office of the State Fire Marshal.

## **III. COMPLIANCE REQUIREMENTS**

### **1. Activities Allowed or Unallowed**

State funds may only be used to pay for providing local fire protection to State-owned buildings and their contents.

**Audit Objective** – To determine that all expenditures are for the purpose stated in the appropriations bill.

### **Suggested Audit Procedures:**

Verify that expenditure of funds are for providing local fire protection to State-owned buildings and their contents by examining each expenditure or if there are a great number of expenditures, by examining a test sample.