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Fire District Officials
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Municipal Clerks
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2025 Fire District Budget & Elections Guidance

This Notice addresses the CY 2025 fire district budget process, including the budget submission process and other key updates.

Submission of 2025 Fire District Budgets

Fire districts will submit their CY 2025 budgets through the Financial Automation Submission & Tracking (FAST) System. All fire districts are required to enter their budget data into the Division's standardized Excel budget template. Upon completion of the fire district budget workbook, each fire district shall upload and submit the completed and certified document to the Division through that fire district's FAST portal budget record. Please do not send paper copies to the Division, as they will not be accepted.

The Division's fire district budget workbook must be used exclusively. No user-generated Excel workbooks will be accepted. The workbook contains formulas and codes that are standardized and secured within the workbook to assure complete and accurate transmission through FAST.

Data input is restricted to the yellow and grey highlighted workbook cells. Data entered into these cells will carry throughout the remainder of the workbook. Do not attempt to enter data in non-highlighted cells, attempt to change any formulas in the workbook, or attempt to override the workbook's protection.

The fire district budget workbook provides the ability to expand sections of the budget, allowing for direct data entry of explanations or detail. Additional budget information must not be uploaded to FAST as separate documents unless specifically stated in the workbook. Supplemental information that will be entered directly into the fire district budget workbook includes, but is not limited to, vehicle lists, revenue and appropriation details, and clarification of questionnaire responses.

Only designated fire district officials may obtain FAST login credentials to upload and submit the introduced and adopted fire district budgets in FAST. Designated officials include the secretary to the Board of Fire Commissioners, treasurer of the Board of Fire Commissioners, and an administrative officer who is an employee of the fire district and responsible for day-to-day operations, including completion and execution of the budget. Contracted preparers may access the fire district budget workbook for completion on behalf of the fire district. Upon completion, the workbook must be returned to the designated official(s) for uploading and submission through FAST. Preparers that do not qualify as designated officials as defined herein may not access a fire district account in FAST. Designated officials with existing FAST accounts may use these credentials to access the 2025 budget record for their fire district. New designated officials should register for a FAST account and request access to their fire district at: <https://njdca.dynamics365portals.us/Account/Login/Register>.

Users are required to save the introduced and adopted fire district budgets as <<municode>>_introbudget_2025 and <<municode>>_adoptbudget_2025, respectively. A list of fire district muni codes, a six-digit identifier for each district, is available on the Division's dedicated [FAST webpage](#).

Prior to submission, users are required to upload the completed budget document and all supporting documentation and other related and annually transmitted forms through FAST. This includes contracts, shared services agreements, special meeting documentation, and grant agreements. **Upload of the document alone does not constitute submission; users must navigate to the "Submit for Review" tab and click the "Submit" button to formally transmit their budget package to the Division.** Upon successful submission, the designated official will receive an email confirmation acknowledging transmission of the budget package to the Division.

After February 15, 2025 (the third Saturday in February), election results for fire districts with February elections, or any fire district with capital, levy cap, or restricted fund balance referendums taking place on the third Saturday in February, must be reported through the FAST system using the "Elections" tab within the adopted fire district budget module. Instructions governing completion of the fire district budget workbook are contained within the excel workbook and are available on the Division's dedicated [FAST webpage](#).

Municipal Approval of Elected Commissioner Compensation

If a Board of Fire Commissioners establishes annual compensation for its fire district commissioners, N.J.S.A. 40A:14-88 requires the municipal governing body to review and approve such compensation before the fire district can submit its annual budget to the voters, or, in the case of fire districts whose Board of Fire Commissioners elections coincides with the November General election before the district can adopt its annual budget. The fire district must seek **annual approval of elected commissioner compensation from the municipal governing body regardless of whether the Board is modifying the amount of compensation.** Oughton v. Board of Fire Comrs., etc., 178 N.J. Super. 565, 570-571 (App. Div. 1981). In order for a fire district to authorize

its elected commissioners to receive compensation, the Board of Fire Commissioners must adopt a resolution establishing the level of compensation. The 2025 fire district budget will contain a question verifying fire district compliance with the above-referenced requirements.

Volunteer Incentive Programs

As noted in [Local Finance Notice 2024-11](#), any Volunteer Incentive Programs subject to federal income tax must be budgeted under "Salary and Wages" with an accompanying "Fringe Benefit" for tax withholding, rather than as an operating cost under "Other Expenses". The 2025 Budget Document has been updated to facilitate this new requirement. Specifically, Sheet F-3 has been revised to include individual line items for Volunteer Incentive Programs Salary and Wages and Fringe Benefits. In addition, the Questionnaire on Sheet N-3 has been updated to include a question asking if the fire district has a Volunteer Incentive Program. If an affirmative response is provided for this question, the fire district shall upload into FAST a program outline together with a signed statement specifying when the board of fire commissioners formally adopted the program or, in lieu of a such a signed statement, a certified copy of the adopted resolution establishing the program.

Emergency Appropriations

N.J.S.A. 40A:14-78.11 through 40A:14-78.15 establish standard requirements and procedures for emergency appropriations by fire districts. The 2025 fire district budget will contain a question verifying fire district compliance with the requirements detailed below.

In the event of a pressing need for public expenditure to protect or promote the public health, safety, morals or welfare, a fire district may make emergency appropriations post-budget adoption for purposes unforeseen at the time of budget adoption, or for which adequate provision was not made. A fire district's total emergency appropriations for one year shall not exceed three percent (3%) of the total of current operating appropriations in that year's adopted budget.

No less than two-thirds (2/3) of a Board of Fire Commissioners' full membership must adopt a resolution declaring that an emergency exists requiring a supplemental emergency appropriation. The resolution shall be in the form and content prescribed by the municipal governing body and shall set out the nature of the emergency in full. A copy of the resolution shall be filed immediately with the municipal governing body. Prior to adoption, the fire district should consult with the municipal clerk and other appropriate officials on the appropriate form and content for the resolution. The resolution shall not take effect until the municipal governing body shall, by a vote of not less than two-thirds (2/3) of the governing body's full membership, approve the emergency appropriation and certify its approval to the fire district.

The total amount of all emergency appropriations shall be provided in full by the fire district as a deferred charge in the budget of the next succeeding fiscal year. For fire districts with annual commissioner elections in February, if the voters do not approve the district budget, that deferred charge shall remain in the fire district budget adopted by the municipal governing body. A fire district may finance any emergency appropriation from the district's available surplus funds or may, subject to Local Finance Board review, borrow money for a period not to exceed one year.

N.J.S.A. 40A:4-45.45.b authorizes an exclusion to the fire district tax levy cap for “extraordinary costs” related to a declared emergency. The term “extraordinary costs” means expenditures incurred for the immediate preparation, response, recovery, and restoration of public services due to extreme weather conditions or other catastrophic events that are the subject of a gubernatorial emergency declaration, and only for that portion of costs exceeding the cost of providing services under non-emergency conditions. Pursuant to [N.J.A.C. 5:31-2.10](#), such funds can be treated as one time (non-permanent) property tax levy cap exclusions upon submission and review of certifications describing the expenditures to the Director of the Division of Local Government Services and may be subject to adjustment to account for the receipt of any State or Federal reimbursements.

2010 Levy Cap Compliance

A fire district’s introduced budget must be balanced and be at or under the levy cap established pursuant to the 2010 levy cap law (N.J.S.A. 40A:4-45.45). The budget message on Page N-1 must indicate if the district plans to put a levy cap increase question before the voters. An introduced budget requiring referendum questions must include separate line-item appropriations that the referendum proposes to fund by the tax levy increase. For the health insurance cost increase exception, the State Health Benefits Programs (SHBP) rate increase in 2025 is 16.4% resulting in a maximum healthcare cost increase exclusion of 14.4% for the CY 2025 levy cap calculation.

Please note that any cancelled or unexpended referendum line items (if a levy cap referendum was successful in the prior budget year), and unexpended line items relating to levy cap exclusions, will be deducted from the adjusted levy based on the audit report or as noted in the budget message. Any referendum line-item funds left unexpended at the end of the fiscal year must be cancelled at year end unless the Division approves retaining reserves. If unauthorized balances are found during review of the following year’s budget, the Division will order cancellation of those balances and the levy cap will be adjusted accordingly.

Capital Appropriations

Non-financed capital appropriations must be approved at an annual election or special meeting. Financed capital appropriations must first be put before voters as a public question either at the annual election or a special election. Subsequent to the vote, the district must apply to the Local Finance Board for issuance of positive findings. The forms used to certify the results of a special meeting or public question are available on the Division web page.

For **November Election Districts**, please ensure that any Capital Item(s) approved by Resolution of the Board of Commissioners carries a minimum two-thirds majority vote of the full membership of the Board per NJSA 40A:14-84. A two-thirds majority vote of the full membership of a Board of Fire Commissioners is four out of five commissioners. The Division will not accept a three-out-of-five vote for capital resolutions passed in 2025 to be budgeted in 2026.

Please note that capital appropriations listed on Page F-5 of the Fire District Budget Excel workbook require:

- The date of the voter election;
- The percentage of affirmative votes for each capital item;
- The date of Local Finance Board issuance of findings (if financing required); and
- Restricted, unrestricted and/or grant revenue utilized for capital purposes, as all are considered in calculating the levy cap.

The District must state in the budget message whether it plans to utilize unrestricted or grant revenue to purchase capital items.

Please see the link at the bottom of this notice for the Capital Item Flowchart, which will assist the Fire Districts in what is expected from the DLGS regarding official documents.

Grants

For grants awarded prior to budget introduction, include the anticipated grant revenue in the budget along with the corresponding grant appropriations. Grants awarded after budget introduction will be processed as a budget amendment either at the public hearing or at any time after final adoption as allowed by N.J.S.A. 40A:14-78.5(e).

Transmittal of Budget to Director: Budget Adoption

Each fire district shall transmit a copy of the introduced annual budget to the Division of Local Government Services at least sixty (60) days prior to February 15, 2025 (the third Saturday in February) through FAST. All required budget documentation must be consistent with the introduced budget. **Due to the large number of fire district budgets submitted concurrently, the Division strongly recommends that fire districts submit their introduced budgets as early as possible, rather than waiting until the statutory due date. Please do not mail the Division hard copies of the budget document and supporting information.**

The chairperson of the board of fire commissioners is required to prepare a synopsis of the audit and publish it at least once in a newspaper circulating in the fire district; the district must file a copy of the synopsis (and proof of publication) with the Division within 10 days after publication. N.J.S.A. 40A:5A-16. Pursuant to N.J.A.C. 5:31-7.6(g), the synopsis must include the following:

- A comparative balance sheet;
- A comparative statement of revenue;
- Expenses/expenditures and changes in retained earnings/fund balance;
- A summary of recommendations; and
- Single Audit findings

Within 45 days of receiving the annual audit, the board of fire commissioners must certify by resolution that each member has personally reviewed the audit report, and, by a majority vote of the board's full membership, sign an affidavit accepting the audit. If the audit report includes findings, a corrective action plan is also required. The resolution, group affidavit, and any corrective action plan must be submitted to the Division within 45 days after receipt of the audit. For those fire districts that have yet to comply with the statutory obligation to submit their 2023 annual audit to the Division, all documents related to the audit must be submitted to the Division prior to submission of the 2025 Introduced Budget.

Post-Budget Adoption – Successful Levy Cap Referendum

Following voter approval of a levy cap referendum, transfers to or from referendum line-item appropriations are not permitted at any time. Referendum line items are only expended after the base line-item amount is depleted. Any referendum line-item funds left unexpended at the end of the fiscal year must be cancelled at year end unless the Division approves retaining reserves. The Division will order the cancellation of balances identified during the following year's budget review, and the levy cap will be adjusted accordingly.

Post-Adoption Budget Amendments – Special Items of Revenue

N.J.S.A. 40A:14-78.5, as implemented by [N.J.A.C. 5:31-2.17](#), establishes a process for fire districts to seek Director approval to insert special items of revenue into their budgets after the budget is adopted. While the new revenue item may have been made available by any private or public funding source, the amount of the corresponding appropriation cannot exceed the amount of the revenue received.

Accounting for Use of Municipal Appropriations to Fire District

N.J.S.A. 40A:14-34 requires the Director to adjust the annual cap on funds a municipality may appropriate for use by its volunteer fire companies or boards of fire commissioners for inflation every two years in accordance with the Cost-of-Living Adjustment promulgated for the 1977 cap law (N.J.S.A. 40A:4-45.1a). A COLA adjustment of two and one-half percent (2.5%) has been applied for CY 2025/SFY2026 and CY2026/SFY2027 municipal budgets. This 2.5% adjustment yields a maximum annual contribution of \$165,564. In any municipality with more than three such companies or boards, the governing body may annually appropriate an additional \$50,000 for each additional volunteer fire company or fire district. N.J.S.A. 40A:14-34 require a fire district or volunteer fire company receiving municipal appropriations to provide the municipal governing body an annual accounting of the use of all funds appropriated. Please refer to [Local Finance Notice 2024-14](#) for further details.

Fire District Website/Webpage Requirement

N.J.S.A. 40A:14-70.2 requires all fire districts to maintain a website or a webpage on their municipality's website that contains certain information set forth in the statute. A review of the statute is recommended to determine that all required content is displayed on the fire district's

website or webpage. N.J.A.C. 5:31-2.4(u) requires an authorized officer of the fire district to certify on the budget document that the fire district’s website or webpage complies with the minimum statutory requirements of N.J.S.A. 40A:14-70.2. **No fire district budget will be approved without a completed website certification.**

GovConnect

N.J.A.C. 5:30-16.5(c)(7) requires all fire districts to register at least one official in GovConnect network to receive Division and other State government information via e-mail. This network uses the State’s “myNewJersey” portal. District leadership is responsible for ensuring that an appropriate individual is enrolled. To enroll in GovConnect, contact the GovConnect Helpdesk at EGG@dca.nj.gov.

Approved: Jacquelyn A. Suárez, Commissioner & Director

Document	Internet Address
FAST Portal Registration	https://njdca.dynamics365portals.us/Account/Login/Register
Fire District Muni Codes	https://www.nj.gov/dca/divisions/dlgs/pdf/Fire%20District%20MuniCodes.pdf
FAST Fire District Instructions	https://www.nj.gov/dca/divisions/dlgs/pdf/FAST%20Fire%20Budget%20User%20Guide.pdf
Local Finance Notice 2021-10	https://www.nj.gov/dca/divisions/dlgs/lfns/21/2021-10.pdf
N.J.A.C. 5:31-2.10 & 2.17	https://www.nj.gov/dca/divisions/dlgs/resources/rules_docs/5_31/njac_5312.pdf
Capital Item Flowchart	https://www.nj.gov/dca/dlgs/programs/au_docs/Capital%20Item%20Flowchart.pdf
LFN 2024-11	https://www.nj.gov/dca/dlgs/lfns/2024/2024-11.pdf
2025 SHBP Local Govt. Employee Group Rate Setting Recommendation Report	https://www.nj.gov/treasury/pensions/documents/hb/rate-renewal/py2025-rate-setting-analysis-local.pdf