



VFD Funding Group

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Port Orange, FL 32127
386-492-3123

www.VFD-Funding.com

Some of Our Financing Web Sites

VFD-Funding.com
VFD-Financing.com
VFD-Loans.com
VFD-Grants.com
911-Funding.com
Municipal-Funding.com

IRS REQUIREMENTS FOR VOLUNTEER FIRE DEPARTMENTS

Volunteer Fire Departments qualify as issuers of tax-exempt obligations, if they meet certain requirements that are set forth by Section 147(f) of the Internal Revenue Code of 1986.

In order to qualify:

- The VFD must use the tax-exempt money to acquire either a *fire truck*, purchase *equipment*, or build or renovate a *fire station*. (Consolidation of debts relating to these items, is also permitted).
- The VFD must be the only provider of fire fighting services in their area, OR have been providing fire-fighting services to the area continuously since 1981.

If you are qualified as outlined above, please complete the following, in accordance with IRS Rules:

- 1) The Department must publish a notice in a local publication and have a meeting no sooner than 14 days after the notice appears in the paper. This meeting simply allows anyone in the community to voice their opinion. The meeting can be held at the fire house at either a regularly scheduled or at a special meeting. Please see attached SAMPLE of "Notice of Publication". We must receive either (A) an affidavit of the publication from the newspaper showing the article and date of publication or (B) and a total of three (3) copies of the entire page of the newspaper, which indicates the date of publication and where it was published. Additionally, we also need to have three (3) copies of your fire department's letter, on your department's letterhead, showing when you requested the local newspaper to publish your notice of hearing on the date you specify.
- 2) Following the public meeting, an approval letter, on the municipality's letterhead, **must** be signed by an official of the governing body for whom fire fighting services are provided (*i.e. Mayor or other officer for the City/Village/Town, Township Trustee for a Township, etc.*). See the attached example of "Section 147(f) Statement of Approval and Written Agreement". **Even though the Governing Body signs this approval letter, the Governing Body is not making any financial commitment towards this transaction.**
- 3) If one exists, a copy of the Department's agreement with the City/Town/County to provide fire fighting services.

Please send us three (3) copies of the above items (1-3) to VFD-Funding Group as soon as possible. You will find the SAMPLES of the Notice of Publication and Resolution to be signed by your local official below.

Contact VFD-Funding Group if you have any questions regarding any of the above-mentioned information, by e-mail or @ (724) 895-3431.

On the next page is a *SAMPLE* of a "Public Hearing Notice" you may wish to consider using and on the following page a *SAMPLE* of the "Statement of Approval and Written Agreement" letter your local official may wish to consider using, after you have had your required public meeting. We hope you find these helpful and easy to understand. Albeit you don't have to use the exact language verbatim in these *SAMPLES*, we have found these to meet all of the requirements of IRS Section 147(f) of the IRS Code of 1986, regarding IRS Section 103 Tax-Exempt Leases.

**To be typed on your Volunteer Fire Department letterhead and
published in the local newspaper at least 14 days prior to the meeting**

**Notice of Public Hearing
ON THE PROPOSED FINANCING BY [Name of Department]**

NOTICE IS HEREBY GIVEN that the [Name of Department] located in _____ [City, County and State of Lessee] (the Issuer), will meet on _____, at _____ o'clock _____ .m., at the _____, for the purpose of holding a public hearing pursuant to the requirements of Section 147(f) of the Internal Revenue Code of 1986, as amended, on a proposal that the Issuer enter into an agreement in order to finance certain equipment. The equipment to be financed consists of _____ and will be located at _____.

To finance the costs of such equipment and to pay costs and expenses incidental to the financing, the Issuer proposes to enter into a loan or lease-purchase agreement in the maximum aggregate principal amount of [Amount of Loan]. The Issuer will be required to pay all applicable taxes on the equipment. The rental payments due pursuant to the loan or lease-purchase agreement will be secured by a security interest in the equipment.

All persons interested may appear and be heard at said time and place or may file written comments with the [Name of Department] prior to the date of hearing set forth heretofore.

Dated: _____

BY ORDER OF [NAME OF DEPARTMENT]

Signature

Typed Name and Title

SAMPLE

PUBLICATION DATES:

At least once 14 days prior to the meeting date.

Attested By: _____

Below is a SAMPLE of a letter you may wish to have your local municipal official write on your municipality's letterhead, then sign and submit to us and the bank with whom we have helped you find the financing

IRS Section 147(f) Approval and Written Agreement

The undersigned Official of _____ (hereinafter referred to as "Municipality") pursuant to section 147(f) of the Internal Revenue Code of 1986, as amended (the "code"), hereby approves the entering into by [Name of Department] of an Agreement in an aggregate principal amount not to exceed \$[Amount of Loan] to finance equipment consisting of [Equipment] or improvements or construction of a new fire station, which will be located at the fire house of the [Name of Department].

This approval is given following a public hearing held at _____ (*Time and Date of Public Meeting*) at the company's fire station (*or other location which was designated in the public notice*) and is solely for the purpose of satisfying the requirements of Section 147(f) of the code. **This approval does not in any way constitute any financial involvement or obligation of the Municipality.**

Furthermore, this document acknowledges that for consideration, the receipt and sufficiency of which are hereby acknowledged, the [Name of Department] has provided fire fighting and other services for the Municipality for many years and [Name of Department] hereby agrees to meet the requirement to continue to provide fire fighting and other services for the Municipality.

Dated as of _____.

[Name of Department]

Signature

Typed Name and Title

Municipality

Signature of Member of Municipality

Typed Name and Title