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**TO: Local Government Officials**

**FROM: Division of Local Government Services and Economic Development**

**SUBJECT: Service Award Program Accounting Procedures**

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Article 11-A of the General Municipal Law (§§214 – 219-a) permits a political subdivision (county, city, town, town on behalf of a fire protection district, village, village on behalf of fire service area or fire district) to establish a service award program for volunteer firefighters. This law, which became effective September 1, 1989, provides active volunteer firefighters or their survivors with cash benefits based on years of service, payable upon attaining entitlement age or, becoming disabled or due to death.

### **Information**

Legal questions concerning a service award program should be directed to your own legal counsel. If additional legal assistance is required, please contact the Office of the State Comptroller, Division of Legal Services at (518) 474-5586. Accounting questions should be directed to the regional office serving your county.

### **Accounting Procedures**

The following subsidiary account will be used in the General Fund to record annual contributions for each participating active volunteer firefighter:

#### **9025 – Local Pension Fund**

Object Code .8, Employee Benefits, will be used in conjunction with account 9025

Additionally, the following accounts will be used to account for the program benefits transferred from the General Fund. When a program administrator is retained, the accounts are handled as agency funds with TA designations. When the program is administered by the political subdivision, the accounts are treated as private-purpose trust funds. As such, the accounts will be designated as TE.

**TA/TE-461 Service Award Program Assets**

### **TA/TE-13 Service Awards**

The TA/TE-461 account will be used to record assets held by either the political subdivision or a program administrator. The corresponding benefits payable will be recorded in the TA/TE-13 account. These accounts will be adjusted during the year and at fiscal year end based on information provided by either the plan administrator or by internally generated information.

Units maintaining an agency fund will not use revenue/receipt and expenditure/disbursement control and subsidiary accounts. These transactions will be shown in the reports provided by the plan administrator and the net difference reflected in the adjusted account balances.

Units maintaining a private-purpose trust fund must provide a method for capturing revenue/receipt and expenditure/disbursement information. Control and subsidiary accounts should be used for this purpose. However, a limited volume of transactions may preclude the necessity for maintenance of control and subsidiary accounts. If control and subsidiary accounts are not maintained, revenue/receipt and expenditure/disbursement amounts may be credited directly to the trust fund balance(s). Even if subsidiary accounts are not maintained, classification of these amounts will be required for purposes of financial reporting.

#### **Effective Date**

Guidelines prescribed by this accounting release are effective immediately.