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To: County, City, Village, Town and Fire District Officials

From: Division of Local Government and School Accountability

Subject: NYS Emergency Services Revolving Loan Account

Please provide copies of this bulletin to others who may need this information.

Purpose of Bulletin

This bulletin provides updated information on the accounting for loans received pursuant to the NYS Emergency Services Revolving Loan Account. It incorporates changes in the law and updated account codes used for reporting. All previous guidance has been incorporated into this bulletin.

Program Eligibility

Section 97-pp of the State Finance Law established the New York State Emergency Services Revolving Loan Account. The Revolving Loan Account is in the custody of the State Comptroller and administered by the Commissioner of the Division of Homeland Security and Emergency Services ("Commissioner"). Subject to a number of statutory conditions and limitations, the Account must be used to provide low interest loans (interest not to exceed two and one-half percent) for the following purposes:

1. Purchasing firefighting apparatus not to exceed the lesser of \$375,000 or 75% of cost.
2. Purchasing ambulances or rescue vehicles not to exceed the lesser of \$225,000 or 75% of cost.
3. Purchasing protective or communication equipment not to exceed \$200,000.
4. Repairing or rehabilitating firefighting apparatus, ambulances, or rescue vehicles not to exceed the lesser of \$200,000 or 100% of cost.
5. Purchasing accessory equipment shall not exceed \$125,000.
6. Renovating, rehabilitating or repairing facilities that house firefighting equipment, ambulances, rescue vehicles and related equipment not to exceed the lesser of \$250,000 or 75% of cost.
7. Construction costs associated with the establishment of facilities to house firefighting equipment, ambulances, rescue vehicles and related equipment not to exceed the lesser of \$500,000 or 75% of cost of construction.
8. Construction costs associated with the establishment of facilities for the purpose of live fire training not to exceed \$250,000 or 75% of cost.

Subject to a number of statutory conditions and limitations within Section 97-pp of the State Finance Law, applications may be submitted jointly by multiple applicants. Loans issued in response to joint applications may be for greater maximum amounts than those amounts listed above.

Application forms for these loans may be received from the NYS Division of Homeland Security and Emergency Services, 1220 Washington Avenue, State Office Campus Bldg. 7A Suite 610, Albany, New York, 12242 or for program information and application visit <http://www.dhSES.ny.gov/ofpc/services/loan/>, or call (518) 474-6746.

Accounting Treatment

Capital Projects Fund

The (1) purchase of apparatus, equipment, or vehicles, (2) repairing or rehabilitating apparatus or vehicles, (3) renovating, rehabilitating or repairing facilities that house equipment or vehicles, and (4) construction costs for the establishment of facilities to house equipment, vehicles or for live fire training, financed through the use of the NYS Emergency Services Revolving Loan Account will be accounted for in the Capital Projects Fund.

The revenue shall be recorded in account H5789 - Other Debt ("NYS Emergency Services Revolving Loan" should be specified).

For all local governments *except* fire districts, the project expenditures shall be recorded in account H3989.2 - Misc Public Safety, Equip & Cap Outlay ("Emergency Services" or the specific project name should be specified). For fire districts, the project expenditures shall be recorded in account H3410.2 - Fire, Equip & Cap Outlay ("Emergency Services" or the specific project name should be specified).

Schedule of Non-Current Governmental Liabilities

The liability for the amount of principal owed on the NYS Emergency Service Revolving Loan will be accounted for in the Schedule of Non-Current Governmental Liabilities.

The liability for the principal of the loan shall be recorded in account W619 - State Loans Payable, with a balancing entry in account W129 Total Non-Current Govt Liabilities.

Operating Fund or Debt Service Fund

The budgetary appropriation to be made every year for the payment of principal and interest on the NYS Emergency Services Loan will be done through either an operating fund responsible for firefighting services or a Debt Service Fund.

The payments on the state loans shall be recorded in expenditure accounts 9790.6 - Debt Principal, State Loans and 9790.7 - Debt Interest, State Loans.

Schedule of Non-Current Governmental Assets

The asset acquired or constructed from NYS Emergency Services Revolving Loan will be accounted for in the Schedule of Non-Current Governmental Assets in account K104 - Machinery & Equipment, with a balancing entry in account K159 Total Non-Current Govt Assets.

Sample Journal Entries

Capital Projects Fund

To record the budget for the acquisition of firefighting equipment:

Account	Sub Account	Debit	Credit
H510 Estimated Revenues		\$285,500	
H5789 Other Debt (NYS Emergency Services Revolving Loan)	\$285,500		
H960 Appropriations			\$285,500
H3989.2 Misc Public Safety, Equip & Cap Outlay ¹ (Emergency Services)	\$285,500		

To record the proceeds of the loan from NYS:

Account	Sub Account	Debit	Credit
H200 Cash		\$285,500	
H980 Revenues			\$285,500
H5789 Other Debt (NYS Emergency Services Revolving Loan)	\$285,500		

To record the payment to the vendor upon receiving equipment:

Account	Sub Account	Debit	Credit
H522 Expenditures		\$285,500	
H3989.2 Misc Public Safety, Equip & Cap Outlay ¹ (Emergency Services)	\$285,500		\$285,500
H200 Cash			

Schedule of Non-Current Governmental Liabilities

To record the principal liability on the revolving loan:

Account	Sub Account	Debit	Credit
W129 Total Non-Current Govt Liabilities		\$285,500	
W619 State Loans Payable			\$285,500

To record the reduction of principal when the payment is made from the operating fund or debt service fund:

Account	Sub Account	Debit	Credit
W619 State Loans Payable		\$285,500	
W129 Total Non-Current Govt Liabilities			\$285,500

¹ Fire districts should use account H3410.2 - Fire, Equip & Cap Outlay ("Emergency Services" or the specific project name should be specified).

Schedule of Non-Current Governmental Assets

To record the firefighting equipment acquired:

Account	Sub Account	Debit	Credit
K104 Machinery & Equipment K159 Total Non-Current Govt Assets		\$285,500	\$285,500

Operating Fund or Debt Service Fund

To record the payment of principal and interest on the NYS Revolving Loan:

Account	Sub Account	Debit	Credit
522 Expenditures		\$35,690	
9790.6 Debt Principal, State Loans	\$28,550		
9790.7 Debt Interest, State Loans	\$ 7,140		
200 Cash			\$35,690