
PENNSYLVANIA DEPARTMENT OF THE AUDITOR GENERAL

 Auditor General Tim DeFoor  PaAuditorGen  PaAuditorGen  www.paauditor.gov



News for Immediate Release

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Auditor General DeFoor: Audit Helps Norristown VFRA Reclaim \$86,131 Bank Account Turned Over as Unclaimed Property

HARRISBURG – Auditor General Timothy DeFoor today said his audit team helped the Firemen’s Union and Relief Association of Norristown track down and reclaim a savings account containing \$86,131 that had been turned over as unclaimed property to the Pennsylvania Treasury.

“Volunteer firefighter relief associations have an obligation to carefully manage every penny of the taxpayer funds they receive,” DeFoor said. “Our audits help to make sure that relief associations are handling their finances correctly and do not lose track of any funds.”

The association was unaware of the issue until auditors pointed it out. DeFoor said his department contacted the Pennsylvania Treasury to make certain the relief association reclaimed the escheated funds, which it has done. DeFoor also encouraged organizations to use Treasurer Stacy Garrity’s [website](#) to search for any unclaimed property they might be owed.

The [audit](#) contained numerous other findings that DeFoor said indicates a need for stronger administrative and financial controls, including:

- Noncompliance with prior audit recommendations involving undocumented and unauthorized expenses, including \$1,200 spent on a dinner;
- Failure to secure ownership interest in equipment jointly purchased with affiliated fire companies and the Municipality of Norristown;
- Failure to adhere to its own bylaws by paying association officer salaries that exceed the amounts established in the bylaws;
- Inadequate internal controls for past financial transactions identified throughout the audit; and
- Failure to maintain a complete and accurate equipment roster.

DeFoor noted that the relief association could face the potential withholding of future state aid on the two findings that involve noncompliance with previous audit recommendations.

The audit, which covered the period of Jan. 1, 2017 to Dec. 31, 2019, also observed that the association failed to ensure its cash deposits did not exceed FDIC coverage limits per account.

The relief association is legally separate from the affiliated fire companies it supports. The association receives state aid funds relayed through the Municipality of Norristown, Montgomery County.

Volunteer firefighter relief associations (VFRAs) must comply with applicable state laws, contracts, bylaws and administrative procedures in managing the receipt and expenditure of relief association funds or face the potential withholding of future state aid. Compliance is verified through future audits.

The Department of the Auditor General distributes state aid for VFRA's and also audits how they use the funds, which are generated by a 2 percent tax on fire insurance policies sold in Pennsylvania by out-of-state companies.

In 2020, \$60.25 million went to 2,518 municipalities for distribution to VFRA's to provide training, purchase equipment and insurance, and pay for death benefits for volunteer firefighters.

Review the [Firemen's Union and Relief Association of Norristown audit report](#) and learn more about the Department of the Auditor General online at www.paauditor.gov.

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