

GUIDELINES FOR POLICE & FIREFIGHTERS' **RELIEF ASSOCIATIONS**

Since 1981 the Attorney General has reminded Relief Associations holding property for charitable or community purposes of their duty to register and file annual reports with the Attorney General, Charitable Trusts Unit.

Our ongoing review of annual reports filed by police and firefighters relief associations suggests that there may be confusion or misunderstanding in some associations relative to the appropriate purposes for which relief association funds may be expended. The following guidelines are intended to assist association officers who bear the responsibility for the proper expenditure of relief association funds:

- (1) Most police and firefighter relief associations have written Articles of Agreement, charters, constitutions or bylaws, which state the purpose of the association. Such purposes are frequently charitable; the purchase of needed equipment for the police or fire department, assistance to injured, retired or impoverished members of the association, death benefits for the families of members dying while in the line of duty.
- (2) Other relief associations may not have written constitutions or their constitutions or bylaws may be silent or ambiguous as to the purposes of the association, but the association does collect dues or conduct public fund raisers for generally recognized charitable purposes such as those described above.
- (3) Relief association officers should conduct a review of the articles of agreement, constitution or bylaws of their associations as well as any flyers, tickets and other materials distributed by the association to determine whether the association was established by its constitution and bylaws for charitable purposes or, although not so established, is representing itself to the public as engaged in works of a charitable nature or purpose.

- (4) If the articles of agreement, constitution, charter, bylaws or resolution of a relief association dedicate the association in whole or in part to the accomplishments of any generally recognized charitable purpose, the law requires that the funds of the association be expended in furtherance of such charitable purposes and not for non-charitable expenses.
- (5) Likewise, a relief association that represents itself to the public as an organization engaged in charitable work must devote the funds, which it raises or collects to such charitable purposes and not otherwise.
- (6) Where funds are given to a relief association devoted to charitable purposes or which holds itself out as engaging in charitable purposes, the use of those funds for other purposes may be unlawful and may result in the responsible officers of the association being required to reimburse the funds.
- (7) Charitable purposes do not normally include payment of the personal bills or expenses of an individual member of the association not related to his or her duties as a police or fire person. Thus, the payment by a relief association of the legal fees and expenses of a member who has been civilly sued in his or her individual capacity or criminally indicted is almost certainly an unlawful use of the relief association funds.
- (8) Nor do charitable purposes normally include the payment of expenses for a social gathering, the purchase of food, alcohol or other beverages for members of the association or their guests except to the extent that such expenses may incidentally further the purposes of the association. Thus, food or beverages supplied to firemen while they are engaged in fighting a fire is a lawful expenditure of the funds of a relief association – one of whose purposes is to aid the fire department. But the expenditure of relief association funds for weekly or monthly dinners by members of the association at a local restaurant would generally be an improper expenditure.
- (9) Expenses for the rental or purchase by the association of luxury or convenience items for its members or others such as television sets, VCR's, soft drink and food dispensing machines and other similar types of personal property not related

to furthering the charitable purposes of the relief association are not normally charitable in nature. An association chartered for the relief of its members refers to relief from the consequences of illness or death, and its funds should not be expended except in fulfillment of those purposes.

(10) The Charitable Trusts Unit recognizes that a relief association may have, in addition to its primary charitable purpose, incidental non-charitable purposes of a social or recreational nature. So long as such non-charitable purpose (1) tend to promote the primary charitable purpose of the association or aid in its efficient administration, and (2) remain incidental to its primary charitable purposes and (3) do not constitute in themselves a substantial activity of the association, expenditures for such purposes may be permissible. But associations must exercise care to assure that such expenditures are of a minor and secondary nature.

(11) Relief associations are not prohibited by their charitable nature from conducting or sponsoring testimonials for one of their members, dances or other social or recreational events. And individual members of relief associations are not prohibited from taking up collections among members or others for gifts to another member or person honored. Such events should, however, be self-sustaining financially, publicized in a manner which would not cause a reasonable person to believe he or she was contributing to the charitable purposes of the association as opposed to its social or recreational purposes and not supported by the general charitable funds of the association.

(12) A member of the Charitable Trusts Unit will be pleased to discuss specific application of these guidelines in particular cases with concerned association officers.

The telephone number for the Charitable Trust Unit is (603) 271-3591. Our website address is: www.doj.nh.gov/charitable.