§ 181-a. Budgetary controls. 1. The fire district treasurer shall maintain a separate account for each appropriation made in the annual budget of the fire district. Each such account shall show the amount appropriated, the several amounts expended from the account, and the unexpended balance of the appropriation.

2. No expenditure shall be made, nor shall any contract which in any manner involves the expenditure of money or the incurring of any pecuniary liability be entered into, unless an amount has been appropriated for the particular purpose and is available for that purpose or has been authorized to be borrowed pursuant to the local finance law. Nothing in this subdivision shall prevent the making of a contract or lease for a term exceeding one year when authorized by law nor shall anything in this subdivision require a fire district which has entered into a contract or lease for a term exceeding one year to pay during the current fiscal year any amounts larger than those which become due and owing during that year under the terms of such lease or contract.

3. Whenever during a fiscal year it shall appear probable to the fire district treasurer that the moneys available for such year will be insufficient to meet the amounts appropriated, he or she shall forthwith notify the board of fire commissioners of such fact, stating the probable amount of such deficiency. The treasurer may include his or her recommendations as to the action which should be taken. The board of fire commissioners may reduce any appropriation or appropriations so as to prevent the making of expenditures in excess of moneys available. An appropriation shall not be reduced below the minimum amount required by law to be appropriated, nor shall an appropriation be reduced by more than the balance therein less outstanding and unpaid claims chargeable to such appropriation.

4. The board of fire commissioners, during a fiscal year, may make additional appropriations or increase existing appropriations. Moneys therefor may be provided by transfer from the unexpended balance of an appropriation, from unappropriated unreserved fund balance, or unanticipated revenues, or by borrowing pursuant to the local finance

law. For the purposes of this subdivision, unappropriated unreserved fund balance or unanticipated revenues shall be available for transfer only to the extent that the total of all revenues recognized or reasonably expected to be recognized in the current fiscal year, including unappropriated unreserved fund balance, exceeds the total of all revenues as estimated in the budget, including appropriated fund balance.

5. Notwithstanding the provisions of subdivision four of this section, grants in aid from the state and federal governments, other gifts which are required to be expended for particular objects or purposes, and insurance proceeds for the loss, theft, damage or destruction of real or personal property, when proposed to be used or applied to repair or replace such property, may be appropriated by the board of fire commissioners at any time for such objects and purposes.