

FLORENCE POLICE DEPARTMENT GENERAL ORDER

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| Subject: FISCAL MANAGEMENT | Procedure: General Order 8.1.1 CALEA 17.1.1 | Total Pages: 8 |
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I. POLICY

It is the policy of this Department to maintain accountability for fiscal matters through application of sound accounting and asset management principles.

II. PURPOSE

This written order designates the Chief of Police as having the authority and responsibility for the fiscal management of the agency. It establishes provisions for obtaining input from command personnel, and provides guidelines for safeguarding cash, property, and other assets entrusted to the Department.

III. SCOPE

This written order is applicable to all personnel.

IV. RESPONSIBILITY

The Chief of Police will have authority and responsibility for the fiscal management of the Department.

V. APPLICABLE LAWS AND REGULATIONS

All fiscal management activities will be performed in accordance with the principles of purchasing, the Alabama Competitive Bid law and Public Works Laws, (Code of Alabama 1975, as amended, Sections 41-16-50 through 41-16-63 and Sections 39-2-1 through 39-2-14), and the City of Florence purchasing policy.

VI. COMMAND LEVEL PARTICIPATION – BUDGET PREPARATION

All Command Staff within the Department will participate in the preparation of the Department’s budget. The Chief of Police will require that Division and Unit Commanders prepare budget request documents and provide adequate justification for the continuation of existing expenditures or proposed changes. Budget recommendations will be based on functional goals and objectives.

VII. BUDGET PREPARATION

A. The mayor meets with the Chief of Police and other department heads for a budget review meeting. During this meeting, budget deadlines, limitations, and constraints are established.

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- B. The Chief of Police notifies the Command Staff and unit commanders to begin submitting budget requests for the upcoming fiscal year. Such requests are to be justifiable, and based on operational and activity analysis.
- C. The Chief of Police meets with the Command Staff for a budget review meeting. During this review, initial cuts will be made in accordance with anticipated needs, and budgetary allowances.
- D. The Office of the Chief of Police will prepare a final draft of the budget for submission to the mayor's office.
- E. A final budget review will be scheduled with the Chief of Police, the Mayor, and the City Accountant. During this review, final additions and/or deletions will be made.
- F. A final copy of the budget will be forwarded to the city council for approval.
- G. Upon final approval by the City Council, a final draft of the budget will be forwarded to the Chief of Police.

VIII. ACCOUNTING SYSTEM

Each account must be approved. The accounting system utilized by the police department includes, at a minimum, provisions for monthly status reports (City of Florence Summary Budget Comparison; 110 – Current Expense Fund; 42100 – Police) indicating:

- A. Initial appropriation for each account or program;
- B. Current Monthly Balance;
- C. Expenditures made during the period;
- D. Year to date expenses.

The City of Florence and the Florence Police Department do not use “encumbrance accounting,” but “accrual based accounting.” The Florence City Council adopts by line item, an operating budget for each fiscal year. Budget to actual performance is measured and reported each month for the current period and year to date. The operating budget for this Department expires with the fiscal year on September 30th of each year. Unexpended budget amounts at the close of the fiscal year are not carried forward into the next fiscal year. All expenditures are approved by department management prior to payment. Documentation of the fiscal management activities will be maintained by a designee appointed by the Chief's office.

IX. POSITION CONTROL

The city's annual budget is used by the Chief of Police to establish controls on the number and type of positions filled and vacant at any time. This ensures that persons on the payroll are legally employed and that positions are in accordance with budget authorizations. The Chief of Police will maintain internal control over the position apportionment based on consideration of the following:

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- A. Human resource allocation assessments and recommendations submitted by command personnel, and
- B. Other service demands based on the needs of the Department.

X. CASH MANAGEMENT

Formal fiscal control procedures enable the Department to establish accountability, to comply with funding authorizations and restrictions, to ensure that disbursements are for designated and approved recipients and, most important, to alert the Administration to possible problems requiring remedial action. This directive establishes procedures for collecting, safeguarding, and disbursing cash to include:

- A. Preparation of financial statements;
- B. Conduct of internal audits; and
- C. Persons or positions authorized to accept or disburse funds. Because of the diverse activities within the Department whereby cash may be received by a number of people for a variety of reasons, the following policy will be applied:
 - 1. Any disbursement of funds not directly authorized and regulated by existing written directives must be approved by the Chief of Police.
 - 2. Unless otherwise approved, any cash disbursement greater than \$2000.00 (two-thousand dollars) will be approved by the Chief of Police.
 - 3. Funds will be kept secure at all times.
 - 4. Financial statements will be prepared quarterly, or at the request of the Chief of Police or City Accountant.
- D. **CASH FUNDS ACCOUNT MAINTENANCE:** The accounting system for each cash fund or account where Department personnel are permitted to receive, maintain, or disburse cash will include, at a minimum:
 - 1. A balance sheet, ledger, or other system that identifies initial balance, credits (cash income received), debits (cash disbursed), and the balance on hand;
 - 2. Receipts or documentation for cash received;
 - 3. Records, documentation, or invoice requirements for cash expenditures;
 - 4. Persons or positions authorized to disburse or accept cash; and
 - 5. At least quarterly, a Captain assigned by the Chief of Police, will conduct an accounting of cash activities.
- E. **RECORDS AND DESK:** All cash transactions handled by members of this Department will follow the procedures set forth in the General Fund

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Petty Cash and Operational Imprest Funds Policy. Additionally, Monies received by Records and Desk personnel will be handled as indicated:

1. **RECORDS RECEIPTS:** A Money Receipt is required with each financial transaction processed. Each receipt will be filled out completely; the original will be given to the purchaser and the copy will be maintained by Records until all receipts in the book have been used.
 - a. At the close of each business day, the money receipt totals are checked and balanced against actual cash in the drawer. If an accurate accounting has taken place during the day, all will balance correctly.
 - b. If the total does not match the total shown on all receipts, the error will be rechecked until found and corrected. In the event the money is not able to be balanced, another Records Employee will attempt to reconcile the funds. In the event the money is still not able to be balanced, a note will be left for the Records supervisor requesting an audit of the funds due to the discrepancy.
 - c. Once balanced, the money is then placed in an envelope with the calculator tape used for the balance. The envelope/bank bag is locked until the following day at which time it is delivered to General Fund Accounting. A representative from Accounting will then verify the monies and issue a receipt for funds. The envelope/bank bag and receipt are then returned to Records.
 - d. All receipts and receipt books are maintained in Records.
 - e. There are two cash drawers maintained in Records. The first drawer contains fifty (\$50.00) dollars and is solely used for making change. This drawer always maintains a fifty (\$50.00) dollar balance. The second drawer is used as the main cash drawer from which transactions are made. This drawer will begin with a balance of zero (\$0.00) dollars each day per this directive.
2. **DESK OFFICERS:** When the Florence Municipal Court is closed, or unable, the Police Desk will receive only money orders for bonds and warrants. The money orders will be made out to the Florence Municipal Court.

XI. AUTHORIZED POSITIONS:

Generally, all employees will be authorized and have the responsibility for collecting, safeguarding, and disbursing cash when relevant to their assigned position. Positions specifically applicable to this directive include:

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- A. Petty Cash – Petty cash custodian
- B. Confidential Informant Funds – Designated Captain
- C. Records – Records clerks

XII. INTERNAL MONITORING:

The Deputy Chief assigned to the Support Services Bureau and his secretary are responsible for conducting internal monitoring of the Department's non-cash fiscal activities, which include:

- A. Payment/purchase vouchers;
- B. Travel/training requests and vouchers;
- C. Printing requests; and
- D. Other resources available through open continuous accounts.

XIII. INDEPENDENT AUDIT

As a basis for determining the financial integrity of the Department's fiscal control procedures, independent audits will be conducted annually. Procedures for the conduct of the independent audit will be determined by the City of Florence's Accounting Department.

XIV. REQUISITION AND PURCHASING PROCEDURES:

The City of Florence Purchasing policy establishes procedures for requisitioning and purchasing Department equipment, supplies, and contractual services to include, at a minimum, specifications for items requiring standardized purchases, bidding procedures, and criteria for the selection of vendors and contractors.

XV. EMERGENCY PURCHASING REQUESTS:

Emergencies often require the purchase or rental of additional or more sophisticated equipment. All requests of this nature will be submitted in accordance with the City of Florence purchasing policy.

XVI. EMERGENCY FUND TRANSFER REQUESTS:

Supplemental or emergency appropriation and fund transfer requests are considered revisions to the budget. Budget increases, overruns, or transfers from one of the three major categories of personnel, operating expenses or capital outlays to another department, or from one department to another, must be approved by the City Council as amendments to the budget. Fund transfers will be requested by the Chief of Police, in writing, to the Mayor.

XVII. INVENTORY CONTROL:

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- A. Inventory controls are intended to prevent losses and unauthorized use, and to avoid both inventory excesses and shortages. Complete records will be maintained for all Department purchases of non-expendable items.
- B. The Florence Police Department will follow all guidelines set forth in the City of Florence, General Fund Accounting Fixed Asset Policy book. Those procedures include:
 - 1. All equipment in excess of \$500.00 will be ordered using a Purchase Order.
 - 2. Upon receipt of the invoice, the invoice and purchase order are sent to the General Fund Accounting office for addition to the Fixed Asset Listing.
 - 3. Upon receipt of the equipment, the Staff Services Sergeant, adds the items to the Florence Police Inventory listing.
 - 4. The General Fund Accounting office will send a City of Florence Property Sticker to be affixed to each asset valued at more than \$500.
 - 5. Random audits are routinely conducted by the General Fund Accounting office for assets in the possession of the Police Department.

XVIII. PROPERTY CLERK RESPONSIBILITIES:

The Support Services Sergeant is designated as the Department's Property Clerk, with the duty and responsibility for maintaining a complete and accurate inventory of all Department general fixed assets in accordance with the City of Florence Fixed Assets and Depreciation Policy.

XIX. IDENTIFICATION OF CAPITAL AND NON-EXPENDABLE ASSETS:

- A. A CAPITAL ASSET is defined as any tangible asset (such as furniture, vehicle, radio, etc.) with a value exceeding \$500.00, and with a useful life of one (1) or more years. These assets will be identified by a City of Florence Property Control Number (blue tag) attached to the property.
- B. A NON-EXPENDABLE ASSET is defined as any tangible asset (such as weapons, cameras, etc.) with a value under \$500.00, and with a useful life of one (1) or more years. Non-expendable assets will be identified by a City of Florence Property Control Number (blue tag) attached to the property.
- C. PROPERTY NUMBER: All CAPITAL and NON-EXPENDABLE assets will be identified by a City of Florence Property Number. The property number must be affixed to the property (where practical) using an inventory sticker.

XX. ACCOUNTABILITY OF ASSETS:

- A. RECEIVING ASSETS: All capital/non-expendable assets will be received through Support Services.

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1. The Support Services Sergeant receives all assets, adds them to current inventory and attaches a City of Florence Property Sticker.
 2. The inventory database contains the following for each asset:
 - a. Asset ID number
 - b. Item description
 - c. Model number
 - d. Serial number
 - e. Acquisition Date
 - f. Cost
 - g. Officer to which the item was assigned or item location.
- B. DISPOSAL OF ASSETS: All disposals of capital and non-expendable assets will be in accordance with the City of Florence, General Fund Accounting, Fixed Assets and Depreciation Policy.
1. The Support Services Sergeant compiles a list of items from inventory that will be disposed of by means of auction, destruction, cannibalism, sale, or trade.
 2. This list is sent to the City of Florence General Fund Accounting Department.
- C. INVENTORIES:
1. ASSET VERIFICATION:
 - a. Randomly, throughout the year, a representative from General Accounting will conduct a sample inventory audit of the Department to ensure capital/non-expendable assets are properly controlled and accounted for.