

FREDERICK POLICE DEPARTMENT GENERAL ORDER

Section 12: Resource Control
Topic: CASH FUND ACCOUNTABILITY
Approved: 08/21/2019
Review: Annually in March by Fiscal Affairs Manager
Supersedes: G.O. 1260 dated 03/10/16

Order Number: 1260
Issued by: Chief of Police

.01 PURPOSE:

To establish the procedures, which will be used to account for departmental cash funds or bank accounts for which agency personnel are permitted to receive, maintain, or disburse cash.

.02 CROSS-REF:

Special Operations Division [SOD-020](#), "DEU Operations"
Form [FA-005](#), "Cash Fund Account"

.03 DISCUSSION:

During the course of normal business activities, there is a need for the Department to receive or disburse cash for various reasons such as the Drug Enforcement Unit's (DEU) drug investigation fund, fees collected for reproduction costs in Records and Communications, fines from Municipal Infractions, etc.

.04 POLICY:

It is the policy of the Department to ensure that all cash funds received or disbursed are controlled, expended and accounted for according to established procedures.

.05 DEFINITIONS:

BUY FUND - Cash used by personnel to facilitate criminal investigations such as controlled dangerous substance laws, vice investigations or other criminal violations.

REVENUE - Cash received for fees charged by the Department or Municipal Infraction fines collected by the Department for deposit only into City income accounts

.10 ACCOUNTABILITY FOR CASH FUNDS:

1. Although personnel in different divisions may handle cash funds, the Manager, Fiscal Affairs Unit (FAU), is ultimately responsible for all cash funds within the Department and will ensure personnel handling cash are aware of the procedures and accounting processes for the money they handle. Division Commanders have the authority to designate specific personnel within their divisions to handle the cash procedures and to place any limitations on the amount of cash they are allowed to handle. No one will disburse/expend cash without prior approval of a supervisor. With the exception of the PAL Program, which is governed by a Board of Directors, any disbursements in excess of \$500.00 cash must have the authorization of the Chief of Police prior to the expenditure. In the absence of the Chief of Police, the appropriate Bureau Commander may authorize such expenditures. All disbursements and or expenditures will be documented stating, at a minimum, the date, the amount, reason for disbursement/expenditure, and to whom the disbursement was made. Any discrepancies are to be reported immediately to the Manager, Fiscal Affairs Unit.
2. The Manager, FAU, will conduct an internal accounting quarterly on all cash funds that Department personnel handle. An independent audit by the City's Department of Finance or its contracted auditor will be completed annually per existing City procedures.

3. To ensure personnel who handle cash thoroughly document each transaction, the following information must be noted on a Form #FA-005 entitled "Cash Fund Accountability and/or Dissemination Log" or a ledger whenever cash is received or disbursed:
 - A. the case number or reason for the transaction and date it is occurring;
 - B. the amount of money involved, description (e.g., cash/check/money order, etc.) and whether it was disbursed or collected;
 - C. the person/company involved in the transaction;
 - D. the identification of the personnel (name/initials and identification number) handling the transaction;
 - E. beginning and ending balances when appropriate;
 - F. authorizing supervisor's signature and identification number;
 - G. date/time the monies received were turned into the FAU; and,
 - H. date/time the monies were turned over to the City of Frederick.
4. All monies received by the Department and the completed Form #FA-005 will be forwarded to the FAU on a daily basis. No one will hold cash received beyond one day without FAU authorization. During weekends and holidays, any monies received will be placed in a sealed envelope, with Form #FA-005. and then placed in the lock box located outside the Fiscal Office.
5. Personnel handling cash will ensure that the money is either secured in a locked cabinet, safe, or attended at all times.
6. Receipts (using a standard carbonized receipt form) will be given to all individuals.

.20 TYPES OF CASH FUNDS WITHIN THE DEPARTMENT:

Listed below are the cash funds utilized within the agency and the division responsible for it. Personnel must have the approval of a Bureau Commander prior to instituting a new fund.

TYPE OF FUND	DIVISION	CUSTODIAN OF FUND
Buy Fund	Drug Enforcement Unit	Sergeant/Corporal
Information Desk Change Fund	Technical Services Division	Records Specialists
Gunstoppers Acct.	Patrol Operations Division	Manager – Fiscal Affairs

.25 TYPES OF REVENUES WITHIN THE DEPARTMENT:

Listed below are the revenues received by the agency and the division responsible for it. No funds are disbursed from these accounts. Deposits, only, are made to the City Finance Department.

TYPE OF REVENUE	DIVISION	RECIPIENT OF FUNDS
Taxi Cab Permit Fees	Professional Services Division	Special Vehicle Coordinator
Reproduction/Copying Fees	Technical Services Division	Records Personnel
Reproduction/Audio Tape Fees	Technical Services Division	Communications Super.
Municipal Infractions	Technical Services Division	Records Personnel

Auction Proceeds from Unclaimed Property	Professional Services Division	Records Supervisor
Range Fees	Training Unit	Staff of Training Unit
Asset Forfeiture Funds	Special Operations Division	City of Frederick
False Alarm Reduction Program	Special Operations Division	False Alarm Reduction Coordinator

.40 DONATIONS:

Any time personnel receive a donation for a departmental program such as Canine (K-9) or Honor Guard, they will immediately forward the donation to the FAU, which will document it on a City of Frederick Finance Office Statement of Receipt form and handle according to City of Frederick accounting procedures.

.50 ESTABLISHMENT AND REIMBURSEMENT OF “BUY” FUND:

1. As part of its operating budget, the Department will earmark money to be used as “buy” money. The total amount of money to be budgeted will be determined during the budget preparation process. 2. The Supervisor of DEU will be authorized to maintain \$3000.00 in buy fund money at any time as long as there is funding available. Whenever the fund drops to \$1500.00, the Supervisor of DEU will request in writing, via chain of command, that the Manager of the FAU replenish the fund. The FAU Manager will comply, adhering to the City’s purchasing and expenditure procedures.
2. The Supervisor, DEU, will adhere to the procedures in SOD SOP-20 pertaining to buy fund accountability. All information pertaining to the maintenance of the buy fund will be documented in a bound ledger.
3. Any personnel with a legitimate law enforcement reason, may request buy money from the DEU Supervisor once they have their immediate supervisor’s approval. The DEU Supervisor retains the discretion to honor the request based upon his unit’s needs.
4. Buy fund monies will NOT be utilized as petty cash. There must be a legitimate law enforcement need and must involve an investigation (e.g., supplies and miscellaneous items for personnel cannot be purchased with the buy fund account).

.60 SPECIAL PROGRAM BANK ACCOUNTS:

1. The Department allows bank checking accounts to exist outside the City Finance system for the PAL Program. This checking account may be used to fund expenditures not budgeted for or beyond the Police Department budget. The Department has approved, but not limited expenditures to the following areas:
 - A. Registration and supporting costs for professional or program related training, registration and related fees for competitive events involving program members;
 - B. Equipment or supplies to support programs; equipment or supplies to support projects adopted or sponsored by the programs;
 - C. Expenses for various forms of program member recognition and service award; and,
 - D. Donations to charities, outside projects and service organizations.
2. All expenditures must be approved by the program advisor. All accounts will have two individuals with signature authority. An account journal must be maintained documenting the date, amount, check number and complete description of the expenditure.
3. Revenue generally consists of, but is not limited to fund raising events, training classes sponsorships, and donations. Fund raising events must be approved by the Division

Commander or designee. Fund raising will not conflict with the Department's Mission, Policies, or General Orders. Liability, wear and tear on Department equipment and community perception must be taken into consideration.

4. All program accounts will be subject to annual and periodic unannounced audits for bookkeeping and balance purposes. An audit of an account will be conducted if the custodian of the account changes.