



Somerville Police Department 	TYPE: GENERAL ORDER		POLICY NUMBER: 420	
	Subject: Financial Management			
	Issuing Authority: David Fallon Chief of Police		Signature: 	Effective Date: December 5, 2017
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Accreditation Standards (5th Edition) 17.1.1, 17.2.1, 17.2.2, 17.4.1, 17.4.2		<input type="checkbox"/> New <input checked="" type="checkbox"/> Revised <input type="checkbox"/> Amended		
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Purpose

The purpose of this policy is to identify and provide guidance for those employees involved with the budget cycle, the collection and the disbursement of cash. The budget process often begins months before the beginning of the new fiscal year and careful planning is crucial in presenting a comprehensive budget proposal to address department needs. Equally important, the practice of maintaining sound financial records will protect employees from any claim of inappropriate use of funds.

Policy

It is the policy of the Somerville Police Department to:

- A. Submit a sound budget proposal to fund the agency properly to meet policing goals throughout the next fiscal year.
- B. Manage the operational budget to ensure that funds from budgetary appropriations are available for police operations through the fiscal year.
- C. Maintain the integrity of cash accounts and expenditures in the police department.
- D. Maintain strong internal controls to prevent mishandling of funds and to safeguard against loss.

Definitions

MUNIS: The Municipal Information System is the public sector software product that the city uses for managing its budget.

Procedures

1. Fiscal Authority and Responsibility [17.1.1]

- A.** The Chief of Police is designated as having the authority and responsibility for fiscal management of the police department.
- B.** Such authority is derived through City Ordinance, Section 10-4, which defines the Police Chief's duties.

2. The Budget Process [17.2.1]

- A.** The budget year for this department begins on the first day of July each year and ends on the following June 30th.
- B.** The Chief of Police shall submit a proposed budget to Mayor's Office as directed, but usually during the month of May.
 - 1.** The Deputy Chiefs and Financial Analyst submit budget recommendations for the upcoming budget cycle to the Chief of Police. The responsible components are: [17.2.2]
 - a)** Patrol Division
 - b)** Investigations Division
 - c)** Traffic Division
 - d)** Training Division
 - e)** Support Services Division
 - 2.** Budget recommendations shall be submitted as directed by the Chief of Police.

3. Budget Management

- A.** The Chief of Police shall be responsible for preparing and managing the agency budget. [17.2.1]
- B.** Each month, the department's Financial Analyst shall review the agency's budget report to determine the department's financial position ending the previous month. The budget report includes each approved account and the following detail: [17.4.1]
 - 1.** Initial appropriation for the budget year
 - 2.** The balance at the beginning of the monthly period
 - 3.** Expenditures and encumbrances made during the monthly period

4. Unencumbered balance at the end of the monthly period

C. The Chief of Police shall use this data to manage expenditures and approve purchases for the department.

4. Cash Funds and Account Maintenance [17.4.2]

A. Generally

1. Authorization: All cash funds or accounts where agency personnel are permitted to receive, maintain, or disburse cash shall be approved by the Chief of Police.
2. Accounting: The custodian of each cash account shall maintain a ledger and enter information into MUNIS to show expenditures and account balances. Entries shall be made for:
 - a) The initial appropriation
 - b) Subsequent account credits
 - c) Balance on hand
3. The custodian of each account shall maintain a continuous reconciliation of the account through MUNIS.
4. The department does not have a petty cash fund and does not disperse cash.

B. Accounting for Funds as they are Received by the Records Bureau

1. A written receipt must be given to customers for all transactions. If the funds are received in person, employee shall ring the transaction up on a cash register and record, on a pre-numbered multi-copy receipt form. **The customer shall be given a copy of the receipt.** (Note: If a copy of the receipt is not provided to the customer, the transaction will be free of charge). If received by mail, follow the same process and attach customer's receipt with report.
2. The receipt shall indicate the type of payment (currency, check, money order)), fee description (fingerprint, record or hackney license), quantity and total amount charged. If funds are received in the form of a check or money order, the check or money order number shall be noted on the receipt.
3. All funds received shall be logged in the "Receipt Log" via an excel spreadsheet to ensure completeness and facilitate cash register close-out.
4. Restrictively endorse checks and money orders immediately with Records Bureau account stamp on the back of the check or money order and indicate the corresponding account number for records, fingerprints or hackney license.

5. At the end of each day, each employee is to close out the cash register and balance the draw to the beginning balance (e.g. \$60).
 - a) Each employee is to complete a register close out sheet at the end of each day.
 - b) Attach the cash register slip to the close out sheet.
 - c) The subtotal of the cash/check received less the minimum beginning balance should equal the ending cash register balance and the total of the receipt summary log.
 - d) Place the daily close out packet in the folder in the bottom cabinet of the records desk. The records are organized monthly and stored in an archive box at the end of the year.
6. All cash register close out sheet and corresponding receipts must agree to the W-9 and be submitted to the captain or an authorized higher rank for review and approval prior to submitting to Treasury.
7. All Deposits and Form 9-10 should be turned into treasury at a minimum once a week.
8. The cash register will be locked at all times not under the direct control of employee(s) assigned to the Records Bureau.
9. Receipts held overnight must be kept in a locked safe or cabinet, with no access to other departmental employees. The Captain or designee shall have custody of the combination or key to the safe.
10. All Deposit and Form 9-10 procedures currently in place will continue.
11. Departmental funds should never be commingled with any departmental employee's own personal money. Employees must not make change for customers with their own money.
12. Departmental receipts must never be used to cash checks for City employees or the public.
13. Disbursements from any departmental receipts are strictly prohibited. All disbursements must be paid through the city's warrant.
14. The Captain assigned to Administration will have the overall responsibility to ensure these procedures are being followed.

C. Confidential Funds [17.4.2]

1. Any funds disbursed for use in investigations shall be under the control of the Chief of Police.
 2. The city Treasury, at the direction of the Chief of Police, disperses requested funds to the CID Captain, who in turn provides these funds to the Narcotic's Sergeant for eventual use.
 3. Cash from the Confidential Funds account may be used for official police investigative purchases of drugs, firearms, and other contraband, and to pay informants as approved by the Chief of Police.
 4. A Confidential Funds Expenditure Form for each cash disbursement is required and shall be maintained by the Narcotics Sergeant. The Narcotics Sergeant shall maintain a ledger as an account record, which shall show any initial appropriations, cash disbursed and the balance on hand. The ledger will act as a continuous reconciliation. All Narcotics Detectives have access to confidential funds held as buy money for drugs, firearms, other contraband or to pay informants and must submit a Confidential Funds Expenditure Form.
 5. The Confidential fund shall not be used for operational expenses except in the case of exigency and with the approval of the Chief of Police.
 6. Expenditure of Confidential Funds must be recorded in a ledger maintained by the Detective Bureau Commander, and must be available for inspection at any time.
- [17.4.3]

- a) The "Confidential Funds" account is derived via seizure of assets from law enforcement activities. This Department will work in cooperation with the Middlesex District Attorney's Office (MDAO) in the proper documentation and procedure of asset seizure. When the final order of the court orders monies or other property to be turned over to the MDAO, those monies and or property will be split with half going to the MDAO and half to this Department.
- b) Monies and or property obtained in this manner will thus enter a special Law Enforcement Trust Fund. This Trust Fund may be used in the following ways:
 - 1) To defray the costs of protracted investigations
 - 2) To provide additional technical equipment or expertise
 - 3) To provide funding for advanced training
 - 4) To provide matching funds to obtain federal grants
 - 5) To accomplish such other law enforcement purposes as the Chief of Police deems appropriate.

- c) Such funds from the Law Enforcement Trust Fund may not be used to meet operating needs of the Department, or supplement the operating budget of the Department, and must be used in compliance with state law.

D. Firearms Licensing

1. The firearms licensing account shall be under the control of West District Captain, who directly supervises the Customer Service Representative who in turn interacts directly with the public.
2. The Customer Service Representative, who receives funds in the form of money orders, records the payments in the MUNIS system. All money orders are forwarded to the City Treasurer for deposit.
3. The firearms licensing account is for receiving payment for firearms licensing, and employees are not authorized to disburse funds for purposes other than deposit in an approved account.