

	DELMAR POLICE DEPARTMENT	
	Policy 1.3 Fiscal Management	
	Effective Date: 01/01/15	Replaces: N/A
	Approved: <u>Ivan Barkley</u> Chief of Police	
	Reference: DPAC: 1.6.1	

I. POLICY.

It is the policy of the Delmar Police Department to maintain the highest level of fiscal responsibility. The Chief of Police is responsible for the development and submission of the departmental budget as well as the financial management of the department. It will be the policy of the department to maintain accurate and detailed records of all monetary transactions in order to remain above reproach.

II. PURPOSE.

The purpose of this order is to establish procedures for employees making routine and emergency expenditures for goods or services necessary for the efficient operation of the Department.

III. STATEMENT OF SPECIFIC RESPONSIBILITY

The Chief of Police, as a Department Head of the Town of Delmar, Maryland and Delaware, has the authority and responsibility for the fiscal management of the Department.

IV. DEFINITIONS

- A. Routine Expenditure: Purchases that are budgeted and or planned for and handled through the Town Supervisor of Finance.
- B. Emergency Expenditure: A use of Town funds necessary to accomplish vital goals of the Department that by their nature cannot be postponed until regular business hours. These expenditures might be for goods or services. Emergency expenditures are always more than fifty (\$50) dollars and are approved by the Chief of Police or designee.
- C. Petty Cash Expenditure: A purchase of services, supplies or equipment, necessary for the operation of the Department, in the amount of fifty (\$50) dollars or less. The Chief of Police or designee shall approve any petty cash purchase prior to the purchase.
- D. Buy/Informant Expenditure: Funds directed for the purchasing of controlled dangerous substances, payments to confidential informants and expenditures related to investigative activities. These funds are kept and maintained by the Criminal

Investigation Division. The amount of funds available are determined annually by the Chief of Police. The use of this expenditure is dictated by Policy 7.43 Informants.

- E. Purchase Order (P.O.): An authorization from the Town Supervisor of Finance for payment to a vendor for goods or services.
- F. Purchase Order Number (P.O. #): The number assigned by the Town Supervisor of Finance for a specific expenditure. Vendors consider a P.O. # the same as cash, and must be indicated plainly on all invoices.
- G. Vendor: Any authorized retailer, wholesaler, manufacturer, or other supplier of goods or services to the Town of Delmar.
- H. Tax Exemption Certificate: A document provided to vendors by the Town Supervisor of Finance that indicates that purchases made for Town use are exempt from state sales tax.
- I. Requisition: The form used to request goods or services.
- J. Town Credit Card: Credit card issued by the Town Supervisor of Finance to select police department employees.
- K. Town Supervisor of Finance: The authority in the Town of Delmar with the responsibility of exercising fiscal control over all expenditures made by Town employees.

V. RESPONSIBILITIES

- A. The Chief of Police has the ultimate authority, responsibility, and accountability for the fiscal management of the Department. The Chief of Police prepares the departmental budget with input from Division Commanders, supervisors and officers of the department.
- B. Division Commanders are responsible for providing budget requests with any necessary documentation for their areas during the budget preparation process.
- C. The Chief of Police is also responsible for at least a monthly review of the budget to include the amount budgeted, the amount spent year to date by category, and the amount remaining. Any projected budget shortfall shall be discussed with the Town Manager as soon as it is discovered.

VI. GENERAL PROCEDURES

The Town Supervisor of Finance is responsible for monitoring the suitability of vendors and the Police Department will not purchase goods or services from any vendor currently under suspension by the Town.

VII. COLLECTION AND DISBURSEMENT OF CASH

- A. All cash funds or accounts where department employees are permitted to receive, maintain, or disburse cash (such as petty cash, purchase of reports, licenses, etc.) will include:
 - 1. A balance sheet, ledger or system listing initial balance, credits, debits and balance on hand.
 - 2. A listing of cash received and from whom it was received.
 - 3. Records, receipts, documentation and invoices showing expenditures.
- B. All cash funds will be kept under lock and key and only authorized personnel will have access to the funds and log, ledger or balance sheet. No employee shall accept or disburse cash without prior authorization of the Chief of Police or designee.
- C. The Senior Administrative Assistant assigned to the Police Administrative Office shall be responsible for petty cash reimbursement authorization. The Town petty cash fund from which authorized petty cash is received is under the control and direction of the Town Supervisor of Finance.
- D. The Administrative Commander shall have oversight responsibility for the petty cash fund.
- E. A bi-annual audit will be conducted on the petty cash account by the Administrative Commander.
- F. Any cash received by department units for the use and benefit of employees shall be turned in to the Town Supervisor of Finance for posting into the Town accounting system.
- G. All accounts in the police department will be audited at least once a year by the Town Auditor.

VIII. COLLECTION OF CASH / MONEY ORDER

- A. Any member of the Communications Division may accept cash and or preferably money orders for purposes of impound fees or the distribution of reports. No cash is maintained for making change so all currency must be in the exact amount.
- B. Money received shall be counted and a receipt provided. The cash will be counted and sealed in an envelope with a copy of the receipt. The envelope will be marked with the case number, recipient's name, amount and signature of the person receiving the cash. The envelope will be locked in the lock box in dispatch and a log entry made.
- C. Upon notification, the Senior Administrative Assistant will empty the lock box and sign receipt of all the contents in the log. The Senior Administrative Assistant will transport the monies to the Town Supervisor of Finance.

IX. EMERGENCY AND EXPEDITED EXPENDITURES

- A. Expedited purchases result from circumstances such as breakdowns in equipment (that must be kept in constant operation) or other circumstances that result in stoppage of important police operations. If such a situation arises during the normal business hours of the Town, complete repairs or correct the situation immediately, and the Town Supervisor of Finance or Town Manager shall be contacted as soon as possible. A written memorandum explaining expedited purchases must be written by the Chief of Police or his designee and must be attached to or included in the remarks of the purchase order by the following workday. Expedited purchase orders must be approved by the Town Manager.
- B. If an emergency arises after normal business hours, the Chief of Police or his designee will authorize the purchase or repair. A purchase order will be prepared and sent to the Town Supervisor of Finance no later than 9:00 a.m. the next business day. An explanation detailing the emergency shall be in memorandum attached to or included in the remarks of the purchase order.
- C. It is the responsibility of the employee receiving authorization for an emergency expenditure to:
 - 1. Make arrangements with the approved vendor to provide the goods or services.
 - 2. If Maryland vendors request a tax exempt number, give them the Town's tax exempt number. (# 30042619).
 - 3. If the vendor asks for a tax exemption certificate, advise them that you will contact the Town Supervisor of Finance the next business day and request that they forward a tax exempt certificate to their business.
- D. It is the responsibility of the Chief of Police or designee to:
 - 1. Provide to the Town Supervisor of Finance an itemized list of the goods or services obtained, including the total cost.
 - 2. Obtain a purchase order number for all purchases or expenditures exceeding fifty dollars (\$50).
 - 3. Forward all invoices or receiving slips, including a copy of the purchase order to the Town Supervisor of Finance.
- E. It is the responsibility of the employee to prepare a reimbursement form with all invoices, receipts or receiving slips attached if required and forward it to the Town Supervisor of Finance for out of pocket cash reimbursements where applicable.

X. ROUTINE EXPENDITURES

- A. It is the responsibility of any police employee needing to make a routine purchase of goods or services less than fifty dollars (\$50) to:

1. Obtain approval of a supervisor.
 2. Provide the reason, type of service or goods to be purchased on an informal memorandum form.
 3. Hand carry the request to the Chief or designee.
 4. Contingent on approval, receive a cash reimbursement form from the Chief or designee.
- B. Prior to approving a request for goods or services exceeding fifty dollars (\$50) but less than five-hundred dollars (\$500), it is the responsibility of the Chief or designee, to secure adequate documentation for the purchase and ensure budgeted funds are available.
- C. Purchases of items costing more than five-hundred dollars (\$500) but less than five thousand dollars (\$5,000) may be made after receiving quotations or informal bids.
1. Purchases between \$500 and \$5,000 shall have quotations from a minimum of three (3) vendors and must be listed on the town price quote form.
 2. Solicitations of quotations and documentation are the responsibility of the Chief of Police or designee.
- D. Purchases costing \$5,001 or more will be purchased on a competitive bid basis. Bids will be awarded to the lowest responsible bidder conforming to specifications and delivery requirements, after review by the Town Manager and the issuance of a requisition.
- E. It is the responsibility of the Chief of Police or designee who authorizes a routine purchase of equipment and later needs to cancel the order to:
1. Immediately notify the Town Supervisor of Finance by telephone of the desire to cancel followed up by a formal memorandum.
- F. The Chief of Police must approve all routine repair and maintenance expenditures prior to receipt of the services.

XI. PROPERTY LOSS AS A RESULT OF POLICE DUTIES

- A. It is the responsibility of an employee experiencing a loss of personal property in the line of duty to submit a memorandum detailing:
1. The circumstances of the incident.
 2. Whether the loss affecting the employee was a result of damage, lost or destroyed property.

3. The value of property with proper documentation including: receipts, age and condition of the item(s) at the time of the loss, etc. There must be sufficient documentation that would enable a reasonable person to establish fair market value.
- B. It is the responsibility of the respective Division Commander to make a recommendation for or against reimbursing the employee experiencing the loss and to:
1. Recommend a dollar amount for replacement based on:
 - a. Fair market value of the item(s) or equipment.
 - b. Cost replacement for the item(s) or equipment that provides the same purpose.
 2. Expensive personal items such as jewelry, dress watches, fashion clothing and accessories will only be reimbursed at a rate based on the above criteria but in no circumstances shall reimbursement exceed \$200.00.
 3. The Chief of Police will make the final determination.
- C. Reimbursement will only be made for items that are normally utilized in the course of police duties, such as:
1. Wrist watches, clothing, foot wear, and any other non-departmental supplied equipment.
 2. Reimbursement will not be made for items that are not normally utilized in the course of police duties, such as ornamental jewelry, hats, and expensive watches, clothing or foot wear. Valuable items of this sort are worn at the employees own risk.
- D. All employees are expected to maintain care and control of Town equipment. Personal items lost, stolen, or damaged that are submitted for replacement will be reviewed as to the circumstances surrounding the loss, including whether or not the employee made every reasonable effort to prevent the loss.

XII. AUDITING / ACCOUNTING

- A. An independent audit of Department fiscal affairs is conducted at least annually in connection with the annual Town financial audit. The Chief of Police may order an internal audit any time it may be deemed necessary to assure accountability.
- B. The Chief of Police will cause an inspection of the petty cash account cash transactions on a random or as required basis. The inspection will include a review of the practice and formal and informal procedures of each area of fiscal management. The inspection will show:

1. Initial appropriation for each account.
2. Balances at the commencement of the inspection period.
3. Expenditures and encumbrances made during the period.
4. Unencumbered balance at end of period.

XIII. ACCOUNTABILITY OF DEPARTMENTAL CAPITAL EQUIPMENT

- A. All agency property is inventoried when received. The respective Division Commander will be responsible for issuing agency owned property to authorized users. This includes recovering said property if required when the employee leaves the department.
- B. Departmental capital assets with the exception of firearms are marked with a property tag if the cost of the item is over \$200.00., or if their use and life span is in excess of 3 years. All department firearms, TASERS, in-car computers, desktop computers, and vehicles (whether bought with Town funds, grant monies or through forfeiture actions) are considered capital assets.
- C. The department will conduct a capital assets inventory every year and whenever there is a change in command personnel over a unit or the department. The results of the inventory will be forward to the Chief of Police for review.