

	HARRISONBURG POLICE DEPARTMENT General Orders	Policy Number: 204
	Chapter: Organization, Management, and Administration	Total Pages: 5
	Section: Fiscal Management	Issue Date: 01/27/2023
	Issued By: Kelley Warner, Chief of Police	Effective Date: 06/07/2024
	Replaces: All General Orders Previously Issued Relative to Subject	
VALEAC Standards: ADM.15.01 (a), ADM.15.01 (e), ADM.15.03 (a), ADM.15.03 (b), ADM.15.03 (c), ADM.15.03 (d), ADM.15.03 (e), ADM.15.03 (f), ADM.15.03 (g), ADM.15.04		

A. POLICY AND PURPOSE

It is the policy of the Harrisonburg Police Department to properly manage and audit fiscal operations including budget preparation, cash transactions, fund expenditures and disposition of assets, and to maintain accurate records of fiscal transactions in order to protect the integrity of department operations and ensure the public trust.

This policy does not address cash handling issues specific to the Property and Evidence Unit and Informants policies.

B. ACCOUNTABILITY STATEMENT

All employees are expected to fully comply with the guidelines and timelines set forth in this policy. Responsibility rests with the supervisor to ensure that any violations of policy are investigated and appropriate training, counseling and/or disciplinary action is initiated. This directive is for internal use only and does not enlarge an employee's civil liability in any way. It should not be construed as the creation of a higher standard of safety or care in an evidentiary sense, with respect to third party claims. Violation of this directive, if proven, can only form the basis of a complaint by this department, and then only in a non-judicial administrative setting.

C. DEFINITIONS

Fund custodian - Employees of the Department authorized to receive or dispense cash receipts from an established cash fund, e.g. petty cash, Investigative Fund, etc.

Investigative fund - Monies appropriated to be spent in connection with the confidential aspects of criminal investigations.

D. FISCAL MANAGEMENT

The Chief of Police shall designate the Administrative Bureau Commander as the fiscal manager responsible for maintaining and managing fiscal operations.

Each employee overseeing a fiscal responsibility is required to create and maintain an accurate and current transaction ledger that is approved by the fiscal manager and that documents all transactions relating to the specific fund or fiscal responsibility.

The Department's accounting system should detail all fiscal operations. The fiscal manager shall review all account activities on a monthly basis. The accounting system should provide a continuous and accurate update of the following:

- a. Initial appropriations for each account program.
- b. Account balance after each expenditure.
- c. Documentation of all expenditures and encumbrances.
- d. A statement of the account's unencumbered balance.

a. CASH MANAGEMENT

All cash funds shall be properly collected, safeguarded, and disbursed by the employee assigned to oversee the fund. The assigned employee shall:

- a. Maintain a system or record of appropriations among organizational components.
- b. Prepare financial statements, including quarterly reports.
- c. Conduct internal audits.
- d. Ensure that external audits are conducted as required.
- e. Verify members or positions authorized to accept or disburse funds.
- f. Prepare receipts or other documentation for disbursed funds.

Only employee positions listed herein may receive or disburse cash or debit appropriated fund accounts. Documentation will be issued for each transaction, using the City of Harrisonburg's record keeping and receipt procedure that includes, but is not limited to a ledger that identifies initial balance, credits (cash income received), debits (cash disbursed), and the balance on hand. In addition, the ledger shall reflect a quarterly accounting of cash activities, on a yearly fiscal basis, beginning in the month of July.

b. MINIMUM HANDLING PROCEDURES

The Chief of Police should designate one or more employees of the Department to oversee the handling of all cash funds. Any designated employee is responsible for establishing procedures to include, at a minimum:

- a. A balance sheet, ledger, or other system that identifies initial balance, credits (cash income received), debits (cash disbursed), and the balance on hand.
- b. Receipts or documentation for cash received.

- c. Authorization for cash disbursement, including Chief of Police authorization for expenses in excess of a minimum specified amount, unless already specifically designated by policy.
- d. Records, documentation, or invoice requirements for cash expenditures.
- e. Employees authorized to disburse or accept cash.
- f. Quarterly accounting of all cash activities.
- g. An independent audit of the department's fiscal activities.

E. FISCAL TRANSACTIONS

Each employee overseeing a fiscal responsibility shall document all transactions on the ledger and any other appropriate forms. Each person participating in the transaction shall sign or otherwise validate the ledger, attesting to the accuracy of the entry. Transactions shall include the filing of an appropriate receipt, invoice, cash transfer form or expense report.

a. CASH DISBURSEMENTS

The Chief of Police, Bureau and Division Commanders, or their designee are authorized, and shall be held strictly accountable, for the proper disbursement of cash funds for legitimate Department purposes. All disbursement of funds shall be in accordance with City of Harrisonburg and Department procedures.

- a. Cash disbursements in excess of \$20.00 will need to be requested by check from City Finance.
- b. The Major Crimes Commander or designee shall administer the Investigative Funds and be considered as the fund custodian.
 - 1. Authorized uses of the Fund includes:
 - a. Purchase of information or evidence.
 - b. Payment of expenses incidental to obtaining evidence or information.
 - c. Purchases that must be made in a confidential manner in order to ensure the integrity of a confidential investigation.
 - d. Flash (Buy) money.
 - 2. Authorization of payment level is discretionary based on the severity of the incident, history of the informant and totality of circumstances. The funds are not to be used without approval from the Criminal Investigations Commander.

b. CASH RECEIPTS

The Senior Program Support Specialist and Program Support Specialist under the Administrative Commander are authorized to accept cash receipts and shall be required to prepare documentation for the cash received. All employees receiving cash receipts will be held accountable for their proper handling.

c. FUND ACCOUNTING

- a. The fund custodian shall make all withdrawals from the fund or, when necessary, the alternate funds custodian. All withdrawals shall be accompanied by a signed and dated invoice.
- b. The Fund Custodian shall maintain a written ledger documenting the issuance and/or return of money.
- c. Persons authorized to receive or disburse cash funds in this directive are subject to an independent audit by the City's Finance Department. However, staff review of funds may be conducted at any time on an unannounced basis.

d. PROCEDURES FOR REQUESTING SUPPLEMENTAL OR EMERGENCY APPROPRIATION/FUND TRANSFER

- a. Request would be made via the Chief.
- b. Request then forwarded to Accounts Payable clerk to fill out a supplemental appropriation or reallocation request form.
- c. Form forwarded to the Chief of Police for signature and back to the Accounts Payable clerk.
- d. Accounts Payable clerk then sends to Finance Director.
- e. If a supplemental appropriation, the Accounts Payable clerk adds to Council Agenda for two readings.

F. ROUTINE CASH HANDLING

Employees who handle cash as part of their regular duties (e.g., evidence specialists, the RUSH Drug Task Force investigators and, those who accept payment for department services) will discharge those duties in accordance with the procedures established for those tasks (see the Property and Evidence Unit and Informants policies).

G. AUDITS

Each Commander shall continually monitor fiscal activities and the budget related to his/her area of responsibility. Internal control procedures shall be established and shall include evaluation of staff member's fiscal management functions. Any discrepancies shall be immediately reported to the fiscal manager and the Chief of Police.

The city shall ensure that an independent audit is conducted at least annually. All department funds shall be open for inspection and audit at any time. Department employees shall cooperate fully and provide assistance in support of any audit.

a. PETTY CASH AUDITS

Each employee overseeing any cash fund shall perform an audit no less than quarterly. This audit requires that the fund manager and the Professional Standards Supervisor, selected by the Chief of Police, review the transaction ledger and verify the accuracy of the accounting. The employee overseeing the petty cash fund and the participating employee shall sign or otherwise validate the ledger and submit a memo to the Chief of Police, attesting to the accuracy of all documentation and fund accounting. A discrepancy in the audit requires documentation by those performing the audit and an immediate reporting of the discrepancy to the fiscal manager and the Chief of Police.

Transference of fund management to another employee shall require completion of a separate petty cash audit and involve a command staff employee.

H. INVENTORY CONTROL OF PROPERTY, EQUIPMENT AND OTHER ASSETS

Employees overseeing a fiscal responsibility for the acquisition, management, or distribution of any capital or major items of equipment; the issue of any equipment and supplies; or the assignment of control numbers and proper markings are responsible for compliance with inventory control procedures. Those employees are also responsible for ensuring:

- a. Required inventory verification is performed in compliance with a process authorized by the fiscal manager.
- b. Appropriate documentation in compliance with a process authorized by the fiscal manager and inclusion in inventory of items purchased or obtained for use by the Department.
- c. Appropriate documentation and deletion from inventory of items properly authorized for disposal by the fiscal manager or the Chief of Police.
- d. Reporting and disposition of damaged, excess and surplus property in compliance with City policy.
- e. Maintenance of complete records for all department property, equipment and other assets.

I. PURCHASING

All purchasing of department supplies, and equipment will be in compliance with the City purchasing manual and in compliance with a process authorized by the fiscal manager.

Small items or emergency purchases or rental of equipment during periods when normal purchasing procedures cannot be followed will be in compliance with a process authorized by the fiscal manager.

All purchases for the city made by an employee will require submission of a receipt and appropriate documentation necessary for reimbursement and will be in compliance with a process authorized by the fiscal manager.