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## SUPPORT SERVICES

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### FISCAL MANAGEMENT

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**Purpose:** The purpose of this policy is to provide for the management of the Police Department's approved annual budget, processing of expenditures, and the process and auditing of all funds collected, disbursed and maintained by the North Little Rock Police Department.

**Policy Statement:** It is the policy of the North Little Rock Police Department to manage the annual budget and funds established for daily operations and to ensure that all funds are handled in an efficient and effective manner.

#### Summary of Changes:

#### Definitions

**City** -The City of North Little Rock Municipal Government

**Collection of Funds** - Monies collected by the Support Service Division for payment of traffic and criminal fines, cash bonds, copies of police reports, and criminal and traffic records checks.

**Petty Cash Fund** - The cash funds maintained for small emergency purchases.

**Change Fund** - The fund established for providing change to Support Service Division personnel who work at the customer service window.

**Escrow Account Fund** -The fund established by initially depositing cash bonds for the purpose of refunding or partially refunding cash bonds when authorized by the North Little Rock District Courts.

**Return Check Account Fund** - The fund established for the purpose of reimbursing the bond and fine account of checks that are initially deposited and are returned unpaid by the City's financial institution.

**Buy Fund** - The fund established for the purpose of purchasing evidence, paying confidential informants, maintaining an undercover appearance, or any other investigative related expenses.

#### Procedures

##### 1 Budget [CALEA 17.2.1]

- 1.1 The Chief of Police or designee is responsible for overseeing the management of the City Council approved annual budget as well as the preparation and submission of the yearly police department budget request as provided by City policy.
- 1.2 Division Commanders will submit budget recommendations or requests of their respective divisions to the Chief of Police or designee for consideration. [CALEA 17.2.2]
- 1.3 Each section of the approved budget will be assigned a line item number by the City Finance Department.  
EXAMPLES: Training (1070), Travel (1071), Computers (2063), Maintenance of Vehicles (2111), Maintenance of Buildings and Grounds (2130).
- 1.3.1 Line item numbers must be indicated on the requisition for purchase of a service or item from a specific category.
- 1.3.2 A listing of all expenditures will be kept in the Support Service Division Records Unit.
- 1.3.3 Division Commanders will monitor the expenditures of their respective divisions.
- 1.3.4 Support Service Division Commander will advise of line items that need to be monitored more closely due to expenditures.
- 1.3.5 Division Commanders will make every effort to prevent the spending in excess of the budgeted amount of any line item.
- 1.4 Items to be purchased from Capital Sales Tax will be authorized by the Chief of Police.

##### 2 Purchasing

- 2.1 The Support Service Division is the central location where all requisitions for goods and services needed for the Department are processed before being sent to the City's Commerce Department.
  - 2.1.1 The Commander of the Support Service Division or designee will be responsible for the safekeeping of blank requisitions. These will be distributed as needed.
  - 2.1.2 Requisitions will be distributed in sets of 25 and issued as requested.
  - 2.1.3 A log with the range of requisition numbers will be kept. The date, number range, and the requestor's name will be noted on the log.

- 2.2 A requisition will be completed for all authorized purchases and expenditures. All items must have a bill, receipt or invoice included.
- 2.3 Completed requisitions will contain the following: [CALEA 17.3.1b]
  - 2.3.1 The suggested vendor information. If a vendor is unknown, the Commerce Department will determine the appropriate vendor for the specifications required. If the vendor is one that has been used previously or often, including the address and phone number on the requisition is not necessary.
  - 2.3.2 The purpose or use which shall contain the division or unit, the requesting person and the direct phone number for that person.
  - 2.3.3 The date, the Department and Line Item number (Example: 22-3310).
  - 2.3.4 The item number will be listed if available, the quantity requested, and the description and specification of the item will be listed.
  - 2.3.5 An invoice number, when a purchase or service has been pre-approved by a supervisor in advance of completing the requisition. The invoice must be submitted with the requisition and should be paper-clipped not stapled.
  - 2.3.6 The estimated cost for items listed, and the Total Estimated Amount at the bottom
  - 2.3.7 The appropriate area will be checked (✓) for Commerce Department to order or for the Department to place the order.
  - 2.3.8 The place the item is to be shipped to will appear in the space provided.
- 2.4 The Chief of Police, Assistant Chief of Police, or division commanders may sign and date the requisition authorizing the expenditure. [CALEA 17.3.1a]
- 2.5 The requisition will then be sent to the Support Service Division for processing.
- 2.6 The Commander of the Support Service Division or designee will check the requisition for completeness including the budget and line item designation.
  - 2.6.1 The requisition will be returned to the authorizing Division Commander if not complete.
- 2.7 The Support Service Division Commander will be responsible for reviewing all requisitions to insure:
  - 2.7.1 Sufficient funds exist in the appropriate line item for the purchase,
  - 2.7.2 The purchase is authorized by competent authority, and
  - 2.7.3 The purchase is routine and ordinary for the operation of the department or otherwise approved by the Chief of Police.
- 2.8 The Support Service Division Commander will sign and date all requisitions initiating from that division, as well as initial and date all requisitions from other divisions indicating the requisition has been reviewed before forwarding the requisition for procurement processing.
- 2.9 Questionable requisitions will be referred to the Chief of Police.
- 2.10 If the requisition is complete, it will be processed in the following manner:
  - 2.10.1 The white copy and any supporting documentation (receipts, order forms, training forms, etc.) will be forwarded to the Commerce Department.
  - 2.10.2 The pink copy, along with any other documentation, will be held in a holding file by vendor name.
- 2.11 Purchase Orders (P.O.s) will be forwarded to the Support Service Division from the City's Commerce Department. There will be a pink and yellow copy. They will be processed in the following manner:
  - 2.11.1 The Support Service Division Commander will review, sign and date the signature on the P.O.'s.
  - 2.11.2 The yellow copy will be attached to the pink copy of the requisition.
  - 2.11.3 Any applicable invoices, if needed, will be attached to the pink copy and forwarded to the Finance Department.
  - 2.11.4 It is the responsibility of the authorizing division commander to forward invoices to be paid to the Support Service Division.
  - 2.11.5 If an invoice has not been received, both copies of the P.O. will be filed until the invoice is received.
  - 2.11.6 The yellow copy of the P.O. and pink copy of the requisition will be maintained in the Support Service Division.
  - 2.11.7 Purchase Orders will not be returned to the Finance Department for payment until the goods or services have been received.
  - 2.11.8 Payments for recurring expenses will be on a blanket Purchase Order for goods and services customarily paid in advance, such as property rental.
- 2.12 All bidding procedures and criteria for the selection of bidders and vendors will be in accordance with the City's Commerce Department procedures. [CALEA 17.3.1c,d]
- 2.13 Items to be purchased due to an emergency can be purchased by the following methods: [CALEA 17.3.1e]
  - 2.13.1 Cash, with a requisition being completed for the reimbursement to the member,

- 2.13.2 Requisition, pink copy retained by Support Service Records Unit and the white copy taken directly to Commerce, or
- 2.13.3 With authorization of a supervisor, item can be purchased with a Department credit card.
- 2.14 Equipment rental agreements in emergency situations may be authorized by a Division Commander or designee and paid for through regular channels, or if necessary the same as emergency purchases.
- 2.15 Procedures for supplemental funds and emergency appropriation of funds will be in accordance with City policy. [CALEA 17.3.1 e]

### **3 Accounting**

- 3.1 The City Finance Department maintains a fiscal accounting that includes provisions for monthly reports as provided by City policy that includes:
  - 3.1.1 The initial balance for each account [CALEA 17.4.1a];
  - 3.1.2 Balances at the commencement of the monthly period [CALEA 17.4.1 b];
  - 3.1.3 Expenditures and encumbrances made during the reporting period [CALEA 17.4.1c]; and,
  - 3.1.4 Unencumbered balances. [CALEA 17.4.1d]
- 3.2 The Support Service Division Commander will be responsible for reviewing all expenditures.

### **4 Collection of Funds**

- 4.1 Support Service Division personnel only will accept payments in the form of cash, checks or credit cards for traffic or criminal fines, copies of reports, and records checks. [CALEA 17.4.2e]
- 4.2 A pre-numbered receipt for payment will be issued by computer, cash register or handwritten on a pre-numbered form. [CALEA 17.4.2b]
- 4.3 All funds received will be audited and verified by the Support Service Division Commander or designee on a daily basis. These funds will again be audited and verified by computer printout, balanced daily and prepared for deposit into various city accounts by the Support Service Division Commander or designee. These accounts consist of the general fund account which are the monies accepted for copies of reports, bond and fine account which are the monies accepted for criminal and traffic fines, the escrow account which are the monies accepted for cash bonds, and the return check account which are the monies accepted in place of returned checks. These funds will then be taken to the bank for deposit. [CALEA 17.4.2a]
- 4.4 The receipts of deposit will be returned for verification to the Support Service Division Office Manager. After verification to the daily balance sheet, the receipts will be attached to the daily bond and fine and general fund slip to be forwarded to the City Clerk's office. [CALEA 17.4.2a]

### **5 Petty Cash Fund**

- 5.1 The following petty cash funds will be maintained:
  - 5.1.1 The Support Service Division will maintain no more than \$425.00 in petty cash. This will be replenished when it falls below \$200.00.
  - 5.1.2 The Administration Division will maintain no more than \$200.00 in petty cash. This will be replenished when it falls below \$50.00.
  - 5.1.3 The maximum amount for any one disbursement is \$20.00. [CALEA 17.4.2c]
- 5.2 The Chief or his/her designee, Support Service Division Commander, Office Manager, Support Service Sergeant and the accident records clerk are authorized to disburse petty cash. [CALEA 17.4.2e]
- 5.3 All requests for reimbursements from petty cash will be authorized by the requesting member's division or unit commander. The division or unit commander's signature and ID number must be on the receipt before being presented to the Support Service Division for reimbursement. Receipts will be maintained in the Support Service Division safe and in the Chief's Office lock box. [CALEA 17.4.2d]
- 5.4 All disbursements from petty cash will be logged on the petty cash distribution log. The name of the person requesting the disbursement, date, amount, and name of the person disbursing will be recorded. [CALEA 17.4.2a, d]
- 5.5 The Support Service Division petty cash will be audited by the Support Service Division Commander, or designee, and the Support Services Office Manager monthly. The audit will be recorded on the petty cash balance sheet and maintained in the Support Service Division safe. The petty cash maintained in the Chief's Office will be audited by the Chief or his designee once every quarter. The audit will be recorded on the petty cash balance sheet and maintained in the Chief's Office lock box. Once the audits are completed, the receipts along with a requisition will be sent to the City Finance Department for reimbursement to the fund.

## **6 Change Fund**

- 6.1 The change fund will be maintained at \$1201.00.
- 6.2 The Support Service Division Commander, Office Manager, Support Service Sergeant, and accident records clerk are authorized to make change out of this fund. [CALEA 17.4.2e]
- 6.3 The change fund will be audited by the Support Service Division Commander, or designee, and the Support Services Office Manager monthly. The audit will be recorded on the change fund balance sheet and maintained in the Support Service Division Safe.

## **7 Escrow Account Fund**

- 7.1 Upon written notification from the North Little Rock District Courts, the Support Service Division will refund or partially refund a cash bond as directed.
- 7.2 This information will be forwarded to the payroll/accounting clerk for disbursement. The payroll/accounting clerk will verify court documents and prepare the disbursement either to the individual, to the police department or both in the form of a check.
- 7.3 All checks written will require two signatures of authorized persons. Authorized persons are listed on the account.
- 7.4 All copies of checks disbursed, court ordered disbursement amounts, and bond receipts will be maintained by the payroll/accounting clerk.
- 7.5 Escrow account bank statements will be verified by the payroll/accounting clerk monthly. All copies of deposit slips for this account will be maintained by the payroll/accounting clerk. A monthly balance sheet will be kept that shows the beginning balance, debits, credits and a current balance.
- 7.6 The Escrow Account Fund will be audited by the Support Service Division Commander, or designee, and the Support Services Office Manager monthly.

## **8 Return Check Account Fund**

- 8.1 The payroll/accounting clerk receives notices of returned checks. Certified letters will be sent out for collection of checks that are returned after a second attempt to deposit them by the payroll/accounting clerk. An insufficient funds fee of \$20.00 will be added to the amount of the returned check when it is paid.
- 8.2 Upon payment of the returned check, the original amount of the check will be deposited into the return check account and the insufficient funds fee will be deposited into the general fund account.
- 8.3 The payroll/accounting clerk will maintain deposit slips with the original deposit slip verified with the bank stamp attached on file with bank statements. A spreadsheet will be maintained with entries of debits/credits made to initial balance, resulting in a current balance, reconciled monthly.
- 8.4 A letter will be sent by the payroll clerk to Traffic Court requesting the suspension of the person's driver's license for uncollectible checks.
- 8.5 A requisition will be sent to the City Finance Department to replenish this account whenever necessary.
- 8.6 The Return Check Account Fund will be audited by the Support Service Division Commander, or designee, and the Support Services Office Manager monthly.

## **9 Investigations Division Buy Fund [CALEA 43.1.3]**

- 9.1 The Narcotics Unit of the Investigations Division will maintain a Buy Fund. No more than \$50,000.00 will be kept in the fund.
- 9.2 Each Narcotics Investigator may be issued \$1500.00 in buy funds. Investigators will have no more than \$1,500 in buy money at any time unless authorized by a supervisor. All Investigators will sign a receipt and will be responsible for all funds issued to them. Supervisors will authorize additional buy money on a case-by-case basis. A receipt for monetary expenditures form will be maintained by each Investigator for a record of monies spent. [CALEA 17.4.2b]
- 9.3 The Narcotics Division Lieutenant and Sergeant are authorized to disburse monies from the fund. [CALEA 17.4.2e]
- 9.4 All Investigators will turn in the required receipt for monetary expenditures form on a daily basis. The form will be reviewed by the Narcotics Lieutenant or Sergeant before being submitted to the Narcotics Unit Secretary. The secretary will maintain a computer-generated ledger of the fund balance as well as each investigator's individual balance. Each completed receipt for monetary expenditures will be kept as a paper back up to the ledger and balance sheet. [CALEA 17.4.2a, d]
- 9.5 The Narcotics Lieutenant and Sergeant will conduct random checks of each investigator's fund to assure that they are in possession of funds issued to them.

- 9.6 When the fund falls below \$10,000.00 a requisition will be completed and sent to the Support Services Division to be processed and then sent to the City Finance Department for reimbursement to the fund. The Sergeant is listed as the custodian when the check is issued and is responsible for cashing the check and transporting the money back to the Narcotics Division to be stored in the safe. A receipt for monetary expenditures form will be filled out by the Lieutenant or Sergeant to record deposits into the fund.
- 9.7 Audits to the fund will be conducted by the Narcotics Lieutenant and Sergeant on a monthly basis. The audit will be recorded on the Buy Fund balance sheet which will be stored inside the safe. Any discrepancies will be forwarded to the Investigations Division Commander for further action.

#### **10 Audits**

- 10.1 The Support Service Division Commander, or designee, and the Office Manager will conduct audits of the Support Service Change Fund, the Escrow Account Fund, and the Return Check Account Fund every month. [CALEA 17.4.2f]
- 10.2 The audits will be recorded on the designated audit sheets and filed in the Support Service Division safe.
- 10.3 The Investigations Division Commander will audit the Investigations Division buy funds a minimum of once quarterly.
- 10.4 Any discrepancies will be reported to the Chief of Police immediately.
- 10.5 The North Little Rock City Council shall select an independent certified public accountant to conduct an annual audit of the financial affairs of the city, including the police department, per the North Little Rock Municipal Code Book section 2-697. [CALEA 17.4.3]

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Patrick Thessing  
Chief of Police