

	<b>ANDOVER POLICE DEPARTMENT GENERAL ORDER</b>		Number: M1111
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			Distribution: All
Title: CASH FUND ACCOUNTS		Section: Administration	
Issued: 03/08/2011	Effective: 03/16/2011	Revised: 03/26/2014	
Rescinds: All Previous		Amends:	
CALEA References: 43.1.3, 17.4.2			
Review: Annual	Authority: Chief Michael A. Keller 		

## I. Purpose

The purpose of this General Order is to establish accounting and control procedures for cash fund accounts.

## II. Policy

It is the policy of this law enforcement agency to maintain stringent control over all cash fund monies used by the agency, and to ensure that the funds are used only for authorized purposes.

## III. Definitions

- A. Confidential Fund:** The agency accounting and banking system that provides officers with access to investigative expense monies.
- B. Petty Cash Fund:** The agency accounting and banking system that provides employees with miscellaneous expense monies.
- C. Police Records Receipt Fund:** The agency accounting and banking system that accepts monies for the purchase of police reports, the paying of municipal court fines and the paying of other police department and court related fees. The fund is available only for the purposes of making change for cash customers wishing to make payments to the police department or municipal court.

## IV. Regulations

- A.** Unauthorized or illicit use of department cash monies is prohibited (F).

## V. Procedures

### A. Authorization

1. The following personnel will serve as the custodians of the listed funds (17.4.2):
  - a. Chief of Police – Petty Cash Fund
  - b. Investigations Section Commander – Confidential Fund
  - c. Records/Evidence Custodian – Police Records Receipt Fund
2. The fund custodians shall have the following responsibilities with respect to the funds in which they are the custodian:



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- a. Maintenance of the fund in accordance with all appropriate laws and procedures;
  - b. Proper disbursements and deposits;
  - c. Bookkeeping and banking procedures;
  - d. Direction of a quarterly internal audit of the fund by a third party;
  - e. Maintenance of a file containing copies of all relevant fund transaction documents; and
  - f. Purging of the fund records in accordance with state records retention provisions.
3. At a minimum fund custodians will maintain the following accounting practices:
- a. Keep a balance sheet, ledger, or other system that identifies initial balance, credits (cash income received), debits (cash disbursed), and the balance on hand (17.4.2a).
  - b. Keep receipts or documentation for cash received (17.4.2b).
  - c. Keep records, documentation, receipts or invoices for expenditures (17.4.2d).

**B. Confidential Fund**

1. The Chief of Police will budget for a Confidential Fund annually as part of the Investigative Fees budget line item to support operations related to vice, drugs, and organized crime (43.1.3).
2. The Commander of the Investigation's Section is authorized to make disbursements of Confidential Fund money of up to \$500 without prior authorization. Prior authorization from the Chief of Police is required for disbursements of over \$500 (17.4.2c & e).
3. Disbursements from the Confidential Fund may be made for the following purposes:
  - a. Payments that are to made directly to confidential informants;
  - b. Investigative funds for the purchase of illegal drugs, contraband and other criminal evidence.
  - c. Purchases of food and beverages for a confidential informant;
  - d. Expenditures for authorized undercover operations; and
  - e. Flash and front money.
4. Prior to the issuance of any money from the Confidential Fund, an officer shall complete a request to the Investigations Section Commander detailing the plan for the use of the money. The Investigations Section Commander has the sole discretion to approve or deny any request, or request additional information. Upon approval of the request, the Commander may issue Confidential Fund money to any officer (17.4.2e).
5. Any officer receiving confidential fund money shall sign a receipt upon receiving the money. The officer will be provided a copy of the receipt and the original receipt will be maintained in the Confidential Fund file (17.4.2b).

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6. All officers receiving confidential fund monies shall prepare a written expense report accounting for all monies withdrawn from the fund, as soon as practical. The report should include (17.4.2d):
  - a. Item or informant control number on which the monies were expended;
  - b. Date and place of expenditure;
  - c. Copies of receipts;
  - d. Type of investigation; and
  - e. Case number, where applicable.
7. The written expense report with all supporting documents and receipts shall be submitted to the Commander of the Investigations Section for review and approval. A copy of the expense report will be maintained in the Confidential Fund File (17.4.2d).
8. For all funds expended, the officer issuing payment shall ensure that an appropriate receipt is obtained, unless such an action would jeopardize a transaction or operation. The fact that the money is going to a confidential informant is not a factor that will jeopardize a transaction or operation and receipts signed by the informant are required for money given to an informant (17.4.2d).
9. All unexpected funds shall be returned to the Confidential Fund custodian by the officer as soon as practical. The fund custodian shall issue the officer a copy of a receipt acknowledging that such funds were re-deposited as unexpended. The original receipt shall be maintained in the confidential fund file (17.4.2d).
10. The Confidential Fund custodian shall not be permitted to make disbursements from the fund to herself/himself (17.4.2e).
11. Confidential Fund transaction records shall be stored in a secured location within the office of the Investigations Section Commander, and access shall be restricted to the Commander and the Chief of Police.
12. On a quarterly basis, the Chief of Police will conduct an audit of the Confidential Fund, accounting for all expenditures (17.4.2f).
13. When the fund is in need of reimbursement, the Commander will submit a request for additional money, through the Chief of Police, to the City Finance Director. The request will include an itemized list of expenditures. The expenditures will be deducted from the Investigative Fees budget line item. The itemized list shall be generalized and shall not disclose confidential information.

### **C. Petty Cash Fund**

1. The Chief of Police may maintain a Petty Cash Fund, and will receive money for the fund from the City's Finance Director. The Chief of Police should obtain a copy of a receipt, or other documentation, for money received for the fund (17.4.2b).

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2. The Chief of Police has the authorization to make expenditures from the fund at his discretion, and may disburse the money to any member of the department (17.4.2e).
3. The Chief of Police will obtain or collect receipts for fund expenditures and submit them to the City's Finance Director as necessary for reimbursement of the fund. The receipts will include the coding for the budget line item from which the expenditure should be deducted (17.4.2d).
4. On at least a quarterly basis, the Chief of Police will cause an audit to be conducted on the Petty Cash Fund and submit an expenditure report for fund reimbursement to the City's Finance Director for review and processing (17.4.2f).

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**D. Police Records Receipt Fund**

1. A cash register will be maintained in the Communications Section and will contain the Police Records Receipt Fund. The fund will be used for providing change to citizens who are conducting cash transactions with the police department, and for storage of monies received from citizens.
2. All Communications Officers are authorized to receive money from citizens who are making cash transactions with the police department. The Communications Officer handling the transaction shall prepare a receipt for the transaction and a copy of the receipt will remain with the fund until submitted to the City's Finance Director (17.4.2b, e).
3. Other than making change, no disbursements are allowed from this fund.
4. The Records/Evidence Custodian shall be responsible for balancing the fund by comparing written receipts with money in the fund. Any amount over \$50 shall be submitted, accompanied with receipts, to the City Finance Director on days when the Records/Evidence Custodian is working and City Hall is open for business.
5. The Chief of Police will be responsible for conducting a quarterly audit of the Police Records Receipt Fund (17.4.2f).

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