



# FISCAL MANAGEMENT

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<i>C.A.L.E.A.</i> <b>17.1.1,17.2.1 17.2.2,17.3.1,17.4.1-17.4.3,17.5.1-17.5.3</b>	<i>Reference</i>

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### **I. PURPOSE**

The purpose of this order is to establish policy and procedure related to Departmental budgeting, accounting and fiscal control procedures.

### **II. POLICY**

It is the policy of the Iowa City Police Department to conduct all fiscal matters of the agency in accordance with the established controls and procedures of the City of Iowa City and applicable Iowa law.

### III. DEFINITIONS

Fiscal Year – July 1 through June 30 of each year.

Appropriation – Money allocated to the Police Department to spend for authorized purposes, such as for personnel services, operating expenses, capital outlay, etc.

Encumbrance – A commitment in the form of a purchase order, contract, salary, or similar item that will become payable when goods are delivered or services rendered.

Unencumbered Balance – That part of an appropriation or allotment that has not been committed and is thus available for expenditure.

### IV. PROCEDURES

#### A. FISCAL MANAGEMENT AUTHORITY AND RESPONSIBILITY

1. The Chief of Police is responsible for the fiscal management of the Police Department.
2. The City Finance Department is responsible for supervising the fiscal management of all City Departments and for maintaining accurate and thorough records of all financial transactions.
3. The Chief of Police, in cooperation with the City Manager, will annually prepare and submit an operating and capital budget for the Department, subject to the review and approval of the City Council.

#### B. FISCAL MANAGEMENT FUNCTION

The Chief of Police may delegate part or all of this duty to other departmental personnel. Generally, all aspects of the budget process, including the constant monitoring of budget expenditures, will be performed by the Division Commanders under the Chief's guidance and control.

#### C. BUDGET PREPARATION

1. The Department budget will be prepared on an annual basis and will be developed in cooperation with all organizational components and command staff.
2. The Department's budget requests will be prepared and submitted on forms provided by the City's Finance Department. The City Manager will review the requests and based on overall financial direction provided by the City Council, recommend a budget for the Police Department.

**D. BUDGET RECOMMENDATIONS**

1. The Division Commanders will monitor and evaluate their Division's budget areas for problems and/or deficiencies. They are responsible for making recommendations for adjustments during the annual budget preparation.
2. The Division Commanders will address fiscal objectives in regard to their specific program areas in their annual budget request forms. This will be submitted to the Chief of Police.
3. Each year the City Finance Department will publish a budget calendar stating due dates for review of budget requests.

**E. ACCOUNTING SYSTEM – (MONTHLY STATUS REPORTS)**

1. Each month, the Chief of Police will receive a current status report from the City Finance Department that details the following:
  - a. Description and initial appropriation for each line item budget amount.
  - b. Total expenditures and encumbrances made from the beginning of the fiscal year to date.
  - c. Current unencumbered balance.
  - d. Percentage of each account spent.

**F. EMERGENCY EXPENDITURES / FUND TRANSFERS**

1. In unanticipated situations, where it is determined by the City Manager there is an immediate threat to the public safety or welfare, the Chief of Police may obtain immediate approval from the City Manager for emergency expenditures or emergency rental agreements, i.e., additional equipment, supplies, etc. Also, see the City of Iowa City Purchasing Procedures Manual, Emergency Procurement Section.
2. The Chief of Police may also request, from the City of Iowa City Finance Department, budget transfers be made from one budgetary area to another to compensate for emergency expenditures, i.e., additional funds for overtime expended due to an emergency situation.
3. The City also maintains a contingency in the general fund annually for unanticipated expenditures for all general government programs including public safety.

G. INDEPENDENT AUDIT

1. The City of Iowa City Finance Department arranges for a comprehensive independent audit of all City accounts each year by contracting with an independent auditing firm.

H. EQUIPMENT REQUISITIONS AND PURCHASES

1. All purchases of equipment, supplies, etc., will follow the procedures set forth in the City of Iowa City Purchasing Procedures Manual, to include the minimum;
  - a. Specifications for items requiring standardized purchases;
  - b. Bidding procedures;
  - c. Criteria for selection of vendors and bidders.
2. General guidelines
  - a. Requests for expenditures up to \$1500 may be approved by the Commander of Field Operations or Administrative Services. All requests for expenditures over \$1500 will be forwarded through the chain of command to the Chief of Police or designee for approval.
  - b. After the Chief's approval, all purchasing requests will be submitted to the City Finance Department to ensure that the items requested are budgeted and the funds are available. This part of the process includes review of all requests by the City's purchasing agent, the attainment of any necessary comparative prices, and if required by the policy the submission of a completed purchase order to the City Manager for approval.

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Samuel Hargadine, Chief of Police

**WARNING**

This directive is for departmental use only and does not apply in any criminal or civil proceeding. The department policy should not be construed as a creation of higher legal standard of safety or care in an evidentiary sense with respect to third-party claims. Violations of this directive will only form the basis for departmental administrative sanctions.