



# 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 via the City's financial software system. 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 Administrative Assistant 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.
  - d. All computer equipment, software and services need pre-approval from ITS.
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.

**J. Maintenance of Cash Funds**

1. The department shall maintain various cash accounts in order to perform specific duties. Maintenance and record keeping of each cash account shall be assigned to one employee in the division with functional responsibility for the account. The employee shall submit quarterly reports to the commander of support service for review.
2. All cash funds will follow the procedures set forth in the City of Iowa City's Receipts/Deposits Policy, Starting Change Policy, and the Petty Cash Policy.

3. A cash account reporting form/ledger shall be utilized to report quarterly cash account activities. The cash account reporting form shall include a balance sheet indicating initial balance, credits (cash income received), debits (cash disbursed), and the ending balance.
4. The review of quarterly cash account reporting shall include a review of all credits, debits, and verification of the ending balance in the account.
5. Receipts or other documentation shall be created for the acceptance or disbursement of any cash.
6. The chief of police shall authorize any cash expenditure in excess of \$1,000.00.
7. Authorized employees of divisions that manage cash accounts are allowed to disburse cash as necessary to complete transactions in which the department is accepting fees. Disbursement of funds through shall be limited to making correct change during a transaction. Any other disbursement of funds through the accounts managed must have supervisor approval.
8. An employee must have supervisor approval to disburse cash from the investigation expense fund.
9. Only employees authorized to administer the alcohol and tobacco compliance checks shall have the authority to disperse cash for the purpose alcohol and tobacco compliance.
10. Authorized Cash Accounts

A. Communications

Station masters may receive cash for the payment of parking tickets after normal business hours. Cash payment is allowed in two instances; first as a result of a vehicle being impounded and payment for the parking ticket/s prior to the vehicle being released, and second, payment of parking tickets for vehicles on the tow list, discovered in violation, to prevent them from being towed.

In instances where an individual is claiming their vehicle that has been impounded and parking ticket/s have been issued (either as a result of an impound or an amount from the tow list), the cash payment is to be noted on the bottom of the impound report. The pink copy of this report will be placed with the cash in a sealed envelope and placed in the locked

parking ticket box. Parking and Finance Divisions will insure that the cash and the amount due for the released vehicle are the same.

In instances where parking tickets must be paid to avoid a vehicle from being impounded, station masters are to fill out the City of Iowa City carbon receipt book. Additional information documented on the form will include the vehicle's license plate information and parking ticket number (when known). The amount due would be the amount listed on the tow list. The cash along with the yellow copy will be put into a sealed envelope and placed in the locked parking ticket box. The customer will be given the original copy. The Police Department will retain the pink copy. Parking and Finance Divisions will insure that the cash and the amount due for the released vehicle are the same.

There may be instances where payment for some commodity is received at the front desk. When this happens, station masters are to document the cash sale on a City of Iowa City carbon receipt book. The yellow copy, along with the cash, will be placed in a sealed envelope and forwarded to the Administrative Coordinator. The Administrative Coordinator will verify the amount and direct a cash deposit to the appropriate account. On a quarterly basis, the deposits are to be matched with the copies of the receipts on file and a report and a report will be filed with the Captain of Support Services documenting all transactions and receipted cash for that period.

## **B. Records**

Record Technicians may take cash/check payments for various reports and documentation for which a charge is made. When cash is received for an item, the amount will be entered into the cash register and money placed into the cash drawer. The cash register will print a receipt for the customer as well as keep a record of the total amount of cash/transactions that are housed in the drawer. On a weekly basis, a report documenting the total receipts for the week will be run and matched with the cash in the drawer. Accumulated revenue and a copy of the register receipt will be deposited the Finance Department on a weekly basis. The Finance Department will verify the amount and issue a receipt. On a quarterly basis, deposits are to be matched with the copies of the receipts on file from the cash register with and a report will be filed with the Captain of Support Services documenting all transactions and receipted cash for that period. The cash drawer will be locked at all times the Records Division is not open for service.

### C. Animal Services

The Animal Care and Adoption Center may collect fees for services and merchandise. Each time a cash/check payment is received, a computerized receipt will be generated identifying the service/merchandise and the amount received. The transaction will be entered into the cash register where the money is stored and a running record of monies received is documented. At the end of each business day, the cash register will be closed out and all monies counted (less \$100 for making change) and placed into a locked bank deposit bag along with the completed deposit slip. The locked bank deposit bag will then be placed into a drop safe. The following business day, the animal service supervisor, or their designee in case of absence, will reconcile daily cash, check, and credit card transactions. Deposits will be made with the Finance Department who confirms the reconciliation. On a quarterly basis, a report will be filed with the Captain of Support Services documenting all transactions and receipted cash for that period.

### D. Investigations

The Investigations Commander may maintain the following 3 cash funds:

Investigative funds: These budgeted funds are used by the Department for the purchase of evidence, payment of cooperating individuals, and alcohol/tobacco stings. These funds will be audited yearly by the Captain of Support Services.

Iowa City Police Department Restitution Fund: These funds are accumulated by court order from defendants to pay restitution to the Iowa City Police Department for unrecovered buy money used from an Iowa City fund. These funds are used for the purchase of evidence and payment to cooperating individuals. These funds will be audited yearly by the Captain of Support Services.

Johnson County Drug Task Force Restitution Fund: These funds are accumulated by court order from defendants to pay restitution to the Iowa City Police Department for unrecovered buy money used from a Johnson County Drug Task Force fund. These funds are used for the purchase of evidence and payment to cooperating individuals by the Task Force. These funds will be audited yearly by the Captain of Support Services.

The Investigations Commander will maintain a ledger for these funds. Money from these funds may be distributed to

members of the Department and the Johnson County Drug Task Force for investigation purposes. On a quarterly basis, a report will be filed with the Captain of Support Services documenting all transactions for that period.

Members of the Department and Johnson County Drug Task Force will maintain a ledger for any funds received. On a quarterly basis, a report will be filed with the Captain of Administrative Services documenting all transactions for that period. These funds will be audited yearly by the Captain of Support Services.

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Dustin Liston, 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.