

Keith Porch, *Chief of Police*

//K. Porch//

GENERAL ORDER 17
FISCAL MANAGEMENT
EFFECTIVE DATE: May 1, 2019
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PURPOSE:

The purpose of this chapter is to establish policy and procedure for the administration, budgeting, purchasing, accounting, inventory and control of agency-owned property.

17.1 FISCAL MANAGEMENT

17.1.1 FISCAL AUTHORITY AND RESPONSIBILITY

The Chief of Police is considered the Administrative Head of the Division and, in this capacity, is responsible for reporting the affairs and activities of the agency and for preparing the budget and other financial information relating to fiscal management of the agency as required by the Mayor.

17.2 BUDGET

17.2.1 BUDGET PROCESS

The City of Mansfield's Operational and Capital Improvement budgets are based on a calendar year. Budget preparations will be conducted yearly as directed by the Department of Finance for the City of Mansfield. The specific time table for budget submissions is set by the Department of Finance in a memo sent to the agency prior to the budget cycle. The Chief of Police and Command Staff serve as the agency's internal budget committee, and will set a timetable for budget preparation that satisfies the submission deadlines established by the Department of Finance.

At the start of a budget cycle, each bureau commander shall compile the budget requests from each of their operational components and provide a written budget request to the Office of the Chief. The financial assistant to the Chief will compile a recommended final budget. The Chief of Police will be responsible for submitting the final prepared budget for the agency within the time period specified by the Department of Finance to the Director of Public Safety.

17.2.2 BUDGET RECOMMENDATIONS

Division components shall submit annual budget requests to the Bureau Commanders, who shall assemble information and prepare recommendations for the Chief of Police.

17.3 PURCHASING

17.3.1 REQUISITION AND PURCHASE PROCEDURES

A. **Purchase specifications:** The Chief of Police or his/her designee shall provide specifications for items under consideration for purchase by the agency and is responsible for inquiries or research prior to recommendations for purchase. Specifications may include adaptability to existing equipment, availability for purchase, and serviceability considerations. Purchases may be made from an established vendors list within confines of purchases not requiring bid.

Requisitions will be completed and submitted via the chain of command to the Chief for consideration. The requisition shall be complete with account number and attached explanation if needed. No obligation to any vendor shall be made until receipt of an approved purchase order without prior approval of the Chief of Police or Safety Director.

B. **Bidding:** Purchases may be made from an established vendors list within confines of purchases not requiring bid. Bidding procedures are determined by state statute and shall not change the manner in which specifications are drawn up, nor the responsibility for providing the Director of Public Safety with proper specifications for bid.

C. The authority for **selection of vendors or bidders** rests with the City of Mansfield Finance Department upon recommendation of the Chief.

D. **Emergency purchases:** The Chief of Police may, in cases of emergency, request the Mayor and/or Safety Director to immediately approve purchases.

– Upon two-thirds vote of Council, emergency purchases may be made that would otherwise require formal bidding and advertising. Purchases directly relating to natural and man-made disasters and civil disturbances, riots, or insurrections, are allowed under associated ordinances and statutes and must be approved by the Mayor and/or Safety Director.

– The Chief of Police may request the Safety Director to enter into rental agreements for services and equipment that would not be expeditious to purchase under contract.

E. Requests for **fund transfers or supplemental appropriations** must be initiated by the Chief of Police, forwarded to the Safety Director for approval to the Finance Director, who must then prepare the transfer or supplemental appropriations, to be approved by the Mayor, to then be adopted by resolution/ordinance by the City Council. Emergency appropriations may be initiated by the Chief of Police or his/her designate and forwarded to the Safety Director and Mayor for adoption in ordinance form by Council.

17.4 ACCOUNTING

17.4.1 MONTHLY ACCOUNTING STATUS REPORTS (LE1)

A. **Initial appropriation:** The Department of Finance provides the Chief of Police with an initial yearly appropriation and a monthly budget report for each account in the budget.

B. **Monthly balance:** The Department of Finance provides the Chief of Police with a monthly budget report including account balances at the commencement of the monthly period.

C. The monthly report shows **expenditures and encumbrances** made during the period.

D. The monthly report shows the **unencumbered balance**.

17.4.2 PROCEDURES FOR HANDLING CASH

Records Section: Cash will be collected by records section personnel for report/copy and license fees.

A. **Ledger:** A ledger will be maintained by records personnel showing the amount of money at the beginning of shift, any credits or debits, and the balance at the end of the shift. An account balance of \$25 will be left on hand to provide change for purchase of records, copies or license fees based on the schedule provided by ordinance.

B. **Receipts:** A receipt will be made for each customer transaction and a summary showing total income with the amount of cash and checks will be attached to the money and revenue submission form to be forwarded to the Finance clerk, and a copy maintained in the receipt book. An electronic may will also be maintained to serve as a summary of transactions.

C. There are no **cash disbursements** from this fund.

D. There are no **cash expenditures** from this fund.

E. No one other than **records personnel, the Chief of Police or designee**, will access the cash drawer.

F. **Audits:** Accounting reports shall be completed and reviewed not less than quarterly by Chief of Police or his/her designate.

Administrative personnel: The Chief of Police will designate one confidential secretary as the finance/inventory control point for the division. This position will control the petty cash fund and collect cash and checks for copies of reports, license fees, records checks, returned funds, seized/forfeited cash and miscellaneous pay-ins for submission to Finance which shall occur on the same day it is received.

A. **Ledger:** A ledger will be maintained reflects the amount of money submitted which shall show a current balance. All receipts are input into the accounting system by which serves as the primary record of accountability for this agency. For each transaction, there shall be a receipt which indicates the date and the amount received.

Petty cash will not exceed \$100.00 and all expenditures will be logged and submitted with the reimbursement requisition.

B. **Receipts:** A two-part receipt will be utilized for all transactions. One part of the receipt will be provided to submitter once signed and the other part is submitted to the Finance Department with the funds. Records are destroyed based on the current Records Retention Schedule. The receipt shall include the account name, date/time, transactions number if applicable, the amount collected, and the type of funds collected (cash or check).

Petty cash receipts will be maintained until submitted to Finance for reimbursement to the fund.

C. There are no **cash disbursements** from funds collected.

Petty cash disbursements will be logged and approved by the Chief or his/her designate prior to reimbursement and upon submission to Finance.

D. There are no **cash expenditures** from the collection funds.

Petty cash disbursements require a receipt in the amount of the payment or written explanation of the expenditure.

E. **Accepting monies:** No one other than the designated confidential secretary or designated Finance Clerk will accept funds described in this section.

F. **Audits:** Accounting on a monthly basis is completed by the designated confidential secretary. Final audits will be performed by the Finance Department.

Traffic Section personnel: Personnel assigned to the Traffic Section are authorized to collect cash from city parking meters on a weekly schedule whenever possible. A coin collection cart shall be used for all collections with access to collection box to remain locked until delivered to the designated bank.

A. **Ledger:** A ledger detailing the collection amount as reported by the designated bank shall be maintained by the Office of Utility Collections. For each transaction, there shall be an electronic receipt which indicates the date and the amount received by the institution.

- B. **Receipts:** An electronic receipt will be utilized for all transactions.
- C. There are no **cash disbursements** from funds collected.
- D. There are no **cash expenditures** from the collection funds.
- E. **Accepting monies:** No one other than the designated traffic personnel shall collect cash. Upon collection the collection cart shall be immediately taken to the designated institution and the lock from the collection box opened. The coin will be removed in the presence of bank personnel and placed in a cash deposit bag. The coin is submitted to the bank for a final count and a deposit receipt is transmitted electronically to the Office of Utility Collections.
- F. **Audits:** Accounting of cash activity as described in this section is completed not less than quarterly. All audits will be performed by the Office of Utility Collections.

Special Investigative Section Personnel: A furtherance of justice fund commonly referred to as the “Covert Operations Fund” provides monies for investigative purposes. The SIS Commander is responsible for these funds.

All funds received for confidential expenditures shall be deposited with the Mansfield City Finance Director, a bonded cashier. Needed funds will then be transferred, upon approval, to specific accounts under the control of the Finance Director, Director of Public Safety and Chief of Police. Confidential Funds necessary for expenditure will then be transferred, upon approval of a requisition form submitted through a standard process, to an imprest fund under the control of the Chief of Police and the Special Investigative Section Commander in amounts that are appropriate to meet the operational needs of the Police Division and/or the METRICH Enforcement Unit. The imprest fund shall be a savings account with a local bank.

A Request for Funds Form is completed to move funds from the imprest fund to the distribution safe and then to METRICH agencies or Division Sections as authorized by the Chief of Police or his/her designate.

A. **Ledger:** All Funds received or issued to Section personnel must be logged immediately on the Confidential Funds Log and prior to any disbursement from the balance on hand. The confidential funds log shall contain a confidential funds receipt number, the date of transaction, the amount, the officer entering the transaction, the type of investigation, a report number (if applicable), the amount spent by classification, the amount of funds returned and the total expenditure. The officer receiving funds is responsible for completion of the log, receipt and return of unused funds. **FUNDS NOT USED MUST BE RETURNED BY THE END OF THE OFFICER'S TOUR OF DUTY.**

B. **Receipts:** All funds expended must be recorded on a Covert Operations Receipt including transfers. The receipt shall identify the exact amount paid to and received by the operative or officer on the date executed, and shall further contain a description of the services, information, or evidence received, amount of payment, both in numerical and written form, the date on which the payment was made, signature of the payee, printed name and code number, signature of case officer or officer making payment, the signature of at least one other agency employee witnessing the payment, the signature of the officer's supervisor, the investigative report number, the receipt number corresponding to the Confidential Fund Log, type of investigation, suspect(s) and location of incident, and all investigative reports and any receipts detailing the incident. When evidence is purchased and submitted for examination by the crime lab, the crime lab submission receipt or analysis report shall also be attached.

C. **Fund access:** The Section Commander may request confidential funds as necessary through the chain of command, using the "Request for Funds" form. In exercising his/her authority to approve the request, Chief of Police and/or his/her designee will consider: the significance of the investigation, the need for this expenditure to further an investigation and anticipated expenditures in other investigations.

The Commander of the Section receiving confidential funds shall authorize expenditures only for:

- Purchase of Service/Expenses (P/S): This category includes travel or transportation of an officer or operative; the lease of an apartment, business front, luxury-type automobile, aircraft or boat or similar effects to create or establish the appearance of affluence; and/or meals, beverages, entertainment and similar expenses for undercover purposes, within reasonable limits. This category includes items and equipment necessary to carry out covert activity and/or investigations.

- Purchase of Evidence (P/E): This category is for the purchase of evidence and/or contraband such as narcotics and dangerous drugs, firearms, stolen property, etc., required to determine the existence of a crime or to establish the identity of a participant in a crime.

- Purchase of Specific Information (P/I): This category includes the payment of monies to an operative for specific information or active participation. All other operative expenses would be classified under P/S and charged accordingly. Cumulative or anticipatory receipts are not permitted.

Confidential Funds maintained by Sections, with prior authorization of the Bureau Commander shall not exceed the following schedule without approval of the Chief of Police.

- Special Operations/Special Investigation Section \$10,000.00
- Detective Section \$1,000.00
- Patrol Watches \$500.00

Confidential fund expenditures for a single purchase may be authorized according to the following schedule:

- Investigators
 - Patrol Watches \$100.00
 - Detective Section \$300.00
- Section Commander
 - Patrol Section \$300.00
 - Detective Section \$500.00
 - Special Investigations Section*\$1,000.00
- Bureau Commander
 - Community Services \$1,000.00
 - Special Operations \$4,000.00

Higher payments or expenditures must be approved by the Chief of Police or designee. Individual Operative payments should be within the guidelines as listed in the Schedule of Payments. *Authorized expenditures for this Section are substantially higher due to the Section's responsibility for narcotics enforcement and covert operations.

D. The Confidential Funds Log and Covert Operations Receipts serve as documentation for **cash**

expenditures.

E. **Accepting Monies:** With the approval of the Chief of Police, sub funds may be maintained by the Special Investigative Section, Detective Section and Patrol Section. Funds are accessible only to personnel who have completed training on the registration and use of confidential sources and confidential funds. The Section Commander shall be the designated fund custodian for monies received by their respective Section.

– Any person who is to receive payments shall be established as an operative. This includes persons who may otherwise be categorized as sources of information or operatives under the control of another agency. The amount of payment should be commensurate with the value of services and/or information provided and should be based on the following factors:

- The level of the targeted individual, organization or operation.
- The amount of the actual or potential seizure.
- The significance of the contribution made by the operative to the desired objectives.

– There are various circumstances in which payments to operatives may be made:

– Payments for information and/or Active Participation. When an operative assists in developing an investigation, either through supplying information or actively participating in it, he/she may be paid for his/her service either in a lump sum or in staggered payments. Payments for information leading to a seizure, with no defendants, should be held to a minimum.

– Payment for Operative Protection (Security). When an operative needs protection, law enforcement agencies may absorb the expenses of temporary or permanent relocation. These expenses may include travel for the operative and his/her immediate family, movement and/or storage of household goods, and living expenses at the new location for a specific period of time (not to exceed 6 months). Payments for these expenses may be either lump sum or as they occur, and must have the approval of the Chief of Police or his/her designee.

– Payments to Operative of Another Agency. To use or pay another agency's operative, he/she must be established as an operative. These payments should not be a duplication of a payment from another agency; however, sharing a payment is acceptable.

– Documentation of payments to operatives is critical and should be accomplished on a covert operation receipt. Payment should be made and witnessed by two law enforcement employees and authorized payment amounts must be reviewed by the Control Officer's Supervisor. In unusual circumstances, a non-officer employee or an officer of another law enforcement agency may serve as witness. In all instances, the original signed receipt must be submitted for review, record keeping and approval.

F. **Audits:** The supervisor signing the confidential funds receipt shall check to assure it is properly completed and the expenditure is in accordance with current operating procedures. The supervisor or senior officer having access to the fund must rewrite the cash fund balance at the end of each work day.

– The Section Commander shall maintain a fund balance in the confidential log. The fund balance and expenditures as indicated in the log and on the covert operations receipts shall be reconciled weekly.

– The Section Commander shall prepare a monthly report, reconciling the funds current unexpended balance with the funds authorized amount. Expenditures by category and the impact of the information on investigations shall also be contained in the report. The report shall be submitted to the Chief of Police. In

addition a copy of the report and a copy of any bank statements shall be submitted to the Finance Director not less than quarterly.

- The Chief of Police or Bureau Commander will perform quarterly reviews on Sections under his/her command to reconcile expenditures and balances, and to assure proper procedure is being followed by personnel having access to confidential funds.

- The Section Commander or his/her designate shall prepare an annual report detailing the results of an audit of confidential funds expended by Sections under his/her command. The report shall include expenditures by category and the impact of the information obtained on the investigations. The report will be submitted through the chain of command, with a copy provided to the Support Bureau Commander, by the last day of January for the preceding year.

- The Chief or his/her designate shall review the final annual review of confidential funds, approved by the Special Operations Bureau Commander. The review shall be submitted to the Office of the Chief of Police by March 1st following the end of the calendar year with any recommended actions.

All logs, receipts and reports relating to confidential funds and/or operative identity shall be kept in a secure area with access limited to the Chief of Police and designated personnel.

Asset Forfeiture/Seizure: Any personal property that has been, is being, or is intended to be used in an attempt or conspiracy to commit, or in commission of any offense or in the transportation of the fruits of any offense, or any property that is acquired through the sale or other transfer of contraband or through the proceeds of contraband, other than by a court or a law enforcement agency acting within the scope of its duties, can be considered contraband and may be subject to forfeiture in accordance with ORC 2981.

Whenever a police officer seizes property pursuant to ORC §2981, such property shall be submitted to the Crime Lab. In addition, a notice of seizure and/or record of seizure must be completed by the end of the officer's tour of duty. The seizure notice must be submitted to the officer's Bureau Commander for approval and submitted to the Special Investigative Section for asset seizure/forfeiture control and management.

Three accounts have been established to regulate assets forfeited to the Division:

- Law Enforcement Trust Fund – The fund shall be used to deposit funds from the sale of seized property and/or cash in compliance with ORC §2981. City Fund No. 211-015 511.30-69.

- Drug Law Enforcement Trust fund – The fund shall be used for the deposit and expenditure of monies resulting from the prosecution of drug offenses (ORC 2925) requiring mandatory fines and bail forfeitures imposed by the court and paid to the fund by the Clerk of Courts. Mandatory drug fines are to be deposited in an account established and maintained at the Richland County Sheriff's Office. Restitution is to be deposited into the City Fund. City Fund No. 210-015 511.30-68.

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A. **Computerized Ledger:** Any property including cash that is seized by the Division will be submitted to the Crime Lab for safekeeping pending any disposition with the case. The property shall be recorded in a journal or computerized information system retained by the Crime Lab pursuant to ORC §737.29. The entries shall describe the property seized, the person from whom the property was seized, the date of seizure, a reference to the criminal case to which the property pertains and the location where the property is stored. Additionally, the Special Investigative Section is responsible for maintaining an asset seizure/forfeiture database for control and management of seized and forfeited assets and the Chief's financial secretary will maintain a database identifying deposits and expenditures from the appropriate City accounts.

Upon disposition of the case or court order, funds will be removed from the custody and control of the Crime Lab and deposited with Finance utilizing a pay-in form which identifies the appropriate account that the money should be deposited in.

Any property forfeited will be converted to department use, destroyed, or sold at auction with any proceeds being divided in accordance with inter-agency agreements. The Prosecutor or other agency involved in the case may dispose of or sell any property and submit payment back to the Division of Police to be deposited in the appropriate account. Such transactions will be annotated within the asset seizure/forfeiture database maintained by the Special Investigative Section.

B, Receipts: The Crime Lab will sign property out to the officer handling the asset forfeiture. This form will be provided to the Chief's financial secretary who will record the transaction in an electronic database. This form will be maintained by the Special Investigative Section along with a copy of the pay-in form provided to finance.

- Law Enforcement Trust Fund: Cash forfeited to the Law Enforcement Trust Fund shall be described on a "Pay In Form" of the Finance Director's office. The amount paid in and the authority for the pay-in shall be described on the form. A copy of any court journal entries shall be provided to the auditor.

- The cash and the completed "Pay-In Form" shall be deposited with the Auditor's Office, who will provide a receipt of the pay in. A copy of the "Pay-In Form", the receipt of the funds from the Auditor, and a copy of the journal entry shall be given to the Special Investigative Section Supervisor by the officer in charge of the transaction.

- The SIS Supervisor shall record the deposit in a journal, log or computer program provided for that purpose.

- Drug Law Enforcement Trust Fund: This fund shall receive the money paid from the Clerk of Courts from the mandatory fines or bail forfeitures imposed by the court as a result of convictions as outlined in the Ohio Revised Code:

- Pay-ins shall be made in the same manner as they are made to the Law Enforcement Trust Fund.

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C. Cash disbursements from these funds must be approved by the Chief of Police in accordance with ORC 2981.

D. Records, documentation, and invoice requirements for cash expenditures include:

- Law Enforcement Trust Fund

- Expenditures from the Law Enforcement Trust Fund shall only be made at the written direction of the Chief of Police. The Chief's financial secretary shall keep a detailed record of each purchase on a separate requisition and/or computer program.

- Money deposited in the Law Enforcement Trust Fund, created by Mansfield City Council in Ordinance 86-253, may be expended for the following purposes (ORC §2981:

- To pay the costs of protracted or complex investigations or prosecutions;

- To provide reasonable technical training or expertise;
 - To provide matching funds to obtain federal grants to aid law enforcement;
 - To support the Mansfield Police Division D.A.R.E. Program;
 - To educate adults or children about the dangers associated with the use of drugs of abuse.;
 - For such other law enforcement purposes that the Chief of Police considers appropriate;
- The fund **may not** be expended to meet the operating costs of Mansfield that are unrelated to law enforcement, or to supplant funding related to law enforcement.

- The Law Enforcement Trust Fund **must** be expended as follows: Source – ORC §2981
 - At least 10% of the first \$100,000 of proceeds and forfeited moneys deposited in the Law Enforcement Trust Fund shall be used for a community preventive education program. If the amount in the fund exceeds \$100,000, 20% of the excess shall be spent on such programs.
 - The expenditure of funds for community preventive education programs shall be made at the direction of the Chief of Police after appropriate community dialogue and such program expenditure may include Mansfield's D.A.R.E. Program.
 - A record shall be kept of such expenditures and the programs on which the funds were spent by the Chief's financial secretary.

- Drug Law Enforcement Trust Fund

- Expenditures from the Drug Law Enforcement Trust Fund shall be made only at the written direction of the Chief of Police. The Chief's Financial Secretary shall keep a detailed record of each purchase on a separate requisition and/or computer program.
- The fund may be expended only to subsidize the Mansfield Police Division's efforts pertaining to drug offenses.

E. **Accepting monies:** All disbursements and expenditures must be approved by the Chief of Police. The Special Investigative Section of the Special Operations Bureau shall process all forfeitures of seized assets, to include all appropriate federal and state forms, upon receipt of the required Division paperwork. The Crime Lab maintains custody and control of all seized assets pending disposition.

F. **Audits:** A quarterly review of the ledger and receipts will be conducted by the Special Operations Bureau Commander or his/her designee. The Crime Lab Director, the Special Investigative Section Supervisor and the Chief's financial secretary or their designee(s) shall prepare an annual report, no later than January 31st of each year covering the preceding calendar year that cumulated the information contained in the records kept.

- The Chief of Police shall file a report with City Council by January 31st of each year verifying that the proceeds and forfeited money from the Law Enforcement Trust Fund were expended only for the purposes authorized by this directive. The report shall specify the amounts expended for each purpose. ORC §2981.

- The Chief of Police shall send a copy of the cumulative report to the Attorney General pursuant to ORC §2981 by March 1st of the year following the end of the calendar year. The report sent to the Attorney General shall include:

- Report of receipts and expenditures of the Drug Fines and Bail Forfeiture Trust Fund. ORC §2925.03 (J)(2)(b)

- Report of receipts and expenditures of the Law Enforcement Trust Fund. ORC §2981.
- Report of lost, abandoned, stolen, seized or forfeited property in the custody of the department that has not been returned to its owner. ORC §2981.
- Report of any proceeds of a police auction that are deposited into the general fund of the City of Mansfield. ORC §2981.

17.4.3 INDEPENDENT AUDITS

An independent audit of the agency's fiscal activities shall be performed on an annual basis by the Finance Department of the City of Mansfield. The State Auditor must perform an audit once every two years, as provided by Ohio Revised Code §117.10 and §117.11.

17.5 AGENCY OWNED PROPERTY

17.5.1 INVENTORY CONTROL

Inventory and control of agency property is regulated by City Policy of the City of Mansfield. This order addresses: Managing and Accounting for Fixed Assets, Definition of a Fixed Asset, Acquisitions, Dispositions, Tagging, Physical Inventory, Accounting for Fixed Asset Additions, and Accounting for Fixed Asset Disposals.

17.5.2 ISSUING PROPERTY (LE1)

Distribution and issuance of agency-owned property to authorized users is under the general direction of the Support Services Commander or his/her designee. An inventory of personal property issued will be maintained by the Professional Standards Commander or his/her designee.

17.5.3 MAINTAINING STORED PROPERTY

Maintenance of stored items of agency property in a state of operational readiness is the responsibility of the person or unit to which the property is assigned.

CROSS REFERENCE TO STANDARDS AND POLICIES: General Orders 22.2.8 and 41.3.4; General Order 61.2.4;

CROSS REFERENCE TO FORMS: Fixed Asset Forms/Listings, Budget Worksheets, Purchase Orders, Revenue/Expenditure Report, Records Section Ledger and Receipts, Accounting for Confidential Funds Form.