

January 12, 2012

**CITY OF FERGUSON
OFFICE OF THE CHIEF OF POLICE**

Index as:

Accounting System
Authorized Personnel
Budget Preparation
Cash
Emergency Purchases
Fiscal Responsibility
Grant Management
Inventory Control
Purchasing

FISCAL MANAGEMENT

119.00 PURPOSE

The purpose of this General Order is to establish policy and procedure for the fiscal management of the Ferguson Police Department.

119.01 POLICY

It is the policy of the Ferguson Police Department to follow established Department and City procedures, as well as applicable modern accounting principles, for fiscal management, budgeting, purchasing, accounting, inventory control and the maintenance of Department property.

119.02 AUTHORIZED PERSONNEL

The Chief of Police has authority and responsibility for the fiscal management of the department as authorized in Ferguson Municipal Code Section 6.2, 33-18. Although fiscal management functions may be delegated to designated units, the Chief of Police has ultimate authority and accountability over all fiscal matters of the department. Commanding officers are held accountable for those portions of the department's budget that relate to their unit functions.

119.03 BUDGET PREPARATION

The Police Department budget process is part of the City budget process established by Ferguson City Ordinance Section 4.4 and is administered by the Office of the City Manager.

- A. The City Manager is responsible for the preparation and presentation of the overall City budget to the Mayor and City Council.
- B. The Chief of Police, as the chief executive of the Department, is responsible for submitting an annual budget proposal for the Department to the City Manager.
- C. The fiscal year for the City of Ferguson begins on July 1 and ends on June 30.
- D. In preparation of submitting a proposed budget to the City Manager, the Chief of Police issues a memorandum to all personnel requesting that they submit, in writing, any budget needs recommendations, etc. to their supervisors. Any items submitted for consideration must include detailed supporting documentation such as justification, cost estimates, etc. The commanders of the organizational components of the Department will then prepare their written recommendations for the proposed budget based on operational/activity analysis and needs and present them to the Chief.
- E. After receiving the aforementioned input, the Chief submits the proposed Department budget to the City Manager and Finance Director for review. The Chief, City Manager, and Director of Finance meet to go over the budget and make any revisions as may be appropriate.
- F. Upon receiving the proposed budgets for each respective City department, the City Manager prepares a draft budget for the Mayor and City Council. The City Manager and the department heads will then meet in work sessions with the Mayor and City Council to discuss the proposed budget. Once all revisions are completed, the Mayor and City Council vote to approve the overall budget.
- G. All expenditures throughout the year must be in accordance with the budget as approved by the Mayor and City Council. The Chief of Police will maintain individual account expenditures by year. The Finance Department will provide monthly financial information regarding account expenditures.
- H. Supplemental or emergency expenditures not included in the original budget must be authorized by the City Manager or City Council, if required. (8.2)

119.04 ACCOUNTING SYSTEM

- A. The Chief of Police authorizes all accounts and funds within the department. The accounting system is part of the central City accounting system. This system ensures an orderly, accurate, and complete documentation of the flow of funds. Each appropriation and expenditure is classified according to function, organizational component, activity, object, and program. The city data-processing system facilitates rapid retrieval of information on the status

of appropriations and expenditures any time the information is required. Uniform guidelines for management and oversight of each fund are detailed in the City Purchasing Manual.

B. The Department accounting system includes approval of each account and provisions for monthly status reports showing:

1. initial appropriations for each account (or program);
2. balances at the commencement of the monthly period;
3. expenditures and encumbrances made during the period; and
4. unencumbered balance. (8.3)

119.05 FISCAL RESPONSIBILITY

As a basis for determining the financial integrity of the agency's fiscal control procedures, an independent audit will be conducted annually as soon as practical after the close of each fiscal year and no later than six (6) months thereafter.

These procedures are inclusive of petty cash funds, cash received in records, investigative funds, and all other instances where fiscal funds are maintained or cash is received or disbursed.

119.06 CASH

A. Financial Transaction Record Section

The record room section is responsible to receive and maintain cash. They will take in monies for copies of police reports, tow reports and traffic accident reports. Record Room personnel, who are authorized to accept and disburse cash funds, shall be designated, in writing, by the Chief of Police.

1. The transactions are recorded on a duplicate receipt. The original (white) to purchaser and the (gold) is maintained by the record section for 13 months. The receipt will have the date, name or purchaser, what receipt is for, the fee of purchase and signed by the record clerk and DSN.
2. Monies will be put in the secured drawer.
3. At the end of the month, all monies are tallied by cash, check and money order and compared to the receipt book.
4. The deposit and register receipt is transferred to the City Finance Department where the numbers are reviewed and the monies will be deposited.

5. The Commander of Administration will prepare a quarterly accounting of the department record room cash activities and forward a report to the Chief of Police.
B. Administrative Assistant Petty Cash Funds
The Administrative Assistant shall maintain a petty cash fund not to exceed \$250.00. Police Department employees requesting petty cash shall prepare a department memo stating the purpose and amount of the cash request. This memo will be submitted to the Administrative Assistant for approval. The employee will present the approved memo for distribution of petty cash funds to the Administrative Assistant for disbursement of funds.
Subsequently, Department employees who are in a position to make an emergency purchase that may be reimbursed from Petty cash, may submit the original receipt as explanation for the purchase in lieu of a memo.
<ol style="list-style-type: none">1. All cash receipts will have an account number and withdrawal cannot exceed \$50.00 without approval of the Chief of Police.
<ol style="list-style-type: none">2. Petty cash receipts have an original and a carbon copy that denote the following information:<ol style="list-style-type: none">a. Receipt Numberb. Datec. Reason for monies.d. Amount of cash requested.e. Received by (Name) signed by employee.f. Approval (Name) signed by Administrative Assistant.
<ol style="list-style-type: none">3. Computer Journal entry made by Administrative Assistant, which contains the following data:<ol style="list-style-type: none">a. Date of transactionb. Name of person receiving monies.c. Reason for monies.
<ol style="list-style-type: none">4. Employees, after completing their cash transaction, shall return to the Administrative Assistant with the receipt, which will be attached to the original cash receipt.
<ol style="list-style-type: none">5. When the Petty Cash Fund approaches a balance of \$50.00; the Commander of Administration will audit the ledger, cash receipts and remaining monies for completeness and accuracy. After determining that accounts are in order, a requisition will be completed and forwarded to the Chief of Police for his review and approval. After obtaining approval, the requisition, original petty

cash receipts and purchase receipts are hand carried to the Finance department for purposes of replenishing the fund.
6. The carbon copy of the cash receipt and ledger book is retained by the Administrative Assistant.
7. The Commander of Administration will prepare a quarterly accounting of the department Petty Cash activities and submit a report to the Chief of Police.
C. Bureau of Investigation - Confidential Source Funds
The Bureau of Support Services Commander will be responsible for:
1. The maintenance of all confidential source cash funds and will be responsible for receiving, maintaining and disbursing cash for payment to confidential informants. Money from this fund may be utilized for undercover criminal investigations (narcotics, prostitution, liquor & tobacco stings, etc.) at the discretion of the Bureau of Support Services Commander.
2. Maintaining a ledger that identifies the initial balance, credits (cash received), debits (cash disbursed), and the balance on hand.
3. Maintaining receipts or documentation for cash received.
4. Authorization for cash disbursement up to \$200.00. Funds in excess of this amount must have approval of the Chief of Police.
5. Maintaining records, documentation, or invoice requirements for confidential cash fund expenditures.
6. The Administrative Assistant will prepare an annual accounting of the cash fund activities of petty cash and submitted it to the Chief of Police.

119.07 INVENTORY CONTROL

ALL stored items of the department's equipment--such as radios, handcuffs, batons, and items of special equipment, such as radar, cameras, and closed-circuit TV surveillance devices are maintained in a state of operational readiness. The term "operational readiness" includes care and cleaning, preventive maintenance, repair, workability, and responsiveness.

A. Inventory responsibilities:

1. Commander of Administration - Traffic Safety, Radar Equipment
2. Division of Field Operations Commander - Safety Equipment

3. Communications Supervisor - Communications and Radio Equipment
4. Support Services Commander - Investigations and Crime Scene Equipment
5. Department Armor - Weapons and related equipment

B. The person or unit to whom the property is assigned will maintain all department property and equipment in a state of operational readiness, and will submit an updated inventory list to the Administrative Assistant in January of every year.

C. The Administrative Assistant will maintain an inventory of all department property.

D. The operational readiness of equipment will be inspected at regular intervals and an audit will be completed annually.

E. General Order 214 establishes procedures for issuing/re-issuing agency-owned property to authorized users.

119.08 PURCHASING

The Chief of Police is responsible for the procurement of goods and services necessary for the operations of his department, subject to approval by the City Manager or the Director of Finance.

It is the responsibility of the Director of Finance to ensure that all purchases are made in the most cost effective manner possible, and that no funds are expended above appropriated amounts.

The City of Ferguson Police Department follows the procedures for requisitions and purchases of agency equipment and supplies as directed in the “Purchasing Manual”. All areas are adhered to, to include”

1. Specifications for items requiring standardized purchases;
2. Bidding procedures ;
3. Criteria for selection of vendors and bidders.

119.09 EMERGENCY PURCHASES

A. Section 3.9 of the City of Ferguson “Purchasing Manual” states that “Bidding requirements may be waived for emergency purchases with approval of the City Manager. Emergency purchases are limited to conditions resulting from an unexpected or unforeseen occurrence or condition wherein the public health or safety is endangered or the operations of the City are jeopardized”.

- B. The procedure for requesting emergency appropriations as stated in the Purchasing Manual, the Department Head should detail in writing the conditions constituting an emergency. Written approval of the City Manager must be obtained, a copy of which should be attached to the purchase order or voucher.
- C. Fund Transfers – Before initiating any purchase, the Department Head should ascertain that funds are available in the appropriate account. If the account balance is insufficient to cover the purchase, a request for transfer of funds (from one account to another) should accompany the purchase order.

119.10 GRANT MANAGEMENT

This section provides direction to this Department for effective grant management.

- A. Preliminary internal review.
 - 1. Application for a new grant includes a preliminary review by the Commander of Administration (Grant Coordinator) for approval;
 - 2. Application process.

The Grant Coordinator will submit all grant related information to the Chief of Police specifying the following:

- a. The granting agency;
- b. The amount and purpose of the grant;
- c. The approximate amount of City match required, including any related City expenses which would not be covered by the grant;
- d. The fiscal year in which the grant is anticipated to be received;
- e. Any incidental risks or requirements to be considered;
- f. An estimate of the total program/project cost, including any ongoing impact on operations; and
- g. Any other government agencies involved in the grant.

The information will be reviewed and concerns or questions will be communicated to the Grant Coordinator. If the decision is favorable, the Grant Coordinator may proceed with the grant application.

- B. Acceptance process.

1. Upon notice of the grant award, the Chief of Police will notify the City Manager of the award and the financial responsibilities to be budgeted by the City;
2. The Grant Coordinator will forward copies of all processed grants to the Finance Department for processing.

C. Budget process.

1. Upon written notification of the grant award, it is necessary to budget the revenues and expenditures for the activity;
2. The Grant Coordinator and the Finance Department will track grant revenues and expenditures.

D. Records management process.

A complete set of records will be maintained in accordance with the Records Retention Policy of this Department and all applicable State and Federal laws.

E. Purchasing process.

Within this Department, the Chief of Police has been given authority and responsibility as the Purchasing Agent for formal purchasing activity. The key provisions for ensuring compliance with Federal and State grant requirements are summarized below:

1. Make maximum, most economical use of available resources;
2. Provide maximum open and free competition in purchasing transactions;
3. Use purchasing methods which meet Federal and State requirements as well as comply with the City's Purchasing Policy;
4. Conduct analysis of decisions to determine appropriateness of contract pricing or contract costs;
5. Provide documentation to substantiate compliance with requirements (1) through (4).

F. Accounting process.

The Grant Coordinator maintains records in coordination with the Finance Department constituting grant financial reporting.

1. The Grant Coordinator is responsible for providing staffing resources to create the original supporting documentation for grant expenditures and to verify that these are

correctly recorded in the City's accounting system (e.g., time sheets, accounts payable);

2. The Finance Department is responsible for maintaining the purchasing, payroll, accounts payable, accounts receivable, cash receipts and systems according to grantor standards.

G. Cash management process.

Programs funded with grant revenues are not to rely on general City cash resources to meet cash flow shortfalls. Grant draw downs are to be requested from the grantor agency as soon and as often as practical.

1. The Grant Coordinator prepares requests for grant draw downs on the grantor's forms according to the decided upon schedule;
2. Federal grant payments are requested by letter of credit to be disbursed by Federal funds wire;
3. Checks for State and local grants are made payable to the City of Ferguson and mailed to the City of Ferguson, ATTN: Director of Finance, 110 Church St. Ferguson, MO 63135;
4. Grant payments by Federal funds wire are directed to the contracted bank for credit to the City of Ferguson control account.

H. Program compliance process.

Successful grant management requires that the City be able to demonstrate that the service delivery and/or project requirements of the grant have been met.

1. The Grant Coordinator is responsible for constantly monitoring performance to ensure that time schedules are being met, projected work units by time periods are being accomplished, and other performance goals are being achieved;
2. The Finance Department will consult with the Grant coordinator on program compliance issues.

I. Audit process.

1. The audit of a grant includes program compliance as well as financial compliance. The grant may be audited annually or at the end of the project or program. State and local grants are audited by the particular agency involved. Federal grants are audited under the Single Audit Act of 1984 and in accordance with OMB Circular A-128;

GENERAL ORDER 119.00

January 12, 2012

2. The Finance Department will assess the audit requirements for the grant and develop the plans for the audit with cooperation from the Grant Coordinator;
3. For Federal grants, the Finance Department may schedule a Single Audit Act audit as part of the annual City comprehensive audit and keep the Grant Coordinator informed of the schedule;
4. The Finance Department will schedule all other audits with the granting agencies and keep the Grant Coordinator informed of the schedule;
5. The Finance Department and the Grant Coordinator are Responsible for meeting auditor information needs for financial and compliance testing.

By order of:



COLONEL THOMAS JACKSON
Chief of Police

Distribution

All Department Personnel

MPCCF Reference 8.1, 8.2, 8.3, 8.4, 8.5, 8.6, 8.7, 8.8. 8.9