



| | | |
|--|------------------------|--|
| WRITTEN DIRECTIVE Subject: FISCAL MANAGEMENT | No. PD14-0103 (02) | Page: 1 of 8 |
| | Effective Date: | 12-15-14 |
| | Supersedes/ Amends: | PD14-0103 |
| | Reference: | 16.1.1, 17.1.1, 17.2.1 17.4.2, 17.4.3 |



I. Purpose

The purpose of this directive is to establish guidelines and procedures for budget preparation and fiscal management activities carried out by the Lynchburg Police Department.

II. Policy

It shall be the policy of the Lynchburg Police Department for employees to conduct budgetary and fiscal management activities based upon procedures established by the City of Lynchburg for all City departments.

III. Procedure

A. GENERAL

17.1.1, 17.4.1

1. The Chief of Police will have the overall approval, authority, and responsibility for the fiscal management activities of the department (Lynchburg City Code, Section 31-3).
2. The inclusive fiscal year as provided by the Lynchburg City Code (Section 18-2) will be July 1 through June 30 of the following year.
3. The fiscal management function will be the responsibility of the Chief of Police, including at a minimum:
 - a. annual budget development and preparation, within guidelines as provided by the City Manager
 - b. review of budget printouts
 - c. monitoring records of agency appropriations
 - d. liaison with the City Department of Financial Services
 - e. liaison with the City Office of Budget and Procurement
 - f. grant proposals, management and monitoring
 - g. asset forfeiture management and monitoring.

4. The Deputy Chiefs will be responsible for the daily monitoring of the police operations within their areas of responsibility, to include:
 - a. internal expenditures
 - b. non-cash fiscal activities (including ledger accounts).

17.2.1

B. BUDGET PREPARATION

1. The Operating Budget Instructions outlines procedures to be used by the department for budget preparation and other budgetary processes. The budget process, schedule, methods, and forms are prescribed by the City Financial Services Department who are responsible for the final budget preparation and management.
2. The Deputy Chiefs will actively participate in the preparation of the department's operations and animal control budgets, encouraging input from employees prior to budget preparation.
 - a. Prior to the preparation of the budget, a *Memorandum* will be circulated, soliciting employee suggestions for purposes of identifying agency needs for the upcoming year.
 - 1) The *Memorandum* will be posted on the employee bulletin boards and sent to all bureau and division/unit supervisors.
 - 2) A copy of the *Budget Request Form* will be attached to the *Memorandum*.
 - 3) Additional copies of the *Budget Request Form* will be available on the Police Server.
 - b. Any employee may submit a budget request for items which may be beneficial to departmental operations.
 - 1) The employee will complete a *Budget Request Form* and submit it through the chain of command to the Deputy Chief.
 - 2) The Deputy Chief will initial the request, indicating approval or disapproval, and then forward it to the Office of the Chief of Police.
 - 3) An in-house review board will then be convened, consisting of the Deputy Chiefs, the Professional Standards Division Captain and the Chief of Police.
 - 4) An employee submitting a budget request may be called on by the in-house review board to verbally present the request.
 - 5) Once the in-house review board is completed, the Chief of Police will review, approve and submit the combined proposed budget package to the City Manager.

16.1.1

C. FISCAL CONTROL

1. Each employee position within the department is assigned a distinct employee number by the City of Lynchburg Department of Human Resources, for purposes of:
 - a. maintaining budgetary position control
 - b. ensuring persons on the payroll are legally employed
 - c. ensuring that department staffing is in accordance with budget authorizations.
2. Certain employees will have responsibilities regarding the collecting, safeguarding and disbursing of cash in specific accounts as follows:
 - a. The Deputy Chief of the Investigations and Administration Bureau will be responsible for the following:
 - 1) *Property and Evidence Checking Account*
 - 2) *Collections Account (Records Unit)*
 - 3) *Special Services Accounts (Criminal Investigations Unit)*
 - b. The Professional Standards Division Captain is responsible for the *Petty Cash Account*.

17.4.2 A, D

17.4.2 E / 17.4.2 B

D. CASH COLLECTION AND DISBURSEMENT

1. Funds received by Records Unit employees are for the purposes of collecting fees related to services provided by the City of Lynchburg and the Lynchburg Police Department. No funds will be dispersed from this account without authorization from the Professional Standards Division Captain.
 - a. All records unit personnel are authorized to accept cash for purposes intended for this account and will be required to document the cash received in the receipt book and provide a copy of the receipt to the payee.
 - b. Funds received into this account will be tabulated weekly by Records Unit personnel, who will:
 - 1) maintain a system that identifies the balance, credits and balance on hand,
 - 2) maintain all funds in a secure location,
 - 3) balance receipts with cash and checks received,
 - 4) complete a weekly *Report of Collections Form*,

- 5) have the report reviewed and approved by a designated supervisor,
 - 6) personally submit the collected funds to the designated banking institution,
 - 7) submit a copy of the *Report of Collections Form* with a validated deposit slip from the banking institution to the City Collector's Office,
 - 8) retain a copy of the report with a validated deposit slip from the banking institution as a control copy,
 - 9) maintain the control copy and validated deposit slip copy for filing: such copies will be retained for a minimum of three fiscal years for audit purposes.
- c. An internal audit will be conducted at least quarterly on the account.
2. The Professional Standards Division is authorized to maintain a petty cash fund for miscellaneous expenses.
- a. The accounts payable clerk will oversee the petty cash fund including:
 - 1) maintaining a system that identifies the initial balance, credits, debits and balance on hand,
 - 2) maintaining records of receipts or documentation for cash received,
 - 3) maintaining documentation for cash disbursements and reimbursements.
 - b. Records, documentation, or invoice requirements for cash expenditures will follow procedures established by the City of Lynchburg for petty cash.
 - c. An internal audit will be conducted at least quarterly on the account.
3. The Deputy Chief of the Investigations and Administration Bureau will follow established procedures regarding expenditures from the *Special Services Account* (funds available through the budgeted funds to meet certain investigative expenses see VI-1002 – Accounting Procedure for Special Services Account).
4. The Property and Evidence Coordinator will handle evidence, recovered or found money according to the following procedures:
- a. The officer will complete a voucher in the PISTOL system that indicates the details of the cash seizure.

17.4.2 E

17.4.2 E

- b. a *Cash Accounting Summary* form is completed by the seizing officer and verified by his supervisor. This form breaks down the cash by denominations and provides a final total of cash received.
- c. the officer then places the cash, voucher and the *Cash Accounting Summary* form into the evidence system.
- d. Money received in evidence may be secured by:
 - 1) storage in the evidence safe until it can be deposited into a designated interest-bearing checking account
 - a) A ledger will be maintained that records initial balance, credits, debits, and balance on hand in the Property and Evidence checking account.
- f. Disbursements from the Property and Evidence checking account will occur by issuing checks.
 - 1) Property and Evidence coordinators will be responsible for issuing checks from this account.
 - a) funds released by a court order will be handled as indicated within the text of that order
 - b) unclaimed funds will be submitted to the State of Virginia as provided by law.
 - c) evidence money may be released back to the owner with appropriate authorization from the court or investigating officer
 - d) as related to asset forfeiture or the auctioning off of evidence items as allowed by Virginia State Law.
 - 2) No cash funds will be withdrawn or dispursed from this account without authorization from the Chief of Police.

E. NON-CASH FISCAL ACTIVITIES

- 1. The Professional Standards Division Captain will be responsible for internal monitoring of non-cash fiscal activities of the department's Operations and Animal Control budgets.
- 2. The Professional Standards Division Captain will:
 - a. provide necessary information used in:
 - 1) determining whether established internal control procedures are being administered effectively

- 2) evaluating the performance of staff responsible for fiscal management functions.
 - b. include, but not be limited to:
 - 1) reviewing expenditure requests for compliance with all applicable laws, regulations and available funds
 - 2) reviewing (for accuracy) and reconciling of expenditures posted by the City Department of Financial Services.
- F. Credit Card Accounts
 1. Card Issuance
 - a. The Chief of Police will approve issuance and spending limits of all charge cards.
 - b. The duties of the charge card Program Coordinator are assigned to the Financial Technician of accounts payable and the Financial Technician of payroll assumes the role of the Program Coordinator's backup.
 2. Each card holder will be responsible for the maintenance and security of the credit card(s) issued to them.
 3. Charge Purchases
 - a. Itemized receipts are obtained for all charges. If charges are made by telephone, the vendor is requested to fax or mail confirmation of the purchase. If an order is made online, the data is printed from the order screen and/or a receipt is requested.
 - 1) If an itemized receipt is lost or destroyed, the cardholder will use the current City Financial Services form to document the item(s) purchased, the quantity, price, and vendor; and the reason there is no receipt.
 - 2) The documented information will be reviewed and signed by the cardholder's supervisor.
 - 3) This documentation will be submitted to the Program Coordinator in lieu of receipt.
 - b. Receipts for charges are submitted to the Program Coordinator as set by the Financial Office.
 4. The Coordinator is responsible for the proper filing of all receipts.

- a. To prevent duplicate payments, all shipping documents (receipt of goods) are dated and initialed by the person receiving the goods. These documents are submitted to the Program Coordinator to be filed with the charge documents.
 - b. No payment will be made without proof of receipt of the goods or services.
5. If an employee leaves employment with the City and has been issued a charge card, the Chief of Police or designee will obtain the card and give it to the department Program Coordinator for destruction.
 - a. The City Charge Card Program Manager will be notified regarding the destruction of the charge card.

G. ACCOUNT AUDITS

1. Audits of all department accounts, including accounting procedures, will be conducted at least annually.
 - a. The *Special Services Account* will be audited quarterly.
 - b. An audit of bureau or unit funds will be conducted upon the transfer of any bureau or unit supervisor.
 - c. All department accounts are subject to impromptu audit at the direction of the Chief of Police.
2. Audits will be conducted by department employees, designated by the Deputy Chief of the Investigations and Administration Bureau.
3. Audits will include a review of procedures used and verification of funds received and transferred.
4. Those employees responsible for the accounts audited will be responsible for providing any necessary documentation required by the auditors.
5. A written report indicating the results of the audit will be submitted by the employees conducting the audit.
 - a. The original report will be submitted to the Chief of Police.
 - b. A copy of the report will be forwarded to the appropriate Deputy Chief.
6. An independent audit of departmental accounts will be conducted under the direction of the City Director of Financial Services:
 - a. annually, as required by the Lynchburg City Code, Section 18-17
 - b. on an impromptu basis, as deemed necessary.

17.4.2 F

7. For purposes of this directive, the fiscal year will be divided into quarters beginning July 1, October 1, January 1, and April 1.
8. Accounts not subject to quarterly audits will report account transactions on a quarterly basis.
 - a. Account transaction reports will be submitted for the following:
 - 1) Special Services Account (monthly)
 - 2) Property and Evidence Checking Account
 - 3) LPD Petty Cash Account
 - 4) Records Unit Cash Account
 - b. The immediate supervisor of the account administrator will be responsible for ensuring that account transaction reports are submitted:
 - 1) through the chain of command to the Chief of Police
 - 2) by the 15th day of the month immediately following the end of the quarter.
 - c. Account transaction reports will:
 - 1) list all account cash transactions for that quarter
 - 2) not require a review of account procedures.

Original Signed

Parks H. Snead
Chief of Police

December 15, 2014

Date