

# BUDGET AND FINANCE

POLICY & PROCEDURE NO. <b>4.24</b>	ISSUE DATE: 07/01/14
	EFFECTIVE DATE: 07/01/14
MASSACHUSETTS POLICE ACCREDITATION STANDARDS REFERENCED: <b>17.1.1; 17.2.1; 17.2.2; 17.4.1; .7.4.2</b>	REVISION DATE: _____

## I. GENERAL CONSIDERATIONS AND GUIDELINES

The purpose of this policy is to identify and provide guidance for those involved with the budget cycle. The budget process often begins nearly nine months prior to the beginning of the new fiscal year and funds department expenditures nearly twenty-one months away. Careful planning is crucial in presenting a budget proposal to address those needs.

In addition, department employees dealing with cash are provided guidance in accepting payment, expending cash, and accounting for those expenditures. Sound financial records will protect employees from any claims of inappropriate use of funds.

## II. POLICY

It is the policy of this department to:

- A. Submit a sound budget proposal to fund the agency properly to meet policing goals throughout the next fiscal year;
- B. Manage the operational budget to ensure that funds from budgetary appropriations are available for police operations through the fiscal year; and
- C. Maintain the integrity of cash accounts and expenditures in the police department.

### **III. PROCEDURES**

#### ***A. Fiscal Authority and Responsibility [17.1.1]***

- B. The Chief of Police is designated as having the authority and responsibility for fiscal management of the police department. Such authority is derived through job description issued by the Board of Selectmen

#### ***C. The Budget Process [17.2.1]***

1. The budget year for this department begins on the first day of July each year and ends on the following June 30th.
2. The Chief of Police shall submit a proposed budget to Town Administrator as directed, but usually during the month of January.
  - a. Budget recommendations shall be submitted as directed by the Chief of Police, but usually in the month of November

#### ***D. Budget Management [17.2.1]***

1. The Chief of Police shall be responsible for managing the agency budget.
2. Each month, Chief of Police shall review the agency's budget report to determine the department's financial position ending the previous month. The budget report includes each approved account and the following detail: [17.4.1]
  - a. Initial appropriation for the budget year;
  - b. The balance at the beginning of the monthly period;
  - c. Expenditures and encumbrances made during the monthly period; and
  - d. Unencumbered balance at the end of the monthly period.
3. The Chief of Police shall use this data to manage expenditures and approve purchases for the department.

#### ***E. Cash Funds and Account Maintenance [17.4.2]***

1. GENERALLY
  - a. Authorization: All cash funds or accounts where agency personnel are permitted to receive, maintain, or disburse cash shall be approved by the Chief of Police.
  - b. Accounting: The custodian of each cash account shall maintain a ledger to show expenditures and account balances. Entries shall be made for:
    - 1) The initial appropriation;

- 2) Subsequent account credits;
  - 3) Cash disbursed; and
  - 4) Balance on hand.
- c. The custodian of each account shall conduct a monthly reconciliation of the account.

## 2. PETTY CASH

- a. The petty cash account shall be under the control of the Chief of Police and Administrative Officer who is authorized to disburse cash.
- b. Cash from the petty cash account may be used for official police purchases where purchases need to be made quickly, where there is no mechanism for billing or purchase orders, or where the purchase amount is small. No disbursement in excess of \$50.00 shall be made without the approval of the Chief of Police.
- c. A receipt for each cash disbursement is required and shall be submitted to the account custodian for retention as an account record.
- d. The petty cash account shall not be used to avoid obtaining a purchase order.

## 3. CONFIDENTIAL FUNDS

- a. The Confidential Funds account shall be under the control of the Chief of Police.
- b. The fund custodian and are authorized to disburse cash.
- c. Cash from the Confidential Funds account may be used for official police investigative purchases of drugs, firearms, and other contraband, and to pay informants as approved by the Chief of Police. No disbursement in excess of \$100.00 shall be made without the approval of the Chief of Police.
- d. A Confidential Funds Expenditure Form for each cash disbursement is required and shall be submitted to the account custodian for retention as an account record.
- e. The Confidential fund shall not be used for operational expenses except in the case of exigency and with the approval of the Chief of Police.

## 4. RECORDS OFFICE

- a. The records office account shall be under the control of the Chief of Police or Administrative Officer who is authorized to receive cash and make change.

- b. This account is for receiving payment for police records, and employees are not authorized to disburse funds for purposes other than deposit in an approved account.

5. FIREARMS LICENSING

- a. The firearms licensing account shall be under the control of the Chief of police or Administrative Officer who is authorized to receive cash and make change.
- b. This account is for receiving payment for firearms licensing, and employees are not authorized to disburse funds for purposes other than deposit in an approved account.