

 Lexington Police Department	<u>Subject:</u> Budgeting and Accounting		<u>Policy Number:</u> 17A			
	<u>Accreditation Standards:</u> <u>Reference: 17.1.1; 17.2.1 ; 17.2.2 ;17.4.1; 17.4.2; 17.4.3</u>		<u>Effective Date:</u> 3/11/13			
<input type="checkbox"/> New <input checked="" type="checkbox"/> Revised	<u>Revision Dates:</u>	1/24/19				
<u>By Order of:</u> Mark J. Corr, Chief of Police						

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 nine to ten months prior to the beginning of the new fiscal year. Careful planning is crucial in presenting a budget proposal to address the needs of the Department. 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.

It is the policy of the Lexington Police Department to:

1. Submit a sound budget proposal to fund the Department in order to meet the policing needs of the community;
2. Manage the operational budget to ensure that funds from budgetary appropriations are available for police operations throughout the fiscal year; and
3. Maintain the integrity of cash accounts and expenditures in the Department.

PROCEDURES

A. Fiscal Authority and Responsibility [17.1.1]

1. The Chief of Police is designated as having the authority and responsibility for fiscal management of the Department.
2. Such authority is derived through his appointment and designation by the Town Manager.

B. 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 operational and capital budget to the Town Manager as directed, usually during the month of November.
3. The commander of each division shall be prepared to submit budget and program improvement recommendations to the Chief of Police before the end of September each year. Examples of divisions include: [17.2.2]
 - i. Patrol Division;
 - ii. Administration
 - iii. Investigation
 - iv. Parking
 - v. Crossing Guards
 - vi. Dispatch
 - vii. Animal Control

C. Budget Management [17.2.1]

1. The Chief of Police shall be responsible for managing the Department budget.
2. Every payroll period, the Chief of Police or his/her designee shall review the Department's personal services budget to report on the financial position (ending on the previous payroll). The budget report includes an overview of: [17.4.1]
 - a. Initial appropriation for the budget year;
 - b. The balance submitted at the beginning of the payroll period;
 - c. Expenditures and encumbrances made during the period; and
 - d. Unencumbered balances at the end of the pay period.
3. The Chief of Police shall use this data to manage expenditures and approve purchases for the Department.
4. The Chief of Police, or in his designee, will sign each payroll and accounts payable.

D. Cash Funds and Account Maintenance [17.4.2(d)]

1. Generally
 - a. Authorization: All cash funds or accounts where Department 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: [17.4.2(a)]
 - i. The initial appropriation or balance;
 - ii. Subsequent account credits and deposits;
 - iii. Cash disbursements; and
 - iv. Balance on hand.
 - c. The custodian of each account shall conduct a quarterly accounting. [17.4.2(f)]
2. Petty Cash [17.4.2(c)]
- a. The petty cash account shall be under the control and supervision of the Officer Manager, or other designee, who is authorized to distribute cash. This account will maintain a balance of \$300. At any given time, cash and receipts must equal \$300. [17.4.2(e)]
 - 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 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. As needed, the Office Manager, or designee will submit these receipts to the Comptroller's Office for reimbursement to the petty cash account.
 - d. The petty cash account shall not be used to avoid obtaining a purchase order.
3. Confidential Funds
- a. A "Confidential Funds" account shall be under the control of the Chief of Police and his/her designee - the Detective Bureau Commander. This account is titled as such due to the way it is most commonly used. Cash from this 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.
 - b. No disbursement in excess of \$500 shall be made without the written approval of the Chief of Police. Amounts less than \$500 may be authorized by the Detective Bureau Commander. [17.4.2(c)(e)]
 - c. Expenditure of Confidential Funds must be recorded in a ledger maintained by the Detective Bureau Commander, and must be available for inspection at any time. [17.4.3]

- i. The “Confidential Funds” account is derived via seizure of assets from other law enforcement activities. This Department will work in cooperation with the Middlesex District Attorney’s Office (MDAO) in the proper documentation and procedure of asset seizure. When the final order of the court orders monies or other property to be turned over to the MDAO, those monies and or property will be split with half going to the MDAO and half to this Department. Monies and or property obtained in this manner will thus enter a special Law Enforcement Trust Fund. This Trust Fund may be used in the following ways:
 - (a) To defray the costs of protracted investigations;
 - (b) To provide additional technical equipment or expertise;
 - (c) To provide matching funds to obtain federal grants; and
 - (d) To accomplish such other law enforcement purposes as the Chief of Police deems appropriate.
- d. Such funds from the Law Enforcement Trust Fund may not be used to meet operating needs of the Department, or supplement the operating budget of the Department, and must be used in compliance with state law.

4. Records Office

- a. The Records Office will have an account that is under the control of the Chief of Police. The Chief of Police is authorized to delegate employees (Commanding Officer, Desk Officer, and Parking Clerk) who receive cash and make change for persons picking up reports, issuing solicitor permits and the completion of fingerprint card request. Examples of items picked up and paid for through the records office are: [\[17.4.2\(e\)\]](#)
 - i. Police Reports and other paperwork picked up at the station
 - ii. Paperwork requested through the mail
 - iii. Copies of audio or video discs
- b. Employees are not authorized to disburse funds from this account. [\[17.4.2\(e\)\]](#)
- c. All cash or other funds received will be turned over to the Office Manager for processing and subsequent deposit and a receipt drafted to document the transaction (if practical). [\[17.4.2\(b\)\]](#)

5. Firearms Licensing

- a. The Commonwealth of Massachusetts sets the fee schedule in regards to firearms licensing, license renewal, and FID cards.
 - b. A Department employee will take in the appropriate fee along with the completed application for the license and or renewal.
 - c. All paperwork including the fee will be forwarded to the Detective Bureau Commander for approval.
 - d. All fees collected associated with the applications will be forwarded to the Office Manager for processing and deposit.
 - i. The collected fees are divided per M.G.L. c. 140 s. 122,129B, and 131. The two portions of the fee are deposited by the Office Manager into two separate accounts. One account is used for payment to DCJIS, the other account holds the town's portion which ultimately ends up in the town's general fund.
6. Traffic Office: The Traffic Bureau Staff will keep \$100 cash (in small bills) to make change for individuals paying parking tickets.
7. The Town of Lexington may authorize and issue credit cards to employees of the Department for necessary purchases as may be authorized by Town Policy. Reference the "Procurement Card-User Guide" as made available on the Town's L: drive.