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|  |            | <b>Policy &amp; Procedures</b>                    |  |  | <b>No. 4.09</b>                      |                                   |
|                                                                                   |            | Subject:<br><b>Cash Fund/Accounts Maintenance</b> |  |  |                                      |                                   |
|                                                                                   |            | Issuing Authority:<br><b>Chief of Police</b>      |  |  | Effective Date:<br><b>10/30/2013</b> | Review Date:<br><b>02/13/2024</b> |
|                                                                                   |            |                                                   |  |  | References:                          |                                   |
| <b>Review</b>                                                                     |            |                                                   |  |  |                                      |                                   |
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| Reissued                                                                          | 02/06/2017 |                                                   |  |  |                                      |                                   |
| Dates:                                                                            | 02/10/2019 |                                                   |  |  |                                      |                                   |
|                                                                                   | 04/18/2020 |                                                   |  |  |                                      |                                   |
|                                                                                   | 11/18/2022 |                                                   |  |  |                                      |                                   |
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CALEA STANDARDS: 17.4.2 17.4.3

### GENERAL CONDITIONS AND GUIDELINES

It is the policy of the Canton Police Department to maintain a system of fiscal management that is compatible with the accounting and purchasing procedures of the governing agencies within the Town of Canton, and laws of the Commonwealth of Massachusetts.

These formal fiscal control procedures will enable the department to establish accountability, to ensure that disbursements are for designated and approved purposes, and more importantly, to alert department management to possible problems requiring remedial action. This system shall clearly outline proper budgeting, accounting, purchasing and fiscal control procedures within this department.

Although the Chief of Police is designated by the Town Administrator as having the authority and responsibility for the fiscal management of the department, he may designate one or more persons within the department to perform those duties under his direction.

All phases of the fiscal management of this department shall be in compliance with the procedures outlined in this manual.

### **Petty Cash**

The Canton Police Department does NOT have petty cash available. **17.4.2 (1A)**

### **Disbursing Cash**

The Canton Police Department does NOT disburse cash as there is no petty cash fund.

## **Receiving Cash**

The Canton Police Department does NOT accept cash. Payment for any of the below listed items shall be made by personal, certified or bank checks made out to the Town of Canton. **17.4.2 (7)**

- FID Cards
- Gun permits
- Paid detail work
- Accident Reports
- Incident/Investigation Reports

All payments collected will be delivered forthwith to the Chief's Administrative Assistant with an explanation of what the payment was for.

## **Purchases & Reimbursements**

Purchases can only be made through Department/Town approved vendors. Prior to reimbursement, every expenditure must be:

1. Dated
2. Contain a description of the expenditure
3. Contain an explanation of why the expense was made (services, supplies, etc.)
4. Accompanied by a valid receipt or proof of purchase

All expenditures must be submitted to the Chief's Administrative Assistant in a timely manner. Reimbursement for expenditures will be made in the form of a Town of Canton issued check.

## **Confidential Funding**

A. Confidential Investigations Fund will be maintained for the purposes of purchasing contraband and otherwise supporting intelligence operations. In addition, an initial ledger will be kept with an accurate beginning balance. **17.4.2 (4A, C)**

Monies received from confidential funds may be used only in the following manner:

1. Payment for information from informants for probable cause to acquire a search warrant or to make an arrest.
2. Purchases of contraband, stolen properties, in the conduct of gambling investigations, drug investigations or liquor law violations.
3. Expenses developing from an investigation where receipt of money from normal channels is not possible.

B. The accounting system which documents confidential funding activities will be controlled and operated by the Supervisor in Charge of the Detective Unit. This Detective Unit Supervisor is the only one authorized to accept cash into the confidential fund. **17.4.2 (4F)**

- All cash received into the fund will be properly documented and entered into the cash fund ledger. **17.4.2 (4B)**

C. All requests for expenditures from the confidential fund must be submitted to the Detective Unit Supervisor on a Request for Confidential Funds Form. **17.4.2 (4E)**

1. Only the Detective Unit Supervisor is authorized to disburse cash from the confidential fund. **17.4.2 (4F)**
2. The Chief of Police must authorize requests for funds in excess of \$500.00. **17.4.2 (4D)**

D. Confidential funds will be paid to an informant only after the Detective Supervisor has reviewed the amount to be paid to the informant and reviewed the results of the informant's work.

E. An informant may be compensated for information given, services rendered, or expenses incurred. Cash payments will be made as follows:

1. All informants must sign the Confidential Fund Expenditure Form when receiving confidential funds. The informant will sign their code name to the form, provided he or she has completed an Informant's Signature Card. The witnessing officers shall then sign this receipt.
2. If practical, money will not be paid until the case is completed or the information is checked.
3. The Confidential Funds Expenditure Form must be completed in full, listing the reason the informant is being paid, by whom, and a brief summary of the investigation.
4. Completed Confidential Funds Forms shall be treated as security sensitive information and shall not be disclosed to unauthorized personnel.
5. All transactions in which an informant receives funds for the purpose of purchasing goods or contraband will be witnessed by two officers, and
  - a. The informant will be thoroughly searched preceding the buy. If the informant's vehicle or residence is utilized in the investigation, a thorough search will also be conducted of those areas to which the informant had access.
  - b. The informant will be given funds, which have been recorded by serial number, for the purpose of any contraband. The informant shall not purchase any contraband with his personal funds. To avoid error, all personal funds should be taken from the informant prior to contact with the suspect. The personal funds shall be returned to the informant immediately after the purchase.
  - c. When possible, constant surveillance will be conducted of the informant after the search and until he meets with observing officers.

- d. The informant shall then be thoroughly searched again. All evidence and narcotic funds will be retrieved from the informant. When possible, the entire process should be accomplished by the same officer, with the same witness.
  - e. The informant shall be thoroughly debriefed, and a written statement, signed by the informant, shall be obtained. If a written report is not practical at that time, a statement shall include a complete description of the suspect, a detailed account of all circumstances and conversations involved in the transaction, and any other facts that may be of importance.
- 6. Confidential funds expended by officers must be documented on a Confidential Fund Expenditure Form.
  - 7. A representative from the District Attorney's Office will conduct all plea-bargaining. All agreements will be placed in writing and entered into the informant's file.

### **Accounting Procedures**

A. The Supervisor of the Detective Bureau shall establish an accounting system for the Confidential Funds Account. This shall consist of a bound ledger book with sequentially numbered pages, and the following entries made in ink: **17.4.2 (4A)**

- 1. Date of transaction;
- 2. Reason for transaction;
- 3. The debit or credit made;
- 4. The officer receiving the cash;
- 5. The case number, if appropriate;
- 6. The informant's code name or number;
- 7. The balance on hand and the original starting balance.

B. The Deputy Chief of Police, or his/her designee, will review all receipts to ensure the accurate documentation and transfer of information into the account ledger book, will audit the account on a quarterly basis. **17.4.2 (4G)**

C. Department funds will not be used for personal use, nor will they be mixed with personal funds.

D. All departmental funds will be produced on demand.

### **Independent Audit of Agency's Fiscal Activities 17.4.3**

An independent audit of the Canton Police Department's fiscal activities will be conducted annually. The guidelines of this audit will follow the procedures laid out in both MGL Chapter 44 (Municipal Finance) Chapter 40 as well as the Federal Single Audit Act of 1984. In addition, the Town of Canton has a Comprehensive Annual Finance Report (CAFR) done. Upon completion of each audit, a report is made to the Town of Canton Selectman.

The Annual Finance Report (CAFR) can be located on line at [www.town.canton.ma.us/document](http://www.town.canton.ma.us/document) center/home.