

**INTERNAL CONTROLS FOR CASH RECEIPTING AND DISBURSEMENTS OF  
POLICE DEPARTMENT**

Adopted: 05/15/12

~~Updated~~ Revised and Adopted: 08/07/12

Revised and Adopted: 06/18/13

The police department maintains three separate bank accounts to safeguard funds from seized assets, reimbursements from Federal investigations and various other police activities.

**Specific Internal Controls:**

All accounts shall be interest bearing and be with a bank or trust company as authorized in the City's investment policy. All deposit receipts and duplicate withdrawal slips will be retained with the police department's copy of the statements.

*Asset Forfeiture*

- Deposits to this account are made electronically by the Federal Government as a result of an investigation.
  - Funds can be utilized only for purposes stated in the Guide to Equitable Sharing provided by the Federal government. The primary use of funds is to aid in narcotics related investigations.
  - Use of funds to aid in investigation shall be approved by the Investigation Lieutenant or the Investigation Sergeant in the Lieutenants absence prior to use in a narcotic related investigation. The date and time that approval is given shall be documented and retained on the Special Investigation Funds Expenditure Report, as required in Police Department Policy General Order 5.4.
  - Use of the funds for the purchase of goods or services not directly related to a specific investigation should first be approved by the Chief of Police. Approval shall be documented with date and time denoted and retained.
  - All other purchases shall be made in accordance with the Purchasing Policy of the City.
  - Use of these funds to make a purchase of vehicles or equipment shall be remitted by a check made payable to the Commissioner of Finance and shall be put in the DPS register. An amendment request should be submitted to the Deputy Commissioner of Finance in accordance with the Budget Amendment policy.
  - An annual report must be filed with the Federal government. The report shall be reviewed prior to submission by the Director of Finance and the date and time or the review noted. Any sensitive information shall be redacted from the report. No copies of the report or supporting documentation should leave the police department during the review.
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- A record of all deposits and withdrawals will be maintained by the Investigation Lieutenant or the Investigation Sergeant in the Lieutenants absence, in a

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computerized financial records system such as Quicken in a timely fashion. These records shall be inspected by the Chief of Police on a monthly basis.

*Special Investigation*

- Deposits to the account come from various sources such as the City, government agencies, restitution, etc.
- Deposits to this account will be made within five business days from receipt in accordance with the City's investment policy.
- Funds are used to aid in investigations and to make various purchases. Use of the funds is typically not restricted by a particular agency.
- Use of funds to aid in investigation shall be approved by the Investigation Lieutenant or the Investigation Sergeant in the Lieutenants absence prior to use. The date and time approval is given shall be documented and retained on the Special Investigation Funds Expenditure Report, as required in Police Department Policy General Order 5.4.
- Use of the funds for the purchase of goods or services not directly related to a specific investigation should first be approved by the Investigation Lieutenant or the Investigation Sergeant in the Lieutenants absence. Approval shall be documented with date and time denoted and retained.
- All purchases of goods and services shall be made in accordance with the Purchasing Policy of the City.
- Use of these funds to make a purchase of vehicles or equipment shall be remitted by a check made payable to the Commissioner of Finance and shall be put in the DPS register. An amendment request should be submitted to the Deputy Commissioner of Finance in accordance with the Budget Amendment policy.
- A record of all deposits and withdrawals will be maintained by the Investigation Lieutenant or the Investigation Sergeant in the Lieutenants absence, in a computerized financial records system such as Quicken in a timely fashion. These records shall be inspected by the Chief of Police on a monthly basis.

*Evidence Account*

- Deposits to this account are comprised of found property and evidence.
- Deposits to this account will be made within five business days from receipt in accordance with the City's investment policy.
- Once a case is closed, if the property is not required to be returned, it can be utilized to aid in police investigations.
- Use of funds to aid in investigation should be approved by the Investigation Lieutenant or the Investigation Sergeant in the Lieutenants absence prior to use. The date and time approval is given should be documented and retained on the Special Investigation Funds Expenditure Report, as required in Police Department Policy General Order 5.4.
- A record of all deposits and withdrawals will be maintained by the Investigation Lieutenant or the Investigation Sergeant in the Lieutenants absence, in a computerized financial records system such as Quicken in a timely fashion. These records shall be inspected by the Chief of Police on a monthly basis.

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**Bank Reconciliation Procedures**

1. Statements arrive monthly for all accounts and should be reconciled in a timely fashion.
2. The original statement should be given to the Director of Finance for review and posting to the City's general ledger.
3. The statement should be reviewed for anything out of the ordinary, such as suspicious payees, large dollar amounts, and secondary endorsements.
4. Any discrepancies or unusual activity noted during the reconciliation should be brought to the immediate attention of the Chief of Police.
5. The reconciliation should be performed by an employee of the Police Department who does not process deposits and withdrawals. The statements should be compared to records maintained in a computerized financial records system such as Quicken. Any discrepancies or unusual activity noted during the reconciliation should be brought to the immediate attention of the Chief of Police.
6. The Chief of Police should make periodic reviews of the bank statements to ensure the reconciliations are being made timely.
7. Statements and supporting documentation should be retained in the Police Department vault.
8. All banking correspondence that is not required to be maintained shall be shredded.
9. All statements and documentation will be retained for the number of years required by records management or as required by Federal agency.

**Donations Received by City**

All donations received by Police Department shall be accepted by the City Council in accordance with City practice and policy.

**Review of Records**

Any review of records by the Chief of Police shall be documented indicating date and time and discrepancies noted, if any.