

POLICE DEPARTMENT HANOVER PARK, ILLINOIS



DIRECTIVE: 117-A

REFERENCE STANDARDS: 17.1.1 17.2.1 17.2.2 17.3.1a,b,e,f
 17.5.1 17.5.2

SUBJECT: Fiscal Management

POLICY: Budget authority to authorize expenditures of budgeted funds through established village fiscal procedures and the total fiscal management of the agency lies with the Chief of Police. It shall be the policy of the Hanover Park Police Department and the Chief of Police to exercise its fiduciary responsibility to control and manage all departmental expenditures to conform to the budgeting limits established by the governing body. (17.1.1)

PURPOSE: The purpose of this directive is to establish guidelines for the development of an annual Police Department budget request and of the management and control of authorized budget expenditures throughout the year. The guidelines established in this directive shall meet the procedures and rules that have been established by the governing body for the budget development and execution.

I. BUDGET SYSTEM

A. Budget Preparation (17.2.1)

1. The annual budget formulation process begins during November of each year upon receipt of the budget instruction from the Village Manager.
2. Deputy Chiefs shall be responsible to complete budget line item worksheets for the respective cost centers assigned to the divisions including:
 - a. Operating needs. (17.2.2a)
 - b. Capital purchases needs. (17.2.2b)
 - c. Personnel Needs. (17.2.2c)

3. Deputy Chiefs shall give careful consideration to major organizational objectives when formulating budget requests.
 4. Agency components prepare written recommendation, based on operational and activity analysis, concerning personnel resources for use in the agency's budget.
- B. The Chief of Police shall make final determinations and approval on all budget requests prior to submission to the Village Manager and Board of Trustees for final approval.
- II. BUDGET SYSTEM - INTERNAL MONITORING OF NON-CASH FISCAL ACTIVITIES
- A. The Deputy Chief of Support Services has the responsibility for conducting internal monitoring of the department's non-cash fiscal activities.
 - B. Monthly expenditures and encumbrances shall be monitored and reviewed through the Budget Performance Report that is generated on a monthly basis by the Finance Department.
 - C. The Administrative Secretary has the responsibility for maintaining a current roster that shows all budgeted positions and their current status.
- III. BUDGET SYSTEM - REQUESTING SUPPLEMENTAL OR EMERGENCY FUND (17.3.1f) TRANSFERS
- A. When directed by the Chief of Police, the Deputy Chief of Support Services shall prepare and submit written request for supplemental or emergency appropriations and fund transfers.
 - B. Upon approval, the Chief of Police shall then request in writing with applicable justifications the appropriations and/or fund transfers to the Village Manager for approval.
 - C. Mechanisms of adjustment may include transferring funds from one account to another or requesting that additional funds be granted for department needs.
- IV. EXPENDITURES (17.3.1b)
- A. All department expenditure requests shall be formulated in accordance with the Village Purchasing Manual and executed within the strict compliance with the procedures outlined therein.
 - B. The following approved Village forms shall be the only authorized forms used by the department to initiate any purchase or obligation of village funds:
 1. Purchase Requisition - the standardized form used by the department to initiate a request to purchase services or supplies.

2. Standing Purchase Order - the standing purchase order is an exclusive contract for a period of time to insure the best price by bid of material or service.
 3. Check Request - the form used to authorize payment for any service under \$100.00 or to authorize payment of items outlined in the Village Purchasing Manual.
- C. All individual units, sections and division requests for the purchase of goods and supplies, capital expenditures, or obligation of village funds shall be submitted, in writing, to the Deputy Chief of Support Services.
1. The writing will contain a complete description of the requested supplies; and
 2. Three independent suppliers with either verbal or written quotes on the costs of the requested material.
 3. In the event the supplier is a “sole provider”, the writing will indicate this with an explanation as to the supplier’s unique status.
- D. It shall be the responsibility of the Deputy Chief of Support Services to:
1. Carefully review all expenditure requests and insure that budget authority exists for the expenditure.
 2. Insure that such expenditure is appropriate and necessary for departmental operations.
- E. The Deputy Chief of Support Services shall then prepare the appropriate expenditure document and submit to the Chief of Police for required departmental head approval. (17.3.1a)
- F. Complete expenditure requests shall then be forwarded to the Finance Department for review and final processing. (17.3.1a)

V. PETTY CASH SYSTEM

- A. In order to satisfy incidental expenses that are incurred on the day-to-day operation of the department, the Finance Director has authorized the use of petty cash.
- B. The request for petty cash shall be administered in accordance with the following guidelines:
1. The petty cash shall be requested from the Administrative Secretary who shall be responsible for the disbursements.
 2. The maximum amount to be disbursed for payment or purchase is \$50.00.

3. A member requesting petty cash reimbursement must present a paid written receipt to the Administrative Secretary who prepares a petty cash receipt, attaching the paid written receipt and has either a Deputy Chief or Chief of Police approve the expenditure.
4. The receipt and the petty cash slip shall then be presented to the Finance Department who shall pay the claim.
5. The operation of the petty cash procedure shall be subject to quarterly inspection checks by the Deputy Chief of Support Services or Chief of Police.

VI. EMERGENCY PURCHASES (17.3.1e)

- A. In the event that an emergency situation exists where it is necessary to procure goods or services and the normal purchasing system is not practical or available, the following purchasing methods shall be utilized:
 1. All department supervisory and command personnel shall be vested with the authority to authorize an emergency purchase of material or services without the purchasing manager's authorization.
 2. The supervisor authorizing or making such emergency purchases shall forward the information to the Deputy Chief of Support Services as soon as possible with a written justification detailing the circumstances of the emergency purchase.
- B. The Chief of Police shall then review the purchase and comment on the form the reason.
- C. The completed forms shall be forwarded to the Finance Department.

VII. INVENTORY CONTROL (17.5.1a)

- A. The Finance Department of the Village of Hanover Park is responsible for the overall control of all property, equipment and other assets of the village.
 1. The Police Department, on a periodic basis, will obtain a listing of applicable assets to determine if the listing is accurate.
 2. Any additions or deletions to the asset listing shall be reported to the Finance Department.
 3. The Deputy Chief of Support Services, or his/her designee, shall be responsible for review of the asset listing.

- B. The Deputy Chief of Support Services or his/her designee shall conduct a documented annual inspection of property (Appendix A) not covered by Section VII. A. above.
- C. All department equipment shall be kept in a state of operational readiness with the responsibility of its maintenance and readiness resting with the supervisory personnel assigned to the unit the equipment is assigned to. (17.5.2)
 - 1. Inspections of the equipment will be performed on a routine basis.
 - 2. Equipment found to be deficient or in need of repair will have a service request form completed and forwarded to the responsible division head for repairs.