
	GAITHERSBURG POLICE DEPARTMENT		
	Budgets, Purchasing and Accounting		
	GENERAL ORDER	107.1	
Effective Date	03/17/2016	12.1.1, 17.1.1, 17.2.1, 17.2.2, 17.3.1, 17.4.1, 17.4.2	
Authorized by:	Mark P. Sroka CHIEF OF POLICE	SIGNATURE	DATE

I. DEPARTMENT POLICY

The provisions of Sections 39 through 42 of the City Charter establish and describe the foundation for development and approval of the City’s annual budget. The Chief of Police is responsible for the development and management of the Department’s budget.

II. BUDGET

A. Budget Preparation

1. The City operates on a fiscal year that begins on July 1st and ends on June 30th.
2. The Chief of Police is responsible for the development of the budget.
3. The Administrative Bureau Commander will collect data and assemble the Department’s budget.
4. Following commencement of the budget process as directed by the Director of Finance and Administration, the Administrative Bureau Commander will:
 - Establish deadlines for, and coordinate and obtain input from members of the Department regarding, budget requests;
 - Require Bureau Commanders to prepare written budget recommendations based on Department goals and objectives.
5. After the Department's budget has been assembled, the Chief of Police will present it to the City Manager, and subsequently to the elected officials.
6. During open forums, the proposed budget is reviewed by the Mayor and City Council and members of the public.

7. The City budget is adopted in May by the Mayor and City Council and becomes effective on July 1st.

B. Supplemental/Emergency Appropriations and Fund Transfers

1. If the Chief of Police determines that a transfer of funds is necessary under the adopted Budget, or that a supplemental or emergency appropriation is necessary, the Chief of Police will forward a request with supporting documentation to the City Manager or Director of Finance.
2. Pursuant to Section 42 of the City Charter, the Mayor and City Council, after adoption of the budget, shall have the power to approve transfers of funds.

III. PURCHASING

A. Specifications for Items Requiring Purchasing Thresholds

1. The Chief of Police is responsible for research and inquiries prior to recommendations for purchase, and shall provide specifications for items under consideration.
2. The Quartermaster, and the City's Department of Finance and Administration, have a list of all City approved vendors. All purchases of standard supplies will be made in accordance with the City approved vendor list.
3. The Quartermaster, places orders and ensures that all supplies are accounted for upon shipment.

B. Sole Source Purchasing

1. This method of purchasing is used without competitive bidding when there is only one source for the required item or service
2. Pursuant to the City Purchasing Policies and Procedures Manual, appropriate purchasing procedure will be used depending upon the cost of the item.

C. Emergency Purchasing

1. The Chief of Police is authorized to purchase goods, equipment or services in an emergency to supply essential services.
2. Any such purchase is required to meet a threat to Public health,

welfare, or safety, or prove that a delay would seriously injure the City financially or otherwise.

3. The City Manager may authorize such purchases, using as much competition as is practical.
4. All such purchases in excess of \$60,000.00 must be reported promptly to the Mayor and City Council.

E. Credit Card Purchasing

1. The City has charge accounts with various merchants in the area. The Police Department has been assigned three City credit cards for certain approved purchases. If the need arises to make an approved purchase or place an order with a City credit card, Department members will contact the Quartermaster, Emergency Management Coordinator, or the Administrative Support Supervisor to arrange for the purchase to be made, or order to be placed.

IV. BIDDING PROCEDURES

A. Competitive and Non-Competitive

1. Section 57 of the City Charter requires the City Manager to advertise for sealed bids for all of \$30,000.00 and in excess thereof, except that the City Council may, by Resolution, permit negotiation without sealed bids of contracts for professional services, insurance coverage, or other services or products where, in the opinion of the Mayor and Council, the interests of the City would be best served by negotiated contracts.
 - Contracts for purchases more than \$30,000.00 may be awarded on the basis of competitive Invitation for Bid of the City, or riding contracts awarded by COG or U.S. Communities Government Purchasing alliance.
2. To request that bids be solicited, the City's bidding policy (as described in City Purchasing Policies and Procedures Manual) requires the Chief of Police, or designee, to prepare a Bid Request Form and any supporting data to the City Manager for authorization to advertise in the newspaper for sealed bids.
3. For bids pertaining to the Department, the Chief of Police, or designee, will ensure will prepare the bid advertisement as authorized by the City Manager's Office and advertise for sealed

bids in newspaper(s) of general circulation. Advertisements shall include the deadline for submitting bids as well as the date, time, and location of the bid opening (usually at City Hall).

4. Bid materials may be sent to suggested vendors as supplied by the Chief of Police, or designee, in addition to being made available to the general public.
5. The Chief of Police, or designee, will open all bids received and read them aloud on the date and time and at the location specified in the advertisement.
6. Once the bids have been checked for accuracy, legality, and conformance to the bid specifications, the Chief of Police, or designee, will prepare a tabulation sheet and submit the bid results, along with a suggested successful bidder to the City Manager.
7. If the City Manager and Chief of Police agree that a bid is acceptable and meets City specifications, the bid will be submitted to the Mayor and City Council for approval by Resolution.
8. If for any reason none of the bids are acceptable, a Resolution to reject all bids will be prepared for approval by the Mayor and City Council.

V. ACCOUNTING SYSTEM

A. Approved Operating Budget

1. All accounts to which the Department has access through the budget process must be approved by the Mayor and City Council.
2. To assist the Chief of Police in tracking expenditures made against certain accounts approved in the budget, monthly budget status reports (print-out format) are provided by the City Finance Department on the Grade Explorer (electronically) showing the following:
 - The initial appropriation for each account;
 - Balances at the commencement of the monthly period ;
 - Expenditures and encumbrances made during the period; and
 - The unencumbered balance.

B. Petty Cash Supply

1. The Department's Internal Cash Management System is designed to ensure that all cash funds in the Department are properly collected, accounted-for safeguarded, and disbursed.
2. Authorized by the City's Finance Director, the Department's petty cash fund is the only cash that the Department will disburse. It is intended to provide a ready source of cash to purchase items needed immediately, or to reimburse personnel for, among other things:
 - Small purchases;
 - Postage or shipping fees; and/or
 - Emergency gas purchases.
3. The Administrative Support Supervisor will securely maintain the Department's petty cash supply, and only the Administrative Support Supervisor will disburse cash from the petty cash supply.
4. Normally, the maximum amount payable from the petty cash fund will be fifty (\$50.00) dollars, and reimbursements for Department related expenses in excess of that amount will be requested on a City Check Request Form, with any and all applicable receipts attached thereto.
5. When a Department member can foresee the need for petty cash prior to making a Department related purchase, they will:
 - Complete and submit a Petty Cash Request Form to the Chief of Police (or person designated by the Chief to act in his/her absence) for approval;
 - Receive the amount of petty cash approved by the Chief of Police from the Administrative Support Supervisor; and
 - Promptly return any and all receipts and change to the Administrative Support Supervisor to be deposited back into the petty cash supply.
6. All written evidence of expenditures will be submitted to the City's Finance Department at the time replenishment of petty cash is requested (using forms approved by the Finance Department).

7. The Administrative Support Supervisor will maintain a data base showing the following, as it pertains to petty cash:
 - The initial balance;
 - Credits (cash income received);
 - Debits (cash disbursed); and
 - The balance on-hand.
8. To ensure proper accounting for and recording of petty cash activities, no later than quarterly, the Administrative Support Supervisor prepares an accounting report of all petty cash activities.

C. Currency Seizures

1. To properly account for funds that have been seized pursuant to illicit drug activities, the Quartermaster is responsible for accepting (through established evidence policies and procedures see General Order 1106.1) the funds and ensuring they are deposited in the appropriate escrow account.
2. After depositing the currency, the Quartermaster will:
 - Notify the City's Finance Department by email so that the deposit is accounted for; and
 - Notify the Administrative Support Supervisor so the deposit can be entered into the Seized Funds data base.
3. The Administrative Support Supervisor is responsible for maintaining records pertaining to seized currency, as well as a data base of deposits and withdrawals for the account to which the currency was deposited.
4. No later than quarterly, the Administrative Support Supervisor prepares an accounting report showing all transactions during the period.
5. Cases not filed with the County Attorney's Office (such as seizures under \$500) will be held, unless a return request is received. One year and one day from the date of final court disposition, the Administrative Support Supervisor will forward a request to the County Attorney's Office, via the Chief of Police, listing and

describing the cases for which funds should be forfeited.

6. Upon notification from the County Attorney's Office regarding currency forfeiture, the Administrative Support Supervisor will issue a check from the police seized funds account, in the amount to be forfeited, so the funds can be transferred to the appropriate City account. A copy of the check will be made and placed within the Administrative Support Supervisor's files.
7. Until notice is provided by the County Attorney's Office indicating that the money has been forfeited, the Department acts only as a custodian of the funds.
8. If it is determined by the County Attorney's Office that all or part of the funds seized in a case will be returned, as part of an agreement between the defendant and the State's Attorney's Office, the Department will be bound to abide by this agreement.
9. Return of funds to a defendant will be the responsibility of the Chief of Police and designated cosigners on the account in which the money was initially deposited.
 - The account is structured so that two signatures, City Manager and Finance Department Head, are required to make withdrawals;
 - Upon written verification from the County Attorney's Office, funds will be returned by the Chief of Police, or designated Department representative.
10. After the withdrawal has been made, the Administrative Support Supervisor updates the data base to reflect a withdrawal from the account and places a copy of the check in the appropriate currency seizure file. The Administrative Support Supervisor then completes the following:
 - Attempts to contact the person to whom the check is made payable to make arrangements to pick it up;
 - Requires the person to sign a "Receipt for Money" form to indicate his/her receipt of the check; or
 - Ensures that the check is Re-deposited in the bank if the person cannot be located or does not respond to the station within thirty days to take possession of it.

D. Daily Receipts

1. The Administrative Support Supervisor, and all civilian administrative support personnel are authorized to accept payments for the following:
 - Parking fines; and
 - Accident reports.
2. Except to make change during the normal course of accepting payments, administrative support personnel are not authorized to disburse cash.
 - Only the Administrative Support Supervisor is authorized to disburse petty cash.
3. A receipt is made for each transaction for which a payment is received. The following is accomplished to ensure accountability of the transaction:
 - A copy is given to the person making the payment;
 - A copy is maintained by administrative support personnel for the completion of the daily deposit and subsequent filing; and
 - An entry is made into the Complus parking ticket data base system (parking ticket payments only).
4. The Daily Receipts are maintained on a daily basis by the Administrative Support Supervisor and reflects the following:
 - Credits (cash received); and
 - Balance at the end of the day.
5. All money received by administrative support personnel is maintained in a secure location until it is hand delivered to City Hall for deposit into the City's Cash Management System.
6. No later than quarterly, an accounting report is prepared from the Daily Receipts by the Administrative Support Supervisor to show payment activities for that period.

E. Confidential Fund

1. A confidential fund is available to sworn members for the purposes of:
 - Pay for specific, credible information;
 - Purchasing illicit drugs through controlled buys;
 - Recover stolen property; and
 - Use in an emergency.

2. The availability of the fund is on a 24 hour-a-day basis to the Special Operations Bureau Commander and the Street Crimes Unit Sergeant. The following procedures apply:
 - All withdrawals will be approved by a bureau commander;
 - The officer to whom the money was assigned will be held strictly accountable for it;
 - No more than \$300.00 per incident will be withdrawn from the account, unless otherwise authorized by the Chief of Police or a Bureau Commander;
 - All currency withdrawn, or any remaining portion thereof, that has not been used for the specified purpose will be returned to the established confidential account, via ATM deposit.
 - This will be accomplished prior to the end of the tour of duty.
 - If an ATM deposit to the proper account cannot be made, because of technical problems with the bank or ATM, the funds will be packaged and secured in a temporary evidence locker.

The package will be labeled with the submitting officer's name, the amount of currency contained within the envelope, associated case number, date submitted and copy of the ATM receipt from the withdrawal; and

An email notification will be sent to the Quartermaster and Administrative Support Supervisor.
 - In addition to any other requirements, the officer responsible for the money will complete and submit, with

the ATM system receipt(s) attached, a GPD Form 95 documenting the following information:

- Circumstances under which the money was withdrawn;
 - Results of the contact between the officer and the informant;
 - CR Number; and
 - Any other pertinent information.
3. Upon receipt of any returned funds that could not be deposited via ATM, the Quartermaster will ensure that the appropriate bank deposit slips are prepared and the money deposited.
 4. The officer responsible for the withdrawn funds, and/or the ATM account database identifies the initial balance, credits, debits and the balance on hand.
 - The Administrative Support Supervisor maintains all records pertaining to the account in a secure file.
 5. Any other use of the account shall be:
 - Approved by a bureau commander or higher, prior to any withdrawals; and
 - Documented on GPD Form 95.
 6. No later than quarterly, the Administrative Support Supervisor prepares an accounting report of the account's activities.
 7. Any payment in excess of the account's \$300.00 limit must be authorized by the Chief of Police, prior to any withdrawals.
 8. Funds may be accessed and used when the information gained will have a bearing in the investigation of a felony, serious misdemeanor, and/or multiple criminal cases.
 9. Funds may be accessed and used to pay for information that will result in the purchase of illicit materials or of stolen property, or the apprehension of a fugitive from this or another jurisdiction.
 10. When a payment is made, it will be made by two officers, one making the payment, the other witnessing the transaction.

VI. INDEPENDENT AUDITS

A. Required by Statute/ Charter

1. Pursuant to the provisions of Local Government Article, Section 16-305 of the Annotated Code of Maryland, and Section 53 of the City Charter, the books, accounts, records, and reports of the City shall be examined at least once during each fiscal year by an independent auditing firm selected by the Mayor and City Council.

VII. USE OF FORMS

A. Check Request Form

1. Unless petty cash is used as described in Section V of this directive, a Check Request Form will be completed and submitted to the Chief of Police for approval for anticipated purchases in which the cost is less than \$2,500.00.
2. City purchasing policies and procedures do not require informal bids for purchases up to \$2,499.99, but employees should strive to find the most economical price, while still considering quality.
3. Check Request Forms will not be completed and submitted if an invoice is or will be issued for the item or service (i.e., if a vendor has indicated that the vendor will bill the City).

B. Purchase Orders

1. Purchase Orders will be completed and submitted to the Chief of Police for approval for purchases in excess of \$2,500.00.
2. Before completing a Purchase Order, the requestor must obtain three (3) price quotations (if available) for purchase of the item or service either in writing or by telephone. The vendor submitting the lowest quotation should be chosen. The vendors and their quotations must appear on the Purchase Order, except in cases where it has been determined that a vendor is the only source for purchasing the item.

C. Bid Request / Resolution Request Forms

1. A Resolution must be passed by the Mayor and City Council to make purchases in excess of \$30,000.00 (except in a public emergency).

2. See Section IV of this directive for Bidding Procedures.