



POLICY/PROCEDURE NUMBER: 03-O.A.-003

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SUBJECT: FISCAL MANAGEMENT AND AGENCY-OWNED PROPERTY

EFFECTIVE DATE: December 18, 2019

REVIEW DATE: December 18, 2020

AMENDS/SUPERSEDES: Fiscal Management and Agency-Owned Property March 18, 2008 Version; January 19, 2007 Version; December 17, 2007 Version; Procedure # 100-24 Department Equipment Inventory; November 1, 2008 version; January 27, 2010 version; February 16, 2011 version; November 8, 2012 version; January 8, 2014 version; January 7, 2015 version.

IACLEA STANDARD: 1.2.1, 1.2.3

CSU POLICE SYSTEMWIDE POLICY – NO

APPROVED: Gregory L. Murphy, Chief of Police

I. PURPOSE

This policy is intended to outline the authority and responsibility for administration, budgeting, purchasing, accounting and procedures for the inventory and control of agency-owned property of the California State University, Northridge (CSUN) Department of Police Services.

II. BACKGROUND

The CSUN Department of Police Services is headed by the Director of Police Services / Chief of Police comprises four divisions: Police and Police Services Administration, Patrol Operations, Special Services, and Parking & Transportation Services. Reporting directly to the Chief of Police are a Deputy Chief who manages the Patrol Operations Division, a Captain who manages the Special Services Division, and a Parking Manager who manages the Parking & Transportation Services Division. In addition, the Department's Administration Office has a Community Relations/Public Information Officer, an Emergency Preparedness Specialist, and a Financial Analyst who all report directly to the Chief of Police.

FISCAL MANAGEMENT

- A. Per attached written delegation from the Vice President of Administration & Finance, the Chief of Police has the final authority and responsibility to plan, manage, and approve all expenditures of funds allocated to the CSUN

Department of Police Services. The Chief also oversees all revenue to the department. In the Chief's absence, the divisional managers are delegated the authority to approve expenditures for their respective areas. The Financial Analyst has the authority to approve or disapprove expenditures for all divisions upon consultation with the Chief.

- B. The Chief of Police is responsible for fiscal management activities that include but are not limited to the following:
1. analyzing of department personnel and funding requirements for preparation of the annual budget;
 2. approving and processing of purchase requests and invoices submitted for payment;
 3. reviewing of all revenues and expenses and comparing to budget;
 4. presenting of budget requests and recommendations through the appropriate channels.

IV. BUDGET

- A. Process for Budgeting Preparation
1. General Fund Divisions utilize an incremental budget approach wherein their beginning budget is built upon the prior year budget base.
 2. Adjustments (additions or deductions) are then made to account for changes that occurred in the prior year.
 3. The Chief of Police, upon consultation with the divisional heads, may submit a written request for additional General Fund allocations to the Office of the Vice President for Administration & Finance for expenditures that are outside the scope of the adjusted General Fund allocation.
 4. The General Fund budget is allocated by the Office of the Vice President for Administration & Finance after the State budget is approved and signed by the Governor.
 5. The Enterprise Fund Budgets are submitted to the Chief of Police, Vice President of Administration and Finance and the President.
- B. Responsibility for Final Budget Preparation and Management
1. The Financial Analyst is responsible for preparing the annual budget for the Enterprise Funds (Parking & Transportation Services) for review by the Chief of Police and submission to the CSUN offices of Budget Planning & Management and Vice President of Administration & Finance.
 2. The Financial Analyst is responsible for budget management by ensuring that expenditures are within the scope of the budget and properly classified.
 3. At each assessment conducted during a fiscal year by the Administration and Finance Division, the department will submit revenue and

expenditure projections for the remainder of the fiscal year. These projections and the review of year-to-date transactions serve as an independent audit of all accounts.

V. PURCHASING

- A. Prior to committing department funds, department personnel must submit a purchase request form (located on the department's "Common: Policy Manual: Policy and Procedural Directive Appendices" file server page) including, if any, quotations/estimates and item information. This form must be approved by the appropriate Division Head, the Financial Analyst and, if the amount exceeds \$1,000, the Chief of Police or her/his designee.
- B. The CSUN Department of Police Services follows purchasing procedures set forth by the Purchasing & Contract Administration Department of the Administration & Finance Division. These procedures for all University faculty and staff outline the necessary requirements for:
 1. Standardized purchases of goods and equipment;
 2. Bidding procedures on purchases of goods and services that exceed \$50,000;
 3. Following California State guidelines for state agencies on how bids are requested, received and approved or rejected by the Purchasing & Contracts Administration Department; and
 4. Use of the Procurement Card, subject to the prohibited uses as set forth in the Program, for emergency purchases and rentals of equipment. To view the program rules and regulations, visit the P-Card Program Manual at: <http://www.csun.edu/sites/default/files/purch-pcard-manual.pdf>
- C. The Chief of Police may submit a written request for supplemental or emergency appropriations to the Vice President for Administration & Finance. The request should include the following information:
 1. Justification for the request;
 2. Amount of the request; and
 3. Date needed

Only after the request has been approved, will the department submit a purchase requisition.

VI. CASH DISBURSEMENTS / RECEIPT HANDLING

The California State University, Northridge Department of Police Services adheres to procedures outlined in the California State Administrative Manual (SAM) Chapter 8000 on handling of cash receipts and payments. The procedures are set forth as follows:

- A. Petty Cash is maintained and utilized subject to the following:

1. The department holds cash of \$100 operated on an imprest (loan or advance) basis from the University's revolving fund.
 - a. The petty cash is stored in a safe in the administrative office room 211B and is administered by the Special Assistant to the Chief of Police (custodian). In the event that the custodian will be out of the office for 2 or more days due to compensatory or vacation time, then the Financial Analyst will instruct the custodian via an e-mail message to effect transfer of the petty cash custody to the designated Administrative Assistant. The procedure to transfer custody is as follows:
 - a personal audit shall be made by the employees concerned; and
 - a Petty Cash Transfer Receipt shall be given by the newly assigned custodian to the custodian being relieved. A copy of the receipt signed by both parties is to be provided to the Financial Analyst.
 - b. The purpose of this fund is to pay for low-dollar-value operational purchases that are not to exceed \$50 (exclusive of sales tax) per purchase and must be approved verbally or in writing by the appropriate Division Head in the department.
 - c. The custodian will submit invoices to Accounts Payable for reimbursement based on the following events whichever comes first:
 - No later than the last Monday of the month or the next scheduled working day if the Monday is a holiday, or
 - The petty cash fund has dropped below \$50.
 - d. The custodian will maintain a Cash Book and Receivables Ledger to account for all transactions of the fund. At all times, the balance of the Cash Book plus the balance in the Receivables Ledger should equal the amount advanced to the petty cash. The Cash Book and Receivables Ledger is to be audited by the Financial Analyst every 6 months in December and June of each year.
2. In addition, the department holds cash of \$20.00 operated on an imprest basis from the University's revolving fund. (See policy / procedure # 09-S.O.-021 Temporary Detention Facility and Arrestee Processing Section IV F Number 4.)
 - a. The petty cash is stored in a sealed envelope placed in a locked key box in the secured Police equipment room. Custody is shared by the Deputy Chief, Patrol Operation Lieutenants, and Police shift supervisors.
 - b. The sole purpose of this fund is to provide meals to detainees when requested, as required by the California Correctional Standards Authority (Title 15).

- c. Due to the small amounts which would be requested for reimbursement, University Cash Services has authorized the custodians of this fund to submit receipts when expenses are incurred to the Deputy Chief. He/she will in turn submit the receipts to the department's petty cash fund custodian for a reimbursement request out of the Department's petty cash fund.
 - d. The department's petty cash fund administrator will maintain a Cash Book and Receivables Ledger to account for all transactions of the fund and request reimbursement to the department's petty cash fund. At all times, the balance of the Cash Book plus the balance in the Receivables Ledger should equal the amount advanced to the petty cash fund.
3. Appropriation of funds allotted for use in Parking & Transportation Services:

All funds collected through parking fees and fines and forfeitures are allotted for appropriations in accordance with current state laws as specified in California Education Code Sections 89701 and 89701.5 respectively.

B. Handling of Receipts (Cash or Checks)

- 1. The department will accept personal checks, however, it may require payment by cash, certified check, cashier's check, or money order when:
 - a. Service or materials that cannot be withdrawn if the check is dishonored by the bank are furnished to other than well-established firms or well-known persons.
 - b. The payer previously gave the department a check that was dishonored by the bank.
 - c. The check is drawn on a financial institution outside the United States.
- 2. Cashiers shall use a counterfeit detector pen and/or a currency counter for bills over \$20.
- 3. When accepting personal check payments, the department staff shall ensure that enough information is available, either on the check or from available records, to enable tracking the person who presented the check if dishonored by the bank. If a check received is not payable to California State University, Northridge or cannot be identified or properly applied after sufficient research, the item should be recorded on the "**Checks Not Payable to CSUN/Unidentifiable**" log and returned to the name and address of the maker.
- 4. The department will endorse checks, warrants, money orders, and other negotiable instruments on the day they are received.

5. The following areas in the department will utilize safes to house either cash or valuable documents:
 - a. Evidence Room - for cash or valuable property such as jewelry.
 - b. Administrative Office Room 211B - for petty cash.
 - c. Parking Services - one drop safe is used for daily receipts from Information Booths, Parking Permits Sales, Fines Collections, Special Events, Vanpool Payments and Livescan Collections. The bottom safe is used for keeping a change fund for the info booths. Another drop safe is maintained for handling of petty cash change funds for the front office counter, Live Scan and Vehicle Release fees.
 - d. IT Services Unit - for backup computer files on disks / tapes.
 - e. Lost & Found – for items lost & found on campus.
6. In utilizing the safes, the department adheres to the following standards:
 - a. The combination will be known or the key will be given to as few persons as possible consistent with operating requirements and the value of the cash or documents safeguarded.
 - b. The Financial Analyst will maintain records that show: (i) date the combination was last changed or locks re-keyed and (ii) names of persons knowing the present combination or possessing keys.
 - c. The combination will be changed or locks will be re-keyed when it becomes known to an excessive number of employees, or if any employee having knowledge of the combination leaves the employ of the department or no longer requires the combination in the performance of his or her duties.
7. Department staff will deposit receipts in a timely and economical manner while adhering to the following guidelines:
 - a. Cash should not be allowed to exceed \$1,000 or \$10,000 in cash, checks, money orders, and warrants (excluding state warrants and state checks) before a deposit is made.
 - b. Accumulated receipts of any amount must be deposited in ten business days or less of the receipts coming into the department's possession. The department may deposit more often than once a day at its discretion and when it is economical or practical to do so because of the size of the receipt. Deposit counts shall be verified by a second person.
 - c. In accordance with CSU Policy, Section 3202.04, a police escort shall be required for the transport of cash in excess of \$2,500.00. Forms to be filled out and procedures to be followed are detailed in the CSUN Department of Police Services Policy/Procedure Number: 04-S.S.-004 Parking and Transportation Services Cash Handling Procedures.

8. Department personnel who receive and/or disburse money will be held accountable for the money in their custody and will be held personally responsible for any cash discrepancies. In addition, they shall ensure that all receipts and other documentation for disbursements be maintained as specified with this policy and those referenced within Policy #04-S.S.-004 – Parking Transportation Services Cash Handling. Deposits should be prepared by an individual who does not have access to recording transactions, authorizing adjustments to the accounts receivable or general ledgers, or the person following up on collectibles. Management staff is responsible for establishing standards of performance for their cashiers and prescribing corrective actions to be utilized when performance standards are not satisfied. The following positions within the CSUN Department of Police Services are authorized to take-in or disburse cash from / for day-to-day operations:
 - a. Parking Office Front Office Staff
 - c. Transportation Program Coordinator
 - d. Community Relations Officer
 - e. Live Scan Operators
 - f. Records Supervisor
 - g. Emergency Preparedness Coordinator
 - h. Information Booth Attendants
 - i. Administrative Assistant
 - j. RAD instructors
 - k. All Sworn Personnel – Payments for STOP Program and vehicle releases (cash only)
 - l. Crime Analyst/Crime Prevention Coordinator
- C. Reconciliation of Accounts/Receipts
1. All receipts are to be submitted to the Financial Analyst and will be logged by account. As well, on-line chargeback requisition revenue for services rendered to other departments within the University will be logged as they are processed.
 2. A quarterly reconciliation to the general ledger will be performed by the Financial Analyst and will be submitted to the Deputy Chief, Captain of Special Services, and the Manager of Parking & Transportation Services for approval. The reconciliations will show the preparer's name, reviewer's name, date prepared, and date reviewed.
 3. A quarterly list of all reconciled accounts will be submitted to the Chief of Police by the Financial Analyst for approval.
- D. Preparation of Monthly Financial Statements
- The Financial Analyst is responsible for the preparation of monthly financial statements to include balances at the commencement of each period as well as expenditures and funds received during the period.
- E. Recording Outstanding Parking Citations Accounts Receivable

1. A report of all outstanding parking citations will be requested by the Financial Analyst from Turbo Data Systems before fiscal year end.
2. The total amount of all unpaid parking citations and a corresponding provision for bad debt will be recorded via a journal entry submitted to Financial Accounting services.
3. The journal entry will be reversed when the entry for the following year is made..

VII. AUDITS OF DEPARTMENT'S FISCAL ACTIVITIES

- A. CSUN's Internal Auditor works to ensure all departments and divisions of California State University, Northridge are in compliance with all University, State, and Federal regulations and policies. Routine audits are scheduled with notification of or by request of the Chief of Police.
- B. The Chancellor's Office of the California State University System and the California State Auditor, Bureau of State Audits, also conduct periodic audits. In addition, the University has an annual audit performed by an outside accounting firm.

VIII. AGENCY-OWNED PROPERTY

- A. The property management function was established to ensure that all agency-owned/controlled property is accounted for and inventoried and maintained in a state of readiness at all times. Properties to be accounted for are defined in State Administrative Manual Chapter 8600 under the following sections:
 1. 8602 Capitalized Property;
 2. 8603 Non-capitalized Property;
 3. 8614 Other Capitalized and Non-Capitalized Property; and
 4. 8615 Intangibles
- B. Property management responsibilities are divided between the following departments:
 1. Asset Management is responsible for:
 - a. Tracking of state property, whether capitalized or not, in an automated property accounting system to include the following information:
 - Date acquired;
 - Property description;
 - Property identification number;
 - Cost or other basis of valuation;
 - Owner fund; and
 - Rate of depreciation, if applicable.

- b. Affixing of identification tags to assets that are acquired by the State.
 - c. Providing an asset/property register (i.e., an inventory listing of all departmental property) to the Department of Police Services.
 - d. Providing disposition services for assets that are no longer operated or used by the department.
2. Department of Police Services is responsible for:
- a. Performing physical count of all property and reconcile with accounting records yearly for all capital inventory that is valued at \$5,000 or more. Performing physical count of all property and reconcile with accounting records every 3 years for all non-capital inventory that is valued at \$2,000 or more. This will be done by the Financial Analyst.
 - b. Advising Asset Management of asset purchases for inclusion in the asset accounting/tracking system. This is accomplished by the Financial Analyst using the proper account codes during purchase order creation. If the acquisition was made without a purchase order, then the Financial Analyst will notify Asset Management of the acquisition by verbal or written communication.
 - c. Issuing and reissuing of agency owned property to authorized users. The Deputy Chief, Captain of Special Services, and the Manager for Parking & Transportation Services will setup procedures in their respective divisions to ensure that equipment issued are properly secured, always accounted for, and not misused.
 - d. Keeping department property stored appropriately and kept in a state of operational readiness. The divisional heads (Deputy Chief, Special Services Captain, and Manager of Parking & Transportation Services) will be responsible for property/ equipment in their respective areas, which are to be inspected by his/her designee at minimum twice per year. The emergency preparedness coordinator will be responsible for all emergency response property/equipment, which is to also be inspected by his/her designee at minimum twice per year.

IX. INTERNAL REVIEW PROCEDURES

A comprehensive internal audit will be conducted with regards to this policy once a year by a staff member to be selected by the Chief of Police along with the Financial Analyst. The audit will be done with the use of the AUDIT INSPECTION FORM (located on the department's "Common: Policy Manual: Policy and Procedural Directive Appendices" file server page) which is to be submitted to the Chief of Police at the completion of the audit.