

## 1.403 FISCAL MANAGEMENT

### 1.403.05 Fiscal Management Responsibility

(17.1.1, 17.2.1, 17.2.2, 91.1.2)

- A. The Chief has the authority and responsibility:
1. For the overall fiscal management of the agency; and
  2. To review and coordinate any law enforcement related expenses accounted for within the budgets of other campus operating units.
- B. Certain fiscal management duties and responsibilities have been delegated to a commander designated in **1.200 Organization**. These duties and responsibilities include, but are not limited to:
1. Purchasing and expenditure control;
  2. Liaison with vendors and university fiscal related units and departments; and
  3. Coordinating the annual budget development and submission process consistent with procedures established by the university; and
  4. Ensuring prioritized budget recommendations are prepared and submitted for the Chief's consideration by commanders of major agency components.

### 1.403.10 Purchasing & Procurement (17.3.1)

- A. The agency's purchasing of equipment and supplies conform to procedures established by, or administered through, the university's Procurement Department, hereafter "Procurement."
- B. Purchasing procedures include, but are not limited to:
1. Specifications for items requiring standardized purchases;
  2. Bidding procedures;
  3. Criteria for the selection of vendors and bidders;
  4. Procedures for the emergency purchasing or rental agreements for equipment; and
  5. Procedures for requesting supplemental or emergency appropriations and fund transfers.
- C. All agency purchases must be made:
1. Only by those employees who have been designated as purchasers by the Chief; and

2. Consistent with procedures established by Procurement.

- D. An adequate and authorized number of credit cards will be distributed to commanders and certain supervisors to make emergency purchases.

E. See also **1.433 Service Request System**.

### 1.403.15 Accounting & Auditing

(17.4.1, 17.4.2)

- A. All agency fiscal records are accounted for in the university's PeopleSoft Financials System as administered by Financial Services. This system provides automated, up-to-date status and details of all accounts, state funding, revenues, and expenditures.
- B. Any cash account used by the agency must be managed and accounted for consistent with PeopleSoft Financials and accompanied with internal directives that establish oversight criteria.
1. Internal directives must address topics that include, but are not limited to:
    - a. A bookkeeping system showing initial balance, credits, debits, and on-hand balance;
    - b. Documented receipts for cash received and disbursed or spent;
    - c. Authorizations for each disbursement, including expenses over predetermined limits;
    - d. Listings of employees authorized to disburse or accept cash; and
    - e. At least quarterly, written accountings of cash activities.
  2. See also **1.403.30 Investigative Cash Fund Management**.

### 1.403.20 Auditing

(17.4.3)

- A. The agency is covered in the annual, consolidated financial audit of institutions and components consistent with **USM 289.0 VIII-7.20 Policy on External Audits**,
- B. The USM Office of Internal Audit conducts various types of audits on behalf of the USM to review financial and operating activities, analyze internal control structures and procedures, and recommend corrective measures to both administrators and operating managers.

- C. The Maryland Department of Legislative Services, Office of Legislative Audits conducts audits of each USM institution every three years.
- D. The university's Management Advisory and Compliance Services Department conducts compliance and process audits and reviews in order to detect fraud, loss, errors, inefficiency, non-compliance with laws, regulations and ineffective operations.
- E. Employees will assist and cooperate with any duly appointed or designated auditor.

**1.403.25 Inventory Control** (17.5.1)

The agency conforms to property inventory and control processes established and maintained by the Property Records Office of Material Management. This system is responsible for maintaining and auditing the university's central, capital assets inventory.

**1.403.30 Investigative Cash Fund Management**

(17.4.2, 42.2.7.e, 43.1.3)

- A. The agency's budget provides for a petty cash fund that is:
  - 1. Physically and securely maintained by an administrative assistant assigned to the Chief;
  - 2. Accessible only by the Chief, Deputy Chief, and designated administrative assistant;
  - 3. Used primarily to support:
    - a. Certain investigative activities consistent with **1.403.30 Investigative Cash Fund Management** and **2.320.10 Compensating Informants**;
    - b. Other investigative activities such as bait money, etc.; and
    - c. Other activities as permitted by university reimbursement procedures and authorized by the Chief, Deputy Chief, or another commander.

- B. The only employees who are authorized to accept or disburse cash are:
  - 1. The Chief;
  - 2. The Deputy Chief;
  - 3. Any other commander; and
  - 4. The designated administrative assistant and as specifically directed by the Chief, Deputy Chief, or another commander.
- C. The administrative assistant responsible for maintaining the investigative cash fund is also responsible for maintaining a documentation system that minimally has provisions for:
  - 1. Recording an initial balance, credits, debits, and on-hand balance;
  - 2. Recording receipts or documentation for cash received;
  - 3. Recording authorization for any cash disbursement;
  - 4. Retaining other records to document cash expenditures consistent with university accounting practices; and
  - 5. Recording the results of audits that are conducted at least quarterly.
- D. ANY PROPOSED DISTRIBUTION FROM THE AGENCY'S INVESTIGATIVE CASH FUND THAT IS OVER \$1,000 MUST BE APPROVED BY THE CHIEF BEFORE THE DISTRIBUTION IS MADE.
- E. The Deputy Chief will be promptly informed of any cash receipts or disbursements made by commanders other than the Chief.
- F. Quarterly cash fund audits will be conducted and documented within 30 days after each fiscal quarter by:
  - 1. The Deputy Chief;
  - 2. An employee designated by the Chief or Deputy Chief; or
  - 3. A university internal auditor or designee.