

625 – Policy Governing the Control of Police Department Funds

Santa Ana Police Department

Departmental Order #625 – Policy Governing the Control of Police Department Funds

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Purpose

The purpose of this Order is to create centralized control and uniformity in the handling and expenditure of all monies from the Confidential Fund Account, Criminal Activities (Asset Seizure) Fund, Flash Fund and cash converted from evidence.

I. Confidential Fund Account (26- Various)

A. This Fund Is Used for Confidential Expenditures Relating to Criminal Investigations.

1. Confidential expenditures are monies used for the purchase of narcotics, narcotic or vice-related investigations, authorized payments to informants and other undercover criminal investigations. Money from this fund shall not be used to pay or loaned for organizational memberships, meetings or seminars involving professional organizations, petty cash items, or other miscellaneous expenses. (Such expense items should be charged to previously budgeted funds.)
2. Under the direction of the Chief of Police this fund shall be maintained and controlled by the Crimes Against Persons Division Commander.
3. The amount of money maintained by the Crimes Against Persons Division for confidential funds shall be determined by the Chief of Police.
4. Separate banks may be maintained by Detail Sergeants in those Divisions that have been previously approved by the Chief of Police for account access. Separate detail bank accounting is required and will conform to the procedure listed in Subsections B, C, D, below.
5. Periodic audits of all Division banks will be conducted at the direction of the Chief of Police.

B. Confidential Fund Control Slip

1. Form SAPD 1-49-8-75, known as the Confidential Fund Control Slip, shall be used to control confidential fund expenditures.
2. Each time money is removed; a control slip shall be completed by the officer removing the cash. The control slip shall be completed in its entirety.
3. No erasures shall be made on any slip and no slip shall be destroyed. If an error is made on a control slip, a single line shall be drawn through the erroneous information. If necessary, a slip may be voided by printing the word "VOID" across the face and listing the reason under details. The procedure is necessary because all slips are numbered and completed slips are filed numerically.
4. All entries on control slips shall be made in ink.
5. Completed control slips shall be filed in the Crimes Against Persons Division for not less than three years.

C. Payment to Informants

1. When money is paid to an informant, the informant shall sign a Santa Ana Police Department Property Receipt (Form SAPD 5-42-2-76) for the amount paid.
2. The control slip shall also be completed on the expenditure and the original (white) copy of the receipt shall be attached to the control slip.

D. Detail Accounting Form

1. The Detail Accounting Form shall be used for documenting and requesting reimbursement for all confidential fund expenditures.
2. The Detail Accounting Form shall contain the following information on each confidential fund expenditure:
 - a. Control number from control slip
 - b. Amount of expenditure
 - c. Type of activity
 - d. Detailed explanation of expenditure
 - e. Signature of both the Detail Sergeant and the Crimes Against Persons Division Commander.

E. Procedures for Reimbursement

1. Request for reimbursement from the Finance Department shall be submitted via the Chief of Police.
2. Reimbursement requests shall include the following:
 - a. Completed control slip(s)
 - b. Completed Detail Accounting Form(s)
 - c. A memorandum to the Finance Director for the signature of the Chief of Police listing expenditures by control slip number, date, detail and amount.

II. Flash Fund (26-342-6193)

A. Use of the Flash Fund

1. Santa Ana Municipal Code Section 10-250 restricts the use of this fund to investigation of narcotic offenses. Monies from this fund shall be used only for that purpose.

2. Money from this fund will be used by undercover investigators to display to suspected narcotic dealers to convince the dealers that the undercover officers have sufficient money to negotiate large purchases of narcotics.
3. No actual expenditures shall be made from this fund under any circumstances.
4. This fund may be used only by officers of the Santa Ana Police Department in the cause of investigations conducted by this Department. Money from this fund may be used in joint-agency investigations, but under the strict custody and control procedures listed in Subsection C, below. This fund may be used in joint investigations outside Santa Ana, but that narcotics operation must have a direct impact upon narcotics trafficking in Santa Ana.

B. Provisions for Obtaining the Flash Fund

1. No portion of this fund may be routinely maintained or stored at the Santa Ana Police Department, except as noted below, Subsection C.
2. A memorandum shall be prepared with the following information: Amount of money requested, CI number and the person to whom the check is to be made out (Note: In addition, that check payee will have to have a vendor number issued by the Finance Department).
3. The memorandum must be signed by the Chief of Police, his designee, or the Regional Narcotics Suppression Program Commander.
4. The only persons authorized as payees on a check drawn on this fund are the Regional Narcotics Suppression Program Commander or any previously designated Sergeant.
5. The check payee or other previously authorized Sergeant shall personally present the memorandum to City Treasury staff who, upon completion of their internal procedures, will issue a check in the amount specified to the indicated payee.
6. The actual authorized payee will present the check to the previously arranged bank (which may change annually) and will then receive the flash funds.
7. As referenced above, the Chief of Police will keep the Director of Finance informed of the identity of those individuals designated to authorize payments and receive monies from this fund (i.e. Regional Narcotics Suppression Program Commander, Detail Sergeants).

C. Custody of Funds Drawn from This Account

1. The Regional Narcotics Suppression Program Commander is responsible for maintaining custody of money drawn from this fund until it is returned to the designated bank.
2. Money drawn from this fund will be kept in either the locked safe in the Crimes Against Persons Division Commander's office, or the Regional Narcotics Suppression Program Commander's office when not in actual use in an investigation.

3. When this money is being used during a narcotics investigation, the investigating officer shall maintain custody and control of the money at all times.
4. During the investigation, the assisting officers shall maintain a visual surveillance of the officer who has immediate custody of monies from this fund at all times.
5. Money drawn on this fund shall be returned to the bank within four (4) working days of the date of disbursement, unless other arrangements are made and the Director of Finance is notified of those arrangements.

III. Criminal Activities Fund (026-01- Various)

A. Relevant Law

1. State of California, Health and Safety Code Section 11470, specifies procedures to be followed where assets may be seized when directly related to narcotic sales and trafficking. In most situations, assets must be maintained in the same condition as when seized until forfeiture is ordered by the Superior Court. At the time of the forfeiture order, most of the named assets must be converted to cash and distributed to the various court-awarded participants.
 - a. "Miscellaneous" seized assets, those with less than a \$1,000 value, which will not be "formally" forfeited, are to be deposited into the Criminal Activities Fund, Miscellaneous Recoveries Account (26-01-5799).
2. Santa Ana Municipal Code, Chapter 13, Article XIII, creates the locally controlled Criminal Activities Fund and specifies that such monies shall be used solely for investigation, detection and prosecution of criminal activities.
3. By the nature of the seizure-forfeiture civil process, the fund will be composed of assets already awarded (and thereby property of the City of Santa Ana).
4. There are also federal seizure and forfeiture proceedings initiated through Santa Ana-based federal agencies. However, in federal forfeiture actions, the federal agencies take custody of any cash. As such, there is no similar mixing of city-awarded property and property held in trust.

B. Titles and Definitions

1. Statutes and Authorities
 - a. Title 21, United States Code, Section 881(e)
 - b. California Health and Safety Code Section 11470-11489
 - c. S.A.M.C. Chapter 13, Article XIII
2. Criminal Activities Fund A fund created by Santa Ana City government legislation. Deposits to this account will consist of:

- a. State asset disbursements (awards)
 - b. Federal asset disbursements (awards)
 - c. Evidence money conversions from narcotics cases (see Section IV)
3. Police Fiscal Officer The Department employee to whom forfeiture checks should be sent. The check is to be made out to the City of Santa Ana.

C. Asset Seizure Filing Responsibilities

1. The Narcotics Detail Sergeant, with overview by the Crimes Against Persons Division Commander, will evaluate which assets qualify for seizure during the course of a narcotics investigation.
2. Seizure of assets will be consistent with federal and state guidelines. Assets seized will be handled and booked consistent with Santa Ana Police Department evidence procedures.
3. The Narcotics Detail Sergeant will complete the necessary application forms and submit these to the Department's Fiscal Officer, who will coordinate with the appropriate state or federal agencies for filing. This process must be completed within the varying state or federal time limits established.
 - a. The Fiscal Officer will be responsible for all forwarded checks.
 - b. The status of each filing will be monitored periodically by a designated employee assigned to Crimes Against Persons until disbursement is made.

D. Receipt of Asset Disbursement

1. Federal
 - a. Distribution will be made by check; the Fiscal Officer will deposit the same into the Criminal Activities Fund (Account No. 026-01-various).
 - b. Actual award amount is determined by the assigned federal agency.
2. State
 - a. Money will be held in a City Treasury Trust account (98-01-3611-26) until conclusion of court proceedings or administrative hearings.
 - b. The Fiscal Officer will be given a memorandum from the Crimes Against Persons Division Commander requiring the money to be surrendered to the County Treasurer.
 - c. The County Treasurer will then disburse back to the City when it is awarded to the City.
3. Property Other Than Cash

- a. Property (cars, boats, jewelry, homes) will be physically accepted by the Narcotics Detail Sergeant.
- b. Transfer of title documents to the property will be made immediately.
- c. Sale or use of these properties must be approved by the Chief of Police.
- d. In the event the property is sold, the proceeds will be deposited into the Criminal Activities Fund subject to the same guidelines and criteria as all other deposits.

E. Criminal Activities Fund Expenditures

1. Expenditures from this account are subject to State and Federal guidelines:
 - a. May be used only for law enforcement purposes in the investigation, detection and prosecution of criminal activities.
 - b. Cannot be used to supplant existing budget items or expenses.
 - c. Shall not be placed into any "general fund" or returned to any other type fund at end of the fiscal or calendar year.
2. Requests for monies from this fund will be submitted on a memorandum addressed to the Chief of Police via the chain of command.
 - a. The request will include the purpose, amount and justification.
 - b. Approval will be from the Chief of Police.
3. If approved, purchase of capital items will be subject to existing City of Santa Ana purchasing guidelines.
4. The Fiscal Officer shall have access to information regarding expenditures from this account along with associated documents.

IV. Evidence Money Conversions (026-01- 5799)

(For Deposit to Criminal Activities Fund Account)

A. Background

Experience within the Santa Ana Police Department has shown that low-level narcotics dealers arrested with cash rarely return to claim money seized and held in evidence. In all cases herein discussed, the amount of narcotics seized would not qualify the entire case for a state asset seizure proceeding, or the amount of cash seized would be below the reporting/filing threshold required in federal asset seizure proceedings. It has, therefore, been deemed appropriate to transfer that cash held as evidence to the Criminal Activities Fund without further civil process. As discussed below, future claims or court orders for return of such forfeited evidence will be directed to the Department Fiscal Officer via the Crimes Against Persons Division Commander.

B. Accounting Procedures for Evidence Conversions

1. All deposits to the account will be transfers of money held as evidence.
2. All cash will be deposited to the credit of Account 026-01-5799 with the City Treasurer. Each individual transaction will be identified by case number, defendant's name, date of original seizure and amount in the subsidiary ledger.
3. Any withdrawals will only be made in accordance with the expenditure guidelines for the Criminal Activities Fund (found in Section III, Subsection E, above).

C. Cash Transfers

1. Money deposits will come from the Evidence Section on cases that have received signed approved for transfer by the handling officer/investigator. These transfers may occur weekly.
2. The Evidence Section will note on their property/evidence cards that the money was deposited into the Criminal Activity Account, 026-01-5799 through City Treasury. In each transfer case, a Property Disposition Request will be signed by the authorized handling officer/investigator.

D. Court Orders and Defendant Claims for Transferred Evidence

1. All such claims and court orders on transferred evidence will be referred directly to the Narcotics Detail Sergeant.
2. The Narcotics Detail Sergeant will personally review the case report and verify the identity of the defendant.
3. If money is to be released, it will be requested of the Fiscal Section via Direct Payment Voucher and the defendant will be issued a check from the Finance Department.