MYRTLE BEACH POLICE DEPARTMENT

ADMINISTRATIVE REGULATIONS AND OPERATING PROCEDURES

Subject: ***Discretionary Fund Expenditures,* Accountability and Security** | **Number: 254-C**

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Rescinds: 254 – Discretionary Fund… **Dated: 05-29-2009**
254-A – Discretionary Fund… 09-30-2022
254-B – Discretionary Fund… 08-01-2024

Approved By: ______________________

I. PURPOSE

To establish guidelines for the use, accountability, and security of confidential funds. The strict adherence to the following guidelines, along with swift and honest reporting of any mistakes, is paramount to maintaining Departmental integrity and ensuring individual credibility.

II. DEFINITIONS

A. Confidential Informant (CI) - A person working in such a manner that his/her cooperation with law enforcement personnel would remain undisclosed. They may be motivated by a number of factors to include, but not limited to, the following: Attempting to obtain a "favorable recommendation" with regard to pending criminal charges, financial compensation for the information and/or assistance that they are providing, or civic responsibility.

B. Discretionary Fund - This is the monetary resource made available by the City of Myrtle Beach. The funds available in this account are provided in accordance with state law for the purpose of allowing the Police Department, through its designated agents, to investigate persons who are enterprising in illicit drug and vice activity. The funds may be expended in a number of circumstances and situations, whether found in writing, or not.

C. Fund Expenditure Voucher - The official document that will be used to account for money spent using the discretionary fund. The voucher will be pre-printed, pre-numbered in ascending order, and each will be produced in triplicate.

D. Executive Control Number - A control number that may be used in lieu of an actual Investigative Case File number, or a Uniform Crime Report (UCR) number. Only the Chief or his/her designee will authorize issuance of this number. It should only be used in investigative matters that are exceptionally confidential. This number will be used in all places where a case file number or UCR number would otherwise be used when completing paperwork associated with the investigation. In non-confidential cases, an event number may be used in lieu of a UCR number for voucher purposes.

E. Flash-Money – Money (paper currency) intended for use as "show" money only. This quantity of money is not intended to be expended during the execution of an ongoing operation or investigation.

F. Discretionary Fund Log – The logbook that will be used to account for discretionary funds expended. The log will contain an updated balance of funds on hand as well as entries depicting deposits and distributions. This book is maintained within a secure safe and also used for audit purposes.

G. Member – For the purposes of this procedure, a member is a police officer employed by the Myrtle Beach Police Department who is assigned to a position that is charged with handling or maintaining discretionary funds.

III. RESPONSIBILITY

All personnel should make themselves familiar with this SOP. Misuse of these funds in discretionary accounts could result in the recommendation of termination, criminal prosecution, and civil action. Strict adherence to the following guidelines and swift and honest reporting of any mistakes is paramount to maintaining Departmental integrity, as well and ensuring individual credibility.

A. The Investigative Division SCU Lieutenant is responsible for maintaining the funds and making proper entries in the Discretionary Fund Log.

B. The Chief of Police, the Assistant Chief of Police, and the Investigative Division Commander have oversight responsibilities, so they have access to the funds and the records.

C. The Chief of Police, the Assistance Chief of Police, the Investigative Division Commander, the Task Force Lieutenant, and the Street Crimes Unit Sergeant have the authority to disperse cash out of and receive cash into the fund.

D. The CHIEF OF POLICE

1. Has the ultimate control and responsibility for the use of all discretionary funds.

2. Will ensure the funds are spent in the manner prescribed through direct or designee oversight.

3. May direct the Office of Professional Standards to review the accounts and records of all confidential funds and report their findings to him/her.

4. Ensure cooperation with any audit conducted by the Internal Audit Division of the Finance Department of the City of Myrtle Beach.

E. The INVESTIGATIVE DIVISION COMMANDER

1. Shall ensure that all funds are used in the manner prescribed.

2. Shall ensure that all designated officers issued discretionary funds properly maintain control over those funds.

3. Shall conduct periodic checks of the accounting documents as described in this procedure and will enter all expenditures into the Discretionary Fund Log within 30 days of their use.

4. Shall periodically, and every time before discretionary funds are requested from the approved financial institution involved, prepare a complete report, to include all documents and forms used, for submission to the Chief of Police for his/her review and approval.

F. The SECTION COMMANDERS (Street Crimes Lieutenant)

1. Are responsible for the use and control of all discretionary funds assigned to their section.

2. Shall maintain accurate records of all expenditures of discretionary funds.

3. Shall report all expenditures to the Investigative Division Commander.

4. Will log all vouchers into the designated spreadsheet (only accessible by the SCU Sgt., SCU Lt., and Investigative Cpt.) and Discretionary Fund Log.

G. OFFICERS

1. Will list each expenditure on a Fund Expenditure Voucher form and submit it for review to his/her supervisory chain of command as soon after the expenditure is completed as practical.

2. Ensure that the proper signatures are obtained on the Fund Expenditure Voucher form.

IV. PROCEDURE

A. Funding the Discretionary Fund:

1. The Investigative Division Commander will request funding for the discretionary fund in writing to the Chief of Police or his/her designee during the annual budget process. If additional funding is required throughout the budget year, the Investigative Division Commander will submit a new request along with proper documentation to the Chief of Police or his/her designee for approval and processing.

2. The Chief of Police, or his/her designee, will submit a check request to the City of Myrtle Beach Finance Department.

3. It is recommended that the check be made payable to two members of the Investigative Division to ensure accountability. It is preferred that the Division Commander and a Lieutenant would be the two members who would cash the check. The Division Commander (or his/her designee) may authorize any two members of the Division to fulfill this responsibility in the unlikely event the Division Commander and the section lieutenant are unavailable.

4. Those Division members who are identified to cash the check will do so at the nearest banking institution with which the City of Myrtle Beach has an account. Once the check is cashed, the Division Commander (or his/her designee) will make an appropriate entry into the Discretionary Fund Log indicating that the new funds are now on hand. The Lieutenant (or designee) overseeing the Street Crimes Unit Officers will take custody of the funds and deposit them into the floor safe assigned to the Street Crimes Unit. Only designated Investigative Division Supervisors will have access to this safe. Those supervisors include the SCU Sergeant, the SCU lieutenant, the Investigative Captain, and the Chief of Police.

B. Fund Transactions

1. The purpose of using the funds must be related to an investigation involving illicit drugs or vice activity. The Street Crimes Lieutenant may authorize other expenses upon written request.

2. Only a Street Crimes Unit member may request funds from the Discretionary Fund, and the request must include the purpose and the intended use of the funds.

3. The Street Crimes Lieutenant or Sergeant will review all requests and will only approve justified uses. The Investigative Division Commander must approve any request in the amount of $1,000 or more.

4. At the time that the funds are issued to a member, the supervisor will prepare a cash receipt and make proper entry in the Discretionary Fund Log. A cash receipt will also be issued to the officer in those cases where the buy money is not used and is therefore returned to discretionary funds. Except when in use during a buy operation, any officer issued discretionary funds will always have those funds in their possession and be able to immediately produce them upon request.

5. When a member makes an expenditure, he/she will fill out and submit a Fund Expenditure Voucher (hereafter referred to as "voucher"). Upon completion of a transaction, a voucher will be submitted to a supervisor for review by the end of the tour of duty. No voucher will be submitted out of numerical sequence. No voucher will be destroyed. No "Whiteout" or any other means of concealing or correcting mistakes will be used on the vouchers. Any small mistake made will simply be struck through with a single line, and the member making the mistake will place his/her initials on the form near the strike-through. A section supervisor will first review any serious mistakes that require the voucher to be rendered useless or otherwise require it be voided. The section member making the mistake will be required to prepare an inter-office memo articulating what mistake was made and what measures were taken to correct the error. This memo will be attached to the voucher in question. Every member of the section will take extreme measures to ensure that every precaution is taken to avoid mistakes on these vouchers and will attempt to have no voucher rendered useless. While simple mistakes are expected, and they will ultimately occur, reckless disregard exhibited in the preparation or other use of these vouchers will result in corrective action.

6. Three persons will initially sign all prepared vouchers. This will include the person who actually spent the discretionary funds; the person who had the funds from the discretionary fund issued to him/her; and a witness (who is a law enforcement officer) to the expenditure. Any time that money is issued to a CI to allow them to conduct a controlled drug buy or to pay them for services associated with the investigation, the witness must actually observe the transfer of funds. In other expenditures, the witness must be able to attest to the circumstances surrounding the expenditure. A thumbprint of the person who is spending the money will also be placed in the appropriate place on each copy of the voucher. This print will be a high-quality print, and a qualified person should easily identify it as a print belonging to the person who is indicated on the voucher as the individual who expended the money. If a mistake is made and the print is not a quality print, the member who is "rolling" the print (and filling out the voucher) will simply put a single line strike-through in the offending print and initial near the line. A second attempt to properly roll the print will be made in close proximity to the first.

7. Once completed, the voucher will be submitted to an appropriate supervisor (SCU Sergeant/Lieutenant) for review. The supervisor will sign and print his/her name in the appropriate place, indicating that he/she has determined it to be an appropriate expenditure and that the form is properly completed. The supervisor will then submit it to the Lieutenant for review. Once approved, the Lieutenant will sign and print his/her name in the appropriate place. The Lieutenant will then submit the voucher and the manual log to the Investigative Division Commander for review each month. The Investigative Division Commander will make a corresponding entry into the manual log and initial the voucher as having performed that task.

8. When circumstances warrant such measures, any supervisor may sign a voucher in more than one place due to the absence or unavailability of one or more of the section supervisors who would otherwise participate in the completion of the paperwork. In this event, a memo will be attached to the voucher indicating why multiple signatures from the same employee were necessary.

9. The currency available in the discretionary fund, as well as the funds from this account that have been issued to any approved member, are subject to inspection at any time. The Investigative Division Commander, the Chief of Police, a member of the City of Myrtle Beach Finance Department, the Office of Professional Standards, or a designee of these

persons mentioned may conduct these inspections upon demand. To assist in accounting for the money, any and all Documentation associated with the expenditure and/or tracking of these funds will be subject to the same review.

10. When the SCU Lieutenant determines that it is necessary to submit a request to have available funds replenished, he/she will prepare the necessary documentation as outlined in the onset of this procedure and begin the process anew. All information documenting the expenditure of the aforementioned funds will be compiled and securely stored, separate from the documentation associated with the new funds that will be requested.

11. Any unused funds issued to the member will be returned to the supervisor within 24 hours. The supervisor will provide the member with a receipt and will log the exchange of funds in the Discretionary Funds Log.

12. Any deviation from the guidelines established in this procedure must be approved by a lieutenant or above before executing the change. These deviations will be documented in a report and included in the case file.

13. If $1000 or more is to be used in buy-money, flash money, or signed out, a Captain or above must authorize this.

14. If some or all of the discretionary funds issued for an operation are recovered through a search warrant or arrest, then the SCU Lieutenant will determine if the funds will be:

    a. returned to the discretionary fund in the manner described above, or

    b. retained as evidence by instructing the member to follow the proper Property and Evidence procedures.

    Either way, the photocopies of the funds prior to the controlled expense and photocopies of the funds recovered during the search/arrest will become part of the case file.

C. Review and Audit

1. The SCU Lieutenant will submit all vouchers and the Discretionary Funds Log to the Investigative Division Commander for review by the first day of each month.

2. The Division Commander will make a corresponding entry into the Discretionary Fund Log and initial each voucher as having been used for the intended purpose.

3. The Chief of Police, or designee, will order an annual audit of all funds and documentation associated with the Discretionary Fund Account.

4. Discretionary funds, including funds that have been issued to any member, as well as all documentation related to these funds are subject to audit and inspection at any time. The Investigative Division Commander, the Chief of Police, a member of the City of Myrtle Beach Finance Department, the Office of Professional Standards, or a designee of these persons are authorized to conduct these inspections.

5. The Chief of Police will be notified of all discrepancies from any audit, and an investigation will be initiated per his/her instructions.