

 MIDDLETON POLICE DEPARTMENT	DATE February 4, 2013	POLICY 1.5.02
	SUBJECT: Accounting System	REVIEWED November 22, 2017

History: 2/2013; 01/2015
WILEAG (5th Ed.) Standards: 1.5.2 (1.5.2.1, 1.5.2.2, 1.5.2.3, 1.5.2.4); 1.5.4

POLICY

The Department has established the City's line item budgeting to ensure orderly, accurate, and complete documentation of the flow of funds consistent with generally accepted governmental fund accounting practices. Each appropriation and expenditure is classified, at a minimum, according to line item account.

PROCEDURE

Budget Appropriation

Each year the Mayor, Finance Committee, and City Staff forecast Revenues and Expenditures and incorporates those estimates into the City Budget, which is approved by the Common Council, and entered into the City's accounting system (Caselle). Funds are allocated to specific line item accounts for the department in the City's accounting system (Caselle).

Accounting System

The department makes procurements by Purchase Orders, Vouchers, Credit Card, through established vendor accounts, and occasionally cash. When a demand for payment is received (bill, invoice, receipt), the department reviews and approves payment, identifies the appropriate account(s) from which the bill will be paid, enters the expenditure in the City's accounting software (Caselle), and submits the bill to the Finance Department for payment. Payments of under \$50 are approved by the Finance Director and City Administrator. Payments of \$50 or more are approved by the Finance Committee. After approval, the Finance Department pays the bill and records the expenditure under the appropriate departmental line item account, where it is matched against a budget appropriation.

The Finance Director files with the Common Council a monthly list of all approved payments. The City is required to balance its budget each year. The budget is monitored throughout the year to determine whether the City is spending more or less than its revenues. The City may make adjustments to its spending in order to ensure that at the end of the year the budget is in balance.

The fiscal activities of the department are monitored by the police administrative staff, and by the City Finance Director, City Administrator, and Finance Committee. An independent certified public accountant conducts an annual detailed audit of the financial transactions and accounts of the City, including those of the department (ordinance [3.03\(3\)](#) pursuant to ss [73.10](#)).

Format and Reports

The City's accounting and budget format include the following for each line item account:

1. Encumbrances incurred during the period.
2. Expenditures made during the period.

3. Total of encumbrances and expenditures for the period.
4. Initial total appropriation for the line item account.
5. Ending balance (over/under) for the line item account.

Transactions are entered into the City's accounting software on an ongoing basis. The accounting system has 15 periods per budget – period 0 represents the appropriation/starting balance, periods 1 through 12 represent calendar months, and periods 13 and 14 are used for encumbrances or expenses incurred in the budget year but paid after the new year. The City's accounting software (Caselle) facilitates rapid retrieval of data on the status of appropriations and expenditures for each line item account any time the information is required. Department managers monitor and regularly consult the department's line item accounts in the City's accounting software. Summary reports are available through the following path: Caselle/General Ledger/Reports/Finance Worksheet/Enter date range/Select report type from the drop down/print.