Police Organization & Administration

CJ 3600
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Week 12
The operation of government, local, county, state, and federal requires the expenditure of public funds.

Budgeting is inherently a political process.

Political preferences are often expressed in appropriations.
Federal Mandate – Local Funds

• The federal government effects local and state finance through the passage of mandates that require implementation of the law, but not the funds to see it through.
  – This is one of the most controversial ways the federal government impacts subordinate governments.
  – Examples are:
    • The Americans with Disabilities Act
    • Clear Air Act
    • Homeland Security Act
State Mandates – Local Expenses

• NJ Attorney General Guidelines
  – Established in the Executive Branch
  – Not legislative
  – Involve
    • Investigations
      – Domestic violence
      – Internal Affairs
    • Training
    • Use of force
      – Use of force
        ✤ Firearms
        ✤ Pursuit
Key Terms in the Budget Process

• The most important statement any government makes is the enactment of the budget.
• It reveals in financial terms what the priorities are.
• Budget years are called the fiscal year (FY)
  – The FY can coincide with a calendar year (CY)
• Budgets are defined as
  – Operating
  – Capital

• Operating budgets usually covers a 12-month period (FY). Costs include
  – Salaries and benefits
  – Consumables
  – General supplies
  – Utilities

• Capital budgets are for large-scale expenditures and are spread out over a number of years.
• Capital items are often categorized as “one-time” expenditures. They would include:
  – Land & buildings
  – Radio systems
  – Computers
  – Weapons

• Once capital items are authorized and purchased the costs to maintain these items are included in the operating budget.
The Budget Cycle

- Budgets are cyclical in nature.
- There are four sequential steps that are repeated about the same time each year:
  - Preparation
  - Review and approval
  - Execution
  - Audit

Figure 12.3 page 499
Preparation

• Will involve research of current and projected costs.
• Reviews past budgets to see what items should be excluded.
• Includes the preparation of a manual which will guide personnel through the process.
  – The manual sets dates for other stages.
Review and approval

- Involves the legislative body of the jurisdiction
  - Council
  - Assembly
  - Congress

- This is where the budget cuts often occur.
  - Seldom are budgets increased at this level without the request of the administration.
Execution of the Budget

• This is the spending of the budget.
• Until budgets are approved agencies can operate at 1/12\textsuperscript{th} the cost of the previous FY.
• Budgets cannot be overspent without authorization.
  – To do so is a crime and is the one area that agency administrators can face serious consequences.
• Three key aspects:
  – Objectives
  – Adjustments
  – Controls
• Budget execution is the action phase
• Budget plans are put into operation.
• OBJECTIVES
  – Ensure that appropriate funds are spent to achieve agreed upon goals
  – No commitments other than for agreed upon goals
  – Conserve when reasonably possible
  – Periodic accounting demonstrates trust
Adjustments and controls

• Periodic adjustments are necessary:
  – Reallocate funds from one account to another
  – Seek budget amendments
  – Freeze expenditures is necessary
  – Cut budget if necessary

• Controls are
  – Internal
    • Accounting controls and policies to safeguard use assets – system of checks and balances
  – External
    • Use of an allotment system – funds dispersed on a schedule
The Audit

- The essence of the audit is that it is conducted by an independent, outside party.
  - The use of actuaries from a financial firm is a common practice.
  - They examine the records looking for
    - Required records are maintained – Internal control
    - Waste, abuse, fraud
    - Unauthorized expenditures
    - Accurate computations
    - Authorized transfers
    - Appropriate bidding
Budget Formats

- **Line Item** – Object of expenditure
  - The oldest and simplest
  - Remains widely used today (12.4, p. 513)
  - Four advantages:
    - Easy to construct
    - Annual changes made incrementally
    - Easy to understand
    - Easy to administer
  - Disadvantages
    - Managing toward results is not considered
    - Long-range planning is neglected
    - Limited utility in respect to evaluating performance
• **Performance budget** – is an efficiency-oriented tool designed to relate the amount of various types of work done to the amount of money spent to produce work.

• Characteristically have the following:
  – A program structure
  – Cost structure/budget for each program
  – Line component for fiscal control
  – A detailed system of results-oriented (output) workload and unit cost measures

Table 12.6, p. 516
Budgetary supplements

• Grants
  – Federal
    • COPS
    • UASI
  Private
    • MADD
    • Medical equipment
      – AEDs
    • Bulletproof vests

• Donations
  – Vehicles
• Forfeiture laws – serve two purposes:
  – Prevent criminals from profiting from illegal acts.
  – Fund law enforcement initiatives with monies gained from illegal operations.
• Generally obtained from four areas:
  – Narcotics
  – Contraband
  – Organized crime and racketeering (gambling)
  – Targeted crimes such as DUI.
• Items seized include:
  – Cash
  – Vehicles
  – Property
  – Equipment

• **User fees and taxes** – Table 12.9, p.523