

# UW Whitewater Police



## Confidential Funds

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Special Instructions:	
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### I. Purpose

The purpose of this is to establish accounting and control procedures for this agency's confidential fund.

### II. Definitions

**Confidential Fund:** The agency accounting system that provides officers with investigative expense monies.

**Confidential Fund Custodian:** The employee(s) or unit responsible for dispensing and monitoring the use of investigative funds by officers.

**Confidential Funds:** Monies disbursed from the confidential funds that are to be used solely for the purpose of confidential informant services.

**Flash Roll Funds:** Money used by undercover officers to demonstrate the intent and ability to purchase information of illegal goods or services from criminal suspects or informants.

### III. Policy

UW-Whitewater Police Department will maintain stringent control over all confidential funds used by the agency to ensure that the funds are only used for authorized purposes.

### IV. Procedure

#### A. Uses of Confidential Funds

1. Authorized uses of confidential funds include the use or purchase of the following:
  - a. Evidence, such as narcotics, firearms, counterfeit documents, and stolen property in order to further a criminal investigation or establish the identity of a criminal.
  - b. Front money, for the purpose of purchasing drugs from a known dealer.
2. Anyone who receives funds must be established as a confidential informant or undercover officer.
3. The amount of the payment should be based on the following factors:
  - a. The level of the targeted individual, organization, or operation.

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- b. The amount of the actual or potential seizure.
  - c. The significance of the contribution made by the informant/officer to this agency's desired objectives.
- 4. The chief of police or designee should determine a maximum cumulative amount of funds to be used by each authorized officer, as well as a maximum amount per request. Any request for funds beyond this maximum amount must obtain approval from a supervisor.

## **B. Authorization**

- 1. The confidential fund custodian shall have the following responsibilities with respect to the agency's confidential fund:
  - a. Maintenance of the fund in accordance with all appropriate laws and procedures.
  - b. Maintenance of a record of serial numbers for all bills, to be kept with CI files in Detective's Office for custodian to review as needed.
  - c. Proper disbursements and deposits.
  - d. Bookkeeping and banking procedures.
  - e. Maintenance of a file containing copies of all relevant fund transaction documents.
  - f. Purging of the confidential fund records in accordance with state records retention provisions.
- 2. If requests for funds exceed the amount available, the custodian shall notify the appropriate supervisor.
- 3. The confidential fund custodian shall prepare a report every year including an accounting of all disbursements during the specified time period for review by the chief of police or designee.
- 4. An internal audit shall be conducted at the end of the fiscal year by the chief of police's or their designee.
- 5. The confidential fund custodian shall not be permitted to disburse funds from the confidential fund to himself or herself.
- 6. Confidential fund transaction records shall be stored in a secure location, and access shall be restricted in accordance with applicable laws, ordinances and agency procedures.

## **C. Withdrawals and/or Expenditures from the fund, for undercover officers or confidential informants to purchase illegal substances.**

- 1. Yearly the Chief, or designee, shall submit to the confidential fund custodian a memorandum listing the names of officers authorized to make withdrawals from the fund.
- 2. Prior to issuance of any money from the confidential fund, an authorized officer shall complete the sequential log with the custodian, or their designee. This log must include a description of the service, evidence, or information that is expected to be received, the amount of the expenditure, and the confidential informant number.

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3. When deciding whether to approve the expenditure of confidential funds, the approved supervisor must consider:
  - a. The significance of the investigation and potential cost-benefits;
  - b. The need for the expenditure to further the investigation; and
  - c. Anticipated expenditures in other investigations.
4. Upon dispersal of funds, the confidential fund custodian shall initial the log with the officer receiving the funds.
5. Authorized officers needing front money for an operation shall withdraw such funds at the beginning of the shift.

**D. Accounting for Expended Funds used to buy information from a confidential informant or used by an officer working in an undercover capacity.**

1. For all funds expended, the officer issuing payment shall ensure that an appropriate receipt is obtained, unless such an action would jeopardize a transaction or operation. If a receipt cannot be obtained, the officer must submit a detailed explanation outlining the reasons for the lack of a receipt.
  - a. Receipts for purchase of information from a confidential informant should include the following:
    - i. The agency's name.
    - ii. A description of the information received or expected to be received.
    - iii. The date and amount of payment.
    - iv. The signature of the informant/payee.
    - v. The signature of the officer making the payment.
    - vi. A signature from at least one other officer witnessing the payment.
    - vii. The signature of the paying officer's supervisor.
2. In addition to the receipt, all officers receiving confidential funds shall prepare a written expense report accounting for all cash withdrawn from the fund, as within ten (10) business days. The report should include:
  - a. Item or informant control number on which the funds were expended;
  - b. Date and place of the expenditure;
  - c. Copies of receipts;
  - d. Type of investigation; and
  - e. Case number, where applicable.
3. The written expense report with all supporting documents and receipts shall be submitted to the appropriate supervisor. The supervisor shall then review all documentation and complete an evaluation related to the expenditure for inclusion in the investigative file.
4. Any funds not used for their stated purpose within 48 hours must be returned to the custodian. The fund custodian shall issue the officer a receipt acknowledging that such funds were redeposited as unexpended.

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5. Unused confidential funds must be returned to the custodian exactly as they were disbursed (i.e., same serial numbers). Any deviation must be explained in writing and submitted to the appropriate supervisor and the confidential fund custodian.
  6. Confidential funds will be audited quarterly.
- E. **Flash Roll Funds:** Due to the increased risk associated with flash roll funds, they shall be maintained separately from the confidential fund. These funds shall be governed by the same rules and regulations as the confidential fund, with the following exceptions.
1. Flash roll funds shall be secured either in this agency's safe or in a bank account for withdrawal when needed. Serial numbers for all bills shall be recorded.
  2. Officers must include a description of security precautions that will be taken to ensure the return of the flash roll funds in any request for funds.
  3. Officers may retain funds for up to 48 hours or until the flash roll operation has been completed. Any extension past the 48 hours must be requested in writing and approved by both the appropriate supervisor and the flash roll fund custodian.
  4. Flash roll funds must be returned to the custodian exactly as they were disbursed (i.e., same amount and serial numbers). Any deviation must be explained in writing and submitted to the appropriate supervisor and the flash roll fund custodian.
  5. The flash roll fund custodian shall prepare a yearly report describing any activity related to the fund for review by the chief of police or their designee.