

Avon Town Council

Ordinance 202 6-05

Ordinance Establishing Buy Money Program and Fund

Whereas, the Avon Police Department wishes to establish a program for drug investigation, whereby funds will be appropriated for use in undercover drug purchases, prostitution investigations, human traffic investigations, fencing/theft investigations, and any other criminal investigation requiring the use of buy money; and

Whereas, the Town Council wishes to establish this program, and to establish a new fund, the Buy Money Fund, to receive and disburse funds appropriated to the program for use by the Avon Police Department; and

Whereas, pursuant to the State Board of Accounts Cities and Towns Bulletin and Uniform Compliance Guidelines, the Avon Police Department will maintain a minimum documentation procedure similar to either the Guidelines for Expenditure of Confidential Funds, published by the U.S. Department of Criminal Justice, or the Guidelines for Obtaining and Accounting for Confidential Funds Used in Support of Criminal Investigations, by the Indiana State Police Department; and

Whereas, the Avon Police Department will comply with petty cash fund procedures as authorized by Indiana Code 36-1-8-3; and

Whereas, the Town Council also wishes to authorize an appropriation to Buy Money Fund in the amount of ten thousand dollars (\$10,000).

Therefore, it is ordained as follows:

- A. The Avon Police Department Buy Money Program is hereby established;
and
- B. Ten thousand dollars (\$10,000) is shall be appropriated to the Buy Money Fund established in Section C of this Ordinance; and
- C. The Town of Avon Internal Control policies, specifically Policy 8: Buy Money Fund, is hereby amended in part to read as described in Exhibit A.
- D. A new section, Section 2-295, shall be added to Chapter 2, Article 2-18, Division 2-18-I of the Avon Town Code, and this new section shall read as follows:

“2-295 BUY MONEY FUND

- A. Purpose .** The Town Council hereby establishes the Buy Money Fund to receive, use, and account for funds appropriated to the Buy Money fund. Funds shall be used in connection with drug investigations, prostitution investigations, human traffic investigations, fencing/theft investigations, and any other criminal investigation where buy money may be used to recover information and/or property through undercover investigative techniques conducted by the Avon Police Department, specifically for use in undercover operations.
- B. Sources of Funds.** The Buy Money Fund shall consist of money appropriated to it by the Town Council, as provided by Indiana law for other appropriations. The Police Department may also fund the Buy Money Fund through donations, court-ordered forfeitures to the Avon Police Department, court-ordered confiscations to the Avon Police Department, and other appropriate sources.

- C. Documentation.** The Chief of Police, or the Chief’s designee, shall document for all expenditures according to either the Guidelines for Expenditure of Confidential Funds, published by the U.S. Department of Criminal Justice, or the Guidelines for Obtaining and Accounting for Confidential Funds Used in Support of Criminal Investigations, by the Indiana State Police Department. The Avon Police Department will also adhere to all applicable internal controls and general orders for expenditures from the Buy Money Fund.
- D. Nonreverting Fund.** This fund shall be nonreverting and remain in effect until modified or rescinded by the Town Council.
- E. Validity.** If any provision of this ordinance is held to be invalid by a court of competent jurisdiction, all other provisions of this ordinance not otherwise invalidated will remain in full force and effect.

Ordinance 2025-___, passed ___-___-26”

It is further ordained that this ordinance is effective upon adoption.

It is further ordained that any other provisions of the Avon Town Code which are not specifically amended by this ordinance shall remain in full force and effect.

Ordained this _____ day of _____, 2026.

Avon Town Council:

Dawn Lowden, President

Jayson Puckett, Vice President

William Holland, Member

Robert Pope, Member

Greg Zusan, Member

Attest:

Julie Loker, Clerk-Treasurer

Exhibit A

Policy 8: Buy Money Fund

1.01. Purpose : The purpose of this policy is to establish internal controls for obtaining, using, and accounting for confidential funds used in support of criminal investigations.

1.02. Policy : Criminal investigations requiring the use of confidential monetary disbursements may be supported by the funds in the Buy Money Fund. The Buy Money Fund shall be managed by the Chief of Police. Officers requesting and utilizing funds from the Buy Money Fund shall adhere to the procedures set forth in this policy.

1.03 General Guidelines. The use of funds from the Buy Money Fund shall only be used in connection with criminal investigations requiring confidential money disbursements and only for the purposes approved in writing by the Chief of Police.

1.04. General Procedures

1.04.01 Request Procedures

1. Police officers requesting use of Buy Money Funds shall do so by completing an initial request form. The initial request form shall contain the requesting officer's full name, a case reference number, specify the anticipated criminal activity, describe the evidence to be received, and specify the amount of the expenditure. The expenditure amount shall not exceed \$2,500, if the expenditure is for controlled substances, and shall not exceed \$750 if the expenditure is for any other purpose, **unless authorized in writing by the Chief of Police.**
2. The request form shall be submitted to the officer's supervisor. The requesting officer's supervisor shall approve or deny the request. If denied, the request form shall be returned to the requesting officer. If the supervising officer wishes to modify the amount of funds being requested, the supervising officer shall deny the request and direct the requesting officer to submit a new request form. If approved, the supervising officer shall endorse the request by signing and dating the request form.
3. If approved, the supervising officer shall then forward the request form to the Chief of Police. The Chief of Police shall approve or deny the request. If denied, the request form shall be returned to the requesting officer. If the Chief of Police wishes to modify the amount of funds being requested, the Chief of Police shall deny the request and direct the requesting officer to submit a new request form. If approved, the Chief of Police shall endorse the request by signing and dating the request form. The Chief of Police shall also assign the request a control number, and indicate this control number on the Request for Funds form.

1.04.02 Draw Procedures

1. After the initial request form is approved and endorsed by a supervising officer and the Chief of Police, the Chief of Police shall submit a draw request form to the Clerk-Treasurer. The draw request form shall contain the following information:
 - a. The name of the requesting officer;
 - b. The amount of the expenditure; and

- c. The control number.
2. The Clerk-Treasurer shall issue a check or money order made payable to the requesting officer, and deliver the check to the Chief of Police. The Chief of Police shall deliver the check to the requesting officer. The employee shall be the only person authorized to endorse the check.
3. The Clerk-Treasurer shall also issue a receipt to the Chief of Police for the disbursement to the requesting officer.

1.04.03 Procedures Relating to Use and Return of Funds

1. Funds advanced to a requesting officer shall only be held outstanding for up to 48 hours. If it becomes apparent at any point within the 48-hour period that the expenditure will not materialize, the funds must be returned to the Chief of Police. The Chief of Police will then return the funds to the Clerk-Treasurer as soon as possible. An extension of the 48-hour limit may be granted by the requesting officer's supervising officer and the Chief of Police. Such extensions shall be indicated on the initial request form, and if approved, endorsed with both the supervising officer and the Chief of Police's signature and date of approval.
2. Unused checks shall be returned to the Chief of Police, unendorsed, with a memorandum explaining the reason for the return of the unused check. The Chief of Police shall deliver the unused check to the Clerk-Treasurer.
3. Following the related investigative police action, an officer who receives funds from the Buy Money Fund shall return the funds to the requesting officer's supervisor within 24 hours, or at the beginning of the officer's next shift, with a supplemental report which contains the following information:
 - a. The officer's name;
 - b. The control number;
 - c. Date the supplemental report was prepared;
 - d. Date of each expenditure;
 - e. Amount of each expenditure;
 - f. Description of each expenditure;
 - g. Amount of funds held in evidence;
 - h. Date of return of funds; and
 - i. Case reference number.
4. The supervising officer shall review the supplemental report for accuracy and completeness, and sign and date the supplemental report. The supervising officer shall then present the funds and the supplemental report to the Chief of Police, who shall also sign and date the supplemental report upon approval.

5. The Chief of Police shall prepare a return form, which contains the following information:
 - a. The check number;
 - b. The control number;
 - c. The amount of the check;
 - d. The name of the payee;
 - e. The amount of the expenditure, in the event funds are not returned in full, either due to loss of funds during an official police investigation;
 - f. The amount of funds held in evidence in the event funds are held in evidence subject to return upon the conclusion of criminal investigation and prosecution; and
 - g. The amount of the returned funds.
6. The Chief of Police shall present to the Clerk-Treasurer the form and the returned funds, if any.
7. In the event funds are held in evidence, upon conclusion of criminal investigation and prosecution, the Chief of Police shall submit a supplemental return form and the funds to the Clerk-Treasurer.
8. The Clerk-Treasurer shall deposit returned funds in the Buy Money Fund.
9. The Clerk-Treasurer shall adhere to all petty cash fund procedures as authorized by Ind. Code 36-1-8-3.

1.04.04 Accounting and Documentation

1. The Chief of Police shall keep a written ledger and recording the following information for each disbursement:
 - a. The date the check is written;
 - b. The check number;
 - c. The control number;
 - d. The amount of the check; and
 - e. The name of the payee (i.e. the requesting officer).
2. The Chief of Police shall maintain the written ledger and copies of all request forms, receipts, memorandums of explanation submitted for unused checks, supplemental reports, return forms, and supplemental return forms.
3. The Chief of Police, or the Chief of Police's designee, shall prepare a monthly reconciliation of the funds disbursed and refunded to the Buy Money Fund, and submit the reconciliation report to the Clerk-Treasurer.
4. The Clerk-Treasurer shall prepare an annual report to the Town Council reporting the reconciliation of the Buy Money Fund.

1.05 General Controls

1. Money drawn from the Buy Money Fund shall not be spent for any purpose other than that for which it was requested unless granted by prior written approval from the requesting officer's supervisor and the Chief of Police.
2. Employees who violate the provisions of this policy are subject to discipline, including but not limited to termination.