

Prior to a banking account being established, donations to the Long Beach Police Department were kept as cash in a banker's bag in the Chief Marshal's office. This practice dates back to the 1990's and more than likely years before that.

After a SBOA audit review in 2009-2010, then Chief Marshal Robert Sulkowski was advised to setup the Debit account for purposes of auditing the deposits and expenditures. Clerk's office was aware of the account setup.

Horizon Bank checking/debit account was opened on August 3rd 2010 by Chief Marshal Robert Sulkowski and Lieutenant Todd Bullis. Both were issued Debit cards for the account. Funds were used for misc. expenses, community outreach, food for various events, employee appreciation year end dinner, training etc.

I was able to locate the original Horizon bank documents from when the account was opened in 2010. Only a handful of receipts from previous years were remaining in the file folder that I located.

2019: Lieutenant Todd Bullis retires and Deputy Marshal James Schooley is promoted to Sergeant. The Horizon Bank account is then updated by removing Bullis and issuing a Debit card to Sergeant James Schooley. Signature card was updated on the account.

2021: Chief Robert Sulkowski and incoming Chief Mark Swistek begin the transitional period the first week of January 2021, as Chief Sulkowski is a week from retirement. Chief Sulkowski takes Chief Swistek to Horizon Bank and updates the account signature card. Chief Sulkowski is removed from the Donation Debit checking account and Chief Swistek is added and issued a debit card for account #8771069. Chief Sulkowski provides information relative to the account setup and use. Sergeant James Schooley remains on the account.

January 7th 2021: Chief Swistek locates \$91.00 cash in the banker's bag in the Chief's desk. The cash is deposited into the account. Cash shall not be kept in the Chief's office per Chief Swistek.

January 2021 account balance: \$1,862.13 after the above deposit

January 2021-current: Chief Swistek has deposit slips and invoices/receipts for all transactions.

May 2021: Newly appointed Clerk Treasurer Tim Perry ask to be added to the monthly statements from Horizon Bank.

Tuesday November 15th: I spoke with SBOA Michael Crowley 317-232-2513. He confirms that the donation funds should be within the Town bank accounts and that our Clerk-Treasurer is responsible for the monthly reconciliation of the bank statements.

Expenditures from the account: Michael Crowley explained that all expenditures should go through our internal control procedure, claims are to be authorized by the Town Council, Funds shall be kept in a specific "donation line item for the police department". All transactions should be processed through the Clerk's office as all other purchases are for the Town.

Corrective action plan: Effective Thursday November 17th 2022 at 9am Chief Marshal Mark Swistek has closed the Horizon Bank account #8771069. The funds from this account, \$2,432.61 were issued to a bank cashier's check and shall be deposited by Clerk Tim Perry into the appropriate Town account as authorized by his office. Any future donations received from businesses or residents shall be provided to the Clerk-Treasurer office for deposit into the "Police Donation Account". Any and all expenditures to be paid from this particular account shall go through the internal control process within the Clerk's office and will appear on the monthly check registry for approval by the Town Council at their regular monthly Town Council meeting. The Clerk's office will conduct monthly reconciliation of the account balance and will maintain invoices/receipts for all expenditures.

Respectfully, request the Town Council ask our Town Attorney to draft an ordinance that specifically outlines the deposit of donation funds and the approved use/expenditures of these funds. Similar to other cities and Town's. Example of Michigan City's ordinance is below.

MICHIGAN CITY COMMON COUNCIL ORDINANCE NO. 4443

CREATING SECTIONS 2-406 THROUGH 2-408 IN CHAPTER 2 OF THE MICHIGAN CITY MUNICIPAL CODE TO ESTABLISH **DONATION FUNDS FOR MICHIGAN CITY'S FIRE DEPARTMENT, POLICE DEPARTMENT, AND TREE BOARD** "all specific funds of the City in existence on the adoption date of this Code are ratified and confirmed;" and WHEREAS, the need exists to formally specify how the Donation Funds for each respective entity can be spent; and

- **Sec. 2-407. - Police department donation fund.**

There is hereby established a police department donation fund. This fund shall be a restricted, non-reverting fund. The purpose of this fund shall be for the receipt of money from donations, fundraisers, and other sources, and said monies shall be used by the police department for expenditures directly related to the following purposes:

Purchase of equipment and improvements of police department facilities owned by the city;

Materials and supplies for use in the operation of the department;

Education of the public regarding crime prevention and police related matters, including promotional, educational, and training supplies, and community events;

Training and educational activities;

Community outreach initiatives, which include but are not limited to events such as Shop with a Cop, Easter Egg Hunt, etc.;

Purchase of food, drink, and other perishable items for meetings, events, and celebrations; and

Other specific fundraising campaigns for the department.

The police department shall not use the funds in its donation fund for any other purposes than those stated herein and such funds shall be administered by the controller.

(Ord. No. [4443](#), § 2, 8-15-2017)

Donations that we receive are generally not specific to any one purpose. Residents have made comments, use the funds to support your officers, do something nice for our brave emergency responders, buy your staff lunch, support community outreach events, support our volunteer Reserve Deputies, most recently received a generous \$10,000.00 donation towards the purchase of a new ATV unit. In summary, the donations we receive are not specifically designated to one particular event or purpose. Residents just wish to show their appreciation of our efforts.

DeAnna Carlson

From: Chief Swistek
Sent: Thursday, November 17, 2022 3:48 PM
To: Town Council; ClerkPerry; Helen Sheridan
Cc: Police Dispatch; Chriis Willobuy (clw@braje-nelson.com); James Schooley; DeAnna Carlson
Subject: Donation account setup: Information

Below is some additional information that we received from the SBOA to assist us in setting up the appropriate account within the Clerk's office for the police donations. Again, my apologies for not discovering and correcting this previously. Mark

CITIES AND TOWNS BULLETIN - JUNE 2016 – Part One PAGE 3 CONTRIBUTIONS, DONATIONS, GIFTS Following is a brief list of procedures to be followed by city and town officials in receiving and accounting for monetary contributions, donations, or gifts received by the municipality. (The term "donation" in this article includes donations, contributions and gifts.) 1. Unrestricted donations are defined as those to which the donor has not attached terms, conditions, or purposes. 2. Restricted donations are defined as those to which the donor has attached terms, conditions, or purposes. 3. The governing body of the unit has the option and responsibility to either accept or reject, in writing, any proposed donation. 4. If the donation is a restricted donation, the board must agree, in writing, to the terms, conditions, or purposes attached to the proposed donation. 5. Restricted donations can only be accepted for purposes within the scope of general statutory authority. 6. Income or revenues in the form of tax distributions, tax receipts, fees, rentals, contractual payments, etc., are not to be considered donations. 7. Donations which are accepted must be handled in one of the two following methods: A. Unrestricted donations shall be receipted into the applicable operating fund of the unit (i.e. city or town operating (general) fund; cemetery operating fund, park and recreation operating fund, airport operating fund, etc.). Expenditure of such donated revenue from the operating fund shall be made only after an appropriation has been provided for the purpose of the expenditure. Claims must be filed and approved in the regular legal manner. B. A restricted donation shall be placed into a separate fund after such fund is established by the legislative body of the unit. Any appropriate descriptive name may be given the donation fund. The donation can be expended only for the purpose and under the terms and conditions agreed to on accepting the donation. Pursuant to Attorney General Official Opinion No. 68 of 1961, no further appropriation is required for expenditure of a restricted donation for the designated purpose. Even though no further appropriation is required, claims must be filed and approved in the regular legal manner before disbursements can be made from the fund. 8. If the volume of restricted donations justifies it, a "control" fund may be established for all restricted donations. Separate, individual accounts would then be established to account for each restricted donation or each type of restricted donation. The total activities of the separate accounts -- receipts disbursements, balances -- should be reflected on the control fund. CITIES AND TOWNS BULLETIN - JUNE 2016 – Part One PAGE 4 CONTRIBUTIONS, DONATIONS, GIFTS – (Continued) 9. Income from investments of restricted donations should be receipted into the same fund in which the principal of the donation has been receipted, provided it is to be used for the same purpose as the principal. However, if under the terms of the trust, the principal must be held in trust in perpetuity and only the income used by the governmental unit, there should be two funds established. One fund should be designated as "trust interest." In this situation, expenditures would only be permitted from the Trust Interest (Income) Fund". 10. The municipality's fiscal officer should be the custodian of the unit's funds and securities.



Chief Marshal Mark J. Swistek
Town Administrator

Town of Long Beach Indiana
2400 Oriole Trail
Long Beach IN 46360
219-874-4243

"CONFIDENTIALITY. This email and any attachments are confidential, except where the email states it can be disclosed. If received in error, please do not disclose the contents to anyone, but notify the sender by return email and delete this email (and any attachments) from your system."