

**MANAGEMENT DIRECTIVE**  
**PROCEDURES FOR REPORTING MISSING, LOST, OR STOLEN**  
**COUNTY FUNDS**

**Management Directive # 13-01**

Date Issued: February 2013

New Policy Release

Cancels: NONE

Additional References:

- County Fiscal Manual – Chapter 1 Cash
- County Fiscal Manual – Chapter 14 – Reporting and Reimbursement of Losses
- C300-202: Bus Tokens/Passes
- C300-203: Food Certificates/Gift Cards
- C300-204: Cash Aid
- C300-205: Petty Cash

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**DEPARTMENTAL VALUES**

The Department continues to focus on three (3) priority outcomes. The three (3) identified outcomes are to improve safety for children, improve timelines for permanency, and reduce reliance on placement to achieve safety. Timely permanency is achieved, with the first choice permanency option being reunification, followed by adoption, relative legal guardianship, and legal guardianship with an unrelated caregiver.

**APPLICABLE TO**

This Management Directive applies to all departmental staff.

## **GENERAL INFORMATION**

### Objectives of Internal Control over Cash and Liquid Assets

Cash and other liquid assets can easily be converted, temporarily or permanently, to personal use. The highly liquid nature of cash and equivalents requires that strict controls be established.

### Cash includes the following:

- Liquid assets include items such as bus tokens/passes, gift cards, postage stamps, parking validation stamps, etc.
- Checks on hand (personal checks received over the counter, mail, etc.)
- Expendable cash funds – change funds, petty cash, revolving funds, cash aid funds, special purpose funds, etc.
- Coin and currency (paper money) and cash equivalent (bank drafts, credit card sales, money orders, government warrants).

## **PROCEDURES FOR REPORTING LOSSES**

### **A. GENERAL INFORMATION:**

For **all** instances of burglary, robbery, theft, or loss, a copy of a police report and affidavit must be obtained. In those instances of unexplained disappearances, under suspicious circumstances, a police report should be obtained.

In County facilities, an incident should first be reported to the agency that provides security for the County facility.

### **B. BUS PASSES/TOKENS/COUPONS**

Bus passes, tokens, and coupons are negotiable items and shall be secured at all times in a locked safe, file cabinet, or cash drawer.

#### **Support Staff Responsibilities:**

- a. Receives bus tokens, passes, and coupons from the Metropolitan Transit Authority (MTA) or other vendor.
- b. Signs and dates for receipt of delivery only if the envelope or box is in good condition.

**DO NOT ACCEPT DELIVERY WHEN:**

- envelope/box is open and/or
- re-taped and/or
- damaged

Support staff should immediately notify their Clerical Administrator should any of the above instances occur.

- c. Count bus tokens, passes, and coupons in the presence of an individual with no other responsibilities for handling negotiable items.
- d. Verify the amount received is the same as the amount ordered.
- e. **Upon discovery of any lost, stolen, or irreconcilable bus passes, tokens, or coupons, immediately notify the Clerical Administrator.**

**Clerical Administrator (CA) Responsibilities**

- a. Upon being notified of lost, stolen, or irreconcilable bus passes, tokens, or coupons, obtain a Loss Affidavit(s) (Attachment A) form from staff that were present during the counting of items.
- b. For **all** losses (burglary, robbery, or theft) a Loss Affidavit form stating the circumstances and amount of loss, including the type of item (e.g., bus passes/tokens/coupons, petty cash, cash aid) must be completed.
- c. If necessary, contact the vendor to explain the incident and what occurred.
- d. Immediately notify Procurement Section, Fiscal Operations Division, and Internal Controls Section (ICS). ICS will provide assistance for reporting the incident to Office of County Investigations (OCI).
- e. Immediately notify the Regional Administrator (RA)/Division Chief (DC)/Office Head.
- f. Incidents of burglary, robbery, or theft must be reported to the Sheriff or local police department within three (3) business days. In County facilities, an incident should first be reported to the agency that provides security for the County facility.
- g. In situations where losses involve negotiable items, such as checks received by the Department for services rendered, the Clerical Administrator must contact the parties that issued the checks; notify

them to put a stop payment on the original checks and request that they issue replacement checks.

- h. For lost, stolen, or destroyed checks:
- If notified by a payee that a check has been lost, stolen, or destroyed, the Department must have the payee complete and sign a Loss Affidavit form in the presence of a designated departmental employee.
- i. Report the incident to OCI. There are several ways to report allegations of employee misconduct and/or improprieties.
- Report any fraud related incidents through the Fraud hotline database. The website to report fraud is: [www.lacountyfraud.org](http://www.lacountyfraud.org)
  - Report an incident by mailing, faxing or emailing the information (Police Report, Loss Affidavit Form, etc.) directly to the Department of Auditor-Controller, OCI. The address, fax and email are as follow:

Department of Auditor-Controller  
Office of County Investigations  
500 West Temple Street, Suite 515  
Los Angeles, CA 90012  
Attn: Beatriz Perez

Fax: (213) 633-0991 Attn: Beatriz Perez

e-mail: [Hotline@auditor.lacounty.gov](mailto:Hotline@auditor.lacounty.gov) cc : [bperez@auditor.lacounty.gov](mailto:bperez@auditor.lacounty.gov)

- Report an incident by calling the Employee Fraud Hotline at: (800) 544-6861. Please call if there are any questions.
- j. Immediately contact ICS at the address below to provide the assigned case number that is issued after reporting an incident. Also, the Loss Affidavit and police report must be submitted within ten (10) business days of the incident or of reporting the incident to OCI:

Internal Controls Section  
Attn: Angelica Jimenez  
425 Shatto Place, 4th Floor  
Los Angeles, CA 90020  
(213) 351-5544

e-mail: [jjimenaf@dcfs.lacounty.gov](mailto:jjimenaf@dcfs.lacounty.gov)

- The Auditor-Controller's OCI will examine these reports and make independent investigations when necessary.

**Regional Administrator (RA)/Division Chief (DC)/Office Head or Designee Responsibilities:**

- a. Investigate and complete a Loss Affidavit within five days from being notified of the incident.
- b. Obtain Loss Affidavit(s) from all staff involved (support staff, clerical administrator, mailroom clerk, etc.)
- c. Ensure a police report is filed with the local police department.

***Consult with the Risk Management Division, Internal Affairs Section in situations of serious or egregious alleged misconduct by any DCFS employee, while concurrently following the aforementioned instructions in this Management Directive.***

**FORMS REQUIRED**

**Attachment A: Loss Affidavit (DCFS 77)**