



EQUITABLE SHARING WIRE

PURCHASE OF PREPAID CREDIT CARDS AND PETTY CASH ACCOUNTS

The Asset Forfeiture and Money Laundering Section (AFMLS) received multiple inquiries from State and local agencies regarding the permissibility of using equitably shared funds for petty cash expenditures, miscellaneous payments, and prepaid credit card purchases.



The *Guide to Equitable Sharing for State and Local Law Enforcement* (April 2009) (*Guide*) provides guidance to agencies on the proper use and maintenance of equitably shared funds. The *Guide*, Section IX, requires participating agencies to maintain records of all income to and expenditures from their federal equitable sharing accounts. Expenditures must be approved through appropriate procurement procedures and itemized yearly on the Equitable Sharing Agreement and Certification Form filed annually with AFMLS. Using federal equitable sharing

funds to purchase prepaid credit cards or to establish or fund petty cash accounts departs from the requirement that all expenditures be itemized and documented. In addition, these types of transactions do not comply with standard procurement processes and internal control requirements of the *Guide*. Therefore, equitable sharing funds may not be used to establish or reimburse petty cash funds or to purchase prepaid credit cards for use by employees.

Key Contacts

Website for forms and publications
www.justice.gov/criminal/afmls

Permissible Use of Funds
Afmls.aca@usdoj.gov

A-133 Audit Inquiries
A133sharing@usdoj.gov

Treasury Executive Office for Asset Forfeiture
(202) 622-9600
www.treas.gov/offices

GUN BUY-BACK PROGRAMS

Using shared funds to purchase weapons in gun buy-back programs could make an agency vulnerable from a tracking and accountability standpoint, but these programs can be successful with certain measures and safeguards in place.

First, agencies wishing to use their equitable sharing funds to hold a gun buy-back program must destroy all weapons collected. Secondly, the amount given per weapon must be reasonable based on the type of weapon. Lastly, all equitable sharing funds used for gun buy backs must be accounted for and agencies must issue receipts for all weapons purchased.

If your agency uses equitably shared funds to run a gun buy-back program, the funds used should be reported on Line C, *Informant and Buy Money*, of the Equitable Sharing Agreement and Certification form.

Once the buy-back transaction is approved and the weapon is securely in the agency's possession, the agency may pay for the weapon either by check or with a store gift card to be given as payment for the weapon. If the agency would like to use cash to purchase the gun buy-back weapons, the agency must use appropriated funds utilizing strong controls to document and approve each purchase. The agency may then reimburse its appropriated funds with equitable sharing funds in a single documented transaction. This satisfies the dual control requirements for auditing purposes. The purchase of gift cards to complete gun buy-back transactions does not violate the pre-paid card prohibition outlined in the article above because the agency's transaction is a single purchase for the cards. Agencies are not responsible for the expenditures placed on the card once the buy-back transaction is complete.

Upcoming Articles in Future Editions:

- Independent Public Accountant Information
- New Submission Process for Signed Affidavits

E-Share Notices: Due to the U.S. Marshals Service finance system conversion, the e-Share notification emails previously sent when a Department of Justice equitable sharing payment was wired to your account have been temporarily stopped. The U.S. Marshals Service is aware of this and is working diligently to resume this feature.

