
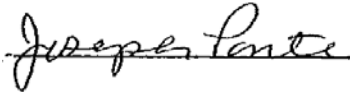


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<b>POLICY NUMBER: 2.4</b>		
<b>CHAPTER 2: FISCAL MANAGEMENT</b>		
	<b>STATE of MAINE</b> <b>DEPARTMENT OF CORRECTIONS</b>  <b>Approved by Commissioner:</b> 	<b>PROFESSIONAL STANDARDS:</b>  <b>See Section VII</b>
<b>EFFECTIVE DATE:</b> July 15, 2003	<b>LATEST REVISION:</b> December 15, 2011	<b>CHECK ONLY IF</b> APA [ ]

## I. AUTHORITY

The Commissioner of Corrections adopts this policy pursuant to the authority contained in 34-A M.R.S.A. Section 1403.

## II. APPLICABILITY

Entire Maine Department of Corrections

## III. POLICY

It is the policy of the Department of Corrections to minimize cash transactions and to ensure that cash received or maintained through the Department's normal course of operations be secure from loss or theft and deposited in accordance with State audit guidelines. It is also the policy of the Department of Corrections to prevent disbursements based on checks that have been stopped. The Department shall ensure that all funds collected are placed in an officially designated and secure location daily.

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## V. ATTACHMENTS

None

## VI. PROCEDURES

**Procedure A: General**

1. Funds accepted by community corrections from clients for the payment of victim restitution, supervision fees, substance abuse testing fees and electronic monitoring fees shall be in the form of bank checks, U.S. Postal money orders or credit or debit cards only. All payments shall be written to "Treasurer, State of Maine".
2. All payments for restitution shall be mailed or delivered to Regional Offices only. Any restitution payments made by credit or debit card shall be made in person to a regional office.
3. All payments for supervision and other fees shall be mailed, or delivered, to the Department's central administrative office only.
4. The Department shall establish procedures and internal controls for the collection of cash, timely deposits, and operation of various cash funds, bank accounts, and depositories. These procedures shall ensure that the collection, safeguarding and disbursement of funds complies with accounting practices established by State statutes and procedures established by the Department of Administrative and Financial Services.

**Procedure B: Requirements for Receipts and Deposits**

1. The Department's Service Center Director shall be responsible to seek State Controller and State Treasurer approval for all cash accounts, maintain the record of account authorizations, and establish bank accounts with banking institutions.
2. Funds shall be accumulated, disbursed and distributed to the appropriate Business Office, or designated area, in the normal operations of facilities, offices and business enterprises. These funds are accumulated through collection for meals, vending machines, sale of aluminum cans, sales of vocational educational services, sales of Correctional Industries products, restitution, etc.
3. All funds received in the form of cash, checks, or money orders shall be receipted by sequentially numbered receipts in triplicate.
  - a. All remittances made in person are to be receipted at the time of payment using pre-numbered receipts and the original receipt given to the payor. If the clerk/accounting technician uses a cash register that affords a tape and a summarization activity tape, the cash register receipt may be used as the remitter's receipt. If the clerk/accounting technician uses an

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automated credit or debit card receipt, that may be used as the remitter's receipt. Pre-numbered receipts must be used whenever a summary written receipt will not adequately provide complete accounting information.

- b. Checks or money orders not received in person, e.g., via mail, shall not be given directly to the clerk/accounting technician. A second employee not otherwise involved in these procedures shall log these checks and money orders prior to forwarding the checks or money orders to the clerk/accounting technician. The check and money order log shall contain a record of the date received, the remitter's name, the check or money order number, and the amount of the check or money order.
  - c. The clerk/accounting technician shall make a daily reconciliation of the day's cash, check, and money order receipts and the day's cash, check, and money order deposits. The daily reconciliation (daily deposit) sheet, a copy of the cash receipts or cash receipts record and a copy of the deposit slips shall be turned over to a second employee, who shall audit the reconciliation and input the individual receipts into either a hand entry worksheet or a computer data base file. The worksheet or data base file report shall be balanced to the cashier's reconciliation sheet, to ensure that all funds received were properly recorded and deposited.
  - d. Separate receipt records shall be maintained for client activities, Correctional Industries, and other depository account activities.
4. Funds shall be safeguarded when not in use by means of a locked container stored inside a locked safe. Keys to the container and safe shall be restricted to employees having a valid need.
  5. Cash receipts shall be deposited with the designated cashier on the day that they are received or the next business day following weekends and holidays.
  6. Currency and coins shall not be transmitted through the mail.
  7. All deposits shall made to an approved bank account in accordance with State audit guidelines.
  8. Insufficient fund checks shall be vigorously collected in the following manner:
    - a. Prisoners and residents:
      1. By freezing the individual's facility account until the debt and any associated fund fee is paid; and

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2. By sending a notification letter to the individual via the Business Office.

b. Community clients:

1. By notifying the regional restitution clerk who deposited the insufficient check. The regional clerk shall notify the client's Probation Officer/JCCO who shall contact the client for collection of the insufficient funds, in addition to any associated fee imposed by the bank or by the Treasury Department.

c. Checks from all others:

1. By notifying the individual through the appropriate Department employee and, if the item has not been cleared after three (3) business days, by assignment to the Central Collections Unit in the State Controller's Office; or
2. If notification is not possible, by assignment to the Central Collections Unit assigned to the State Controller's office.

**Procedure C: Requirements for Prisoner and Resident Accounts**

1. The Department has approved trust accounts for funds held in trust for prisoners and residents.
2. Disbursements and deposits to these accounts shall be made in accordance with Department Policy 2.12.

**Procedure D: Requirements for Change Funds**

1. Change Funds may be established based upon a written request from the Service Center Director and approval of the State Controller, or the Controller's designee.
2. Change Funds shall only be used for making change when cash receipts are accepted from the public.
3. No expenditures of any kind shall be authorized from a Change Fund.

**Procedure E: Requirements for Petty Cash Funds**

1. Petty Cash Funds may be established based upon a written request from the Service Center Director and approval of the State Controller, or the Controller's designee.

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2. Petty Cash Funds shall only be used for payment by Department employees of incidental expenses of a nominal amount that require cash payment, such as postage, parking, or expenses not otherwise appropriately billed by invoice and paid by voucher or warrant. Prior written approval and justification is required.
3. Petty Cash replenishment requests shall be filed with the Bureau of Accounts and Control Payable office.
4. Petty Cash Fund custodians are responsible for appropriate and timely replenishment of cash funds under their custody.

**VII. PROFESSIONAL STANDARDS**

**ACA:**

- ACI - 4-4027** Written policy, procedure, and practice cover at a minimum the following fiscal areas: internal controls, petty cash, bonding for all appropriate staff, signature control on checks, and the issuing or use of vouchers.
- ACI – 4-4031** Written policy, procedure, and practice demonstrate tha the procedures for the collecting, safeguarding, and disbursing of monies comply with the accounting procedures established by the governing jurisdiction.
- ACI - 4-4033** Written policy, procedure, and practice provide that all monies collected at the institution are placed in an officially designated and secure location daily.
- 4-ACRS-7D-17** The facility has written fiscal policies and procedures adopted by the governing authority, including, at a minimum, the following: internal controls, petty cash, bonding, signature control on checks, offender funds, and employee expense reimbursements.
- 4-ACRS-7D-21** All monies collected at the facility are placed daily in an officially designated, secure location.
- 4-ACRS-7D-22** The methods used for the receipt, safeguarding, disbursing, and recording of funds comply with the accepted accounting procedures.
- 4-JCF-6B-02** The facility has fiscal policies and procedures adopted by the governing authority including, at a minimum, the following:

1. Internal controls
2. Petty cash
3. Public employee blanket bonds
4. Worker’s compensation
5. Civil liability insurance for employees
6. Liability insurance for official and personal vehicles
7. Institutional insurance coverage
8. Signature control on checks
9. Juvenile funds
10. The issuing or use of vouchers

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**4-JCF-6B-05** The collection, safeguarding, and disbursement of monies comply with the accounting procedures established by the governing jurisdiction. All monies collected at the facility are placed in an officially designated and secure location daily. Reports of all monies collected and disbursed are regularly distributed to the parent agency and other designated authorities.

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