

State of Iowa Department of Corrections

Policy and Procedures

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Applicability: IDOC

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Chapter 9: IOWA PRISON INDUSTRIES

Sub Chapter: FISCAL MANAGEMENT

Related DOC Policies: N/A

Administrative Code Reference: N/A

Subject: FUND AND PAYROLL ACCOUNTING

PREA Standards: N/A

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Authority:

1. PURPOSE

To describe the procedures that will be used for the Division of Iowa Prison Industries (IPI) of the Iowa Department of Corrections (IDOC) to account for all personnel positions and expenditures of funds and other receipts.

2. POLICY

It is the policy of IPI to maintain complete control over all financial management aspects of IPI through the use of a cost accounting system that is uniformly employed, in accord with applicable state requirements.

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3. DEFINITIONS – As used in this document:

- A. Accounting Documents – Records kept for auditing purposes.
- B. Bonded - Dollar exchange for selected employees.
- C. Business Manager – Individual the Industry Director delegates to be responsible for the day-to-day financial management of the Industries programs.
- D. General Accounting Expenditure (GAX) – Document request for payments to be made.
- E. Imprest Fund – An account with a fixed balance that will periodically be reimbursed to keep the balance at an established level.
- F. See IDOC Policy **AD-GA-16** for additional Definitions.

4. PROCEDURES

The IPI financial management program shall include procedures for assuring:

- Internal controls are maintained,
- All cash monies are properly maintained and accounted for,
- Necessary signature control on checks.

The accounting system shall be structured to indicate the current status of incoming funds and expenditures.

A. Collection

1. Collection shall include strict procedures for recording and receipting all funds and their storage in a secure room, safe, or vault at all times.
2. Disbursements for acquired goods or services shall be made according to State of Iowa regulations.

3. IPI shall develop specific methods for collection, disbursement, and safeguarding of all financial records, which will be reviewed by the State Auditor on an annual basis.

B. Cash Funds

Cash funds shall be handled in accord with the following procedures:

1. IPI shall identify a Business Office employee(s) who will be responsible for the cash management program.
2. The Mailroom and Business Office are designated to receive cash receipts. These receipts shall be tabulated by the employee receiving the funds.
3. All collected funds and related transactions records shall be delivered to the designated employee daily.
4. The designated employee shall verify the accuracy of the records.
5. All cash receipts shall be deposited in a local bank at least weekly.
6. The Business Office shall be equipped with a secure vault or safe in which all funds will be placed. These depositories shall be locked at all times when not in use. The combination to the safe shall be available only to selected staff.

C. Cash Reporting

1. A cash receipts log shall be prepared by the Business Office and made available upon request to the plant managers, industry director, advisory board, members of the public, and IDOC Director.
2. The State Auditor will conduct a cash verification audit annually to verify cash on hand against current records.
3. Incarcerated individuals shall never be allowed to possess institutional funds or records of institutional funds.

D. Disbursements

Disbursements will be carried out in accordance with standardized practices established by the state and the following procedures:

1. Invoices and utility bills should be sent directly to the Business Office by the vendor.
2. The Business Office will prepare the necessary documents relating to the merchandise purchased or services received, including copies of the purchase authorization.
3. Completed purchase authorizations are input by IPI branches into the computer system as needed.
4. The purchase authorization should be assigned the appropriate general ledger account number for each purchase.
5. Checks, with their supporting documents, will be presented to the appropriate parties for signature. At the local level, operating account (accounts payable) checks require two signatures. The check payee may not sign the check. Before signing a check, staff should verify that the expenditure has a legitimate purpose, as evidenced by information in the supporting documents; the pricing and coding appear correctly; and the timing of the payment is appropriate.
6. Paid and cancelled invoices and documents will be maintained in the accounting section in accordance with records retention policies.

E. Imprest Funds

1. The Business Manager, with the approval of the Central Office Deputy Director of Administration, may maintain an imprest fund through a local bank account.
2. When the account needs to be replenished, a copy of the cash disbursements logbook or other accounting documents detailing the expenditures, accompanied by a purchase authorization that summarized the coding of the expenditures, should be forwarded to the Department of Administrative Services/General Services Enterprise (DAS/GSE) accounting department.

3. Upon receipt of the General Accounting Expenditure (GAX) copy, DAS/ GSE accounting staff will process a check for reimbursement that will be mailed or EFT deposit to the IPI Business Office.
4. Cash and check deposits may be made to the imprest fund.
5. As a general rule, vendor payments will be paid from the IPI operating account rather than the local checking account. However, time sensitive or local payments may be made from the local checking account.