

State of Iowa Department of Corrections

Policy and Procedures

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Applicability: Institutions, CBC, Central Office, IPI

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Chapter 1: Administration & Management

Sub Chapter: Fiscal Management

Related DOC Policies: NA

Administrative Code Reference: NA

Subject: Fund and Payroll Accounting

PREA Standards: NA

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Authority:

1. PURPOSE

To describe the procedures that shall be used in the Iowa Department of Corrections (IDOC) to account for all personnel positions and expenditures of appropriated funds and other receipts.

2. POLICY

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

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3. DEFINITIONS - As used in this document:

1. Accounting Documents – Records kept for auditing purposes.
2. Associate Warden/Administration – Individual the Warden delegates to be responsible for the day-to-day financial management of the institution. Iowa Prison Industries (IPI) Business Manager reports to Deputy Director for IPI.
3. Bonded - Dollar exchange for selected employees.
4. Contingent Fund – An account with a fixed balance that shall periodically be reimbursed to keep the balance at an established level.
5. Department of Administrative Services/State Accounting Enterprise (DAS/SAE) – State Agency responsible for paying all bills presented to the State of Iowa for payment.
6. Fiscal Officer - Individual the District Director delegates to be responsible for the day-to-day financial management of the district.
7. I-3 System – Integrated Information for Iowa is a computer system that covers accounting, budget, purchasing, and human resource functions.
8. See IDOC Policy **AD-GA-16** for additional Definitions.

4. PROCEDURES

A. Financial Management Program

1. The IDOC financial management program shall include procedures for assuring:
 - a. Internal controls are maintained and in accordance with Code of Iowa, State Auditor's Office, and GAAP;
 - b. All cash monies are properly maintained and accounted for;
 - c. Appropriate staff are bonded;
 - d. Necessary signature control on checks.
2. The accounting system shall be structured to indicate the current status of incoming funds and expenditures.

B. Collection

1. Collection shall include strict procedures for recording and receipting all funds and their storage in a secure room, secure cabinet, safe, or vault at all times.
2. Disbursements for acquired goods or services shall be made according to State of Iowa regulations.
3. Each IDOC location shall develop specific methods for collection, disbursement, and safeguarding of all financial records, which may be reviewed by the State Auditor on an annual basis.

C. Cash Funds

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

1. Each IDOC location shall identify a Business Office/Administration employee(s) who shall be responsible for the cash management program.
2. The Business Office/Administration or employees as authorized to receive cash receipts. These receipts shall be entered by the employee receiving the funds according to each location's specific methods for collection, disbursement and safeguarding of all financial records.

3. All collected funds and related transactions records shall be delivered to the designated employee according to local procedure.
4. The designated employee shall verify the accuracy of the records.
5. All cash receipts shall be deposited in a local bank at least once a week.
6. The Business Office/Administration shall be equipped with a secure vault, cabinet or safe in which all funds shall be placed. These depositories shall be locked at all times when not in use. The combination or key to the secure vault, cabinet or safe shall be available only to selected staff.

D. Cash Reporting

1. Monthly reports of all monies collected shall be prepared by the Associate Warden/Administration or District Fiscal Officer and made available to the Warden/District Director and others as necessary.
2. These reports, along with any narratives, shall be available to Central Office.
3. The State Auditor may conduct a cash verification audit annually to verify cash on hand against current records.
4. Clients/incarcerated individuals shall never be allowed to possess institutional/CBC funds or records of such funds other than those held in fiduciary accounts.

E. Disbursements – General Fund and Grants Only

Disbursements will be carried out in accord with standardized practices established by the state budget office and the locally established procedures:

1. No purchases shall be made without prior authorization from the Business Office.
2. Invoices and utility bills shall be sent to the Business Office by the vendor.
3. The Business Office shall prepare the necessary documents relating to the merchandise purchased or services received, including copies of the purchase authorization.
4. Completed purchase authorizations shall be forwarded to the accounting specialist not less than once per week.

5. The purchase authorization should be assigned the appropriate general ledger account number for each purchase.
6. Check Authorization
 - a. To insure accounting checks and balances are in place the creator of a check cannot also be a signer of the check.
 - b. Authorized individuals to sign checks include the Warden, Associate Warden/Administration, Assistant Business Manager, Deputy Warden in institutions and the District Director, Assistant District Director/Designated Administration or Fiscal Officer in district or an individual who is familiar with accounting procedures and authorized by the Warden/Associate Warden/Administration or the District Director.
 - c. Two signatures are required for checks written for \$5,000.00 or above.
7. Paid and cancelled paper/electronic invoices and documents will be maintained in the accounting department.

F. Contingent Funds

1. The Associate Warden/Administration, with the approval of the Fiscal Manager, may maintain an imprest fund through a local bank account.
2. When the account needs to be replenished, a copy of the cash disbursements records 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/State Accounting Enterprise (DAS/SAE).
3. Upon receipt of the General Accounting Expenditure (GAX) copy, DAS/ SAE staff shall process a warrant for reimbursement that will be mailed or EFT deposited to the institution/district.
4. Regardless of the account balance, reimbursement should be made a minimum of once each month.
5. The fixed imprest balance can be changed with prior approval from the Financial Management Administrator and (DAS/SAE).

6. Cash and check deposits may be made to the contingent fund.
7. As a general rule, utility bills and lease payments shall be paid from the IDOC operating account rather than the local checking account.

G. Petty Cash

1. A petty cash fund shall be established in the authorized amount of not more than \$1000.00.
2. The following steps shall be taken to obtain petty cash funds:
 - a. Petty cash vouchers shall be submitted to the Business Office with a written request for funds.
 - b. Petty cash disbursements shall be for up to \$25.00 unless otherwise authorized by the Associate Warden/Administration or Assistant Director/Designated Administration. In no event, shall any petty cash purchase exceed \$100.00.
 - c. Disbursements for all items purchased must be supported by a register receipt or its equivalent. The staff member who completed the transaction shall check the register receipt for accuracy and attach it to the petty cash voucher.
 - d. The accounting specialist shall mark all petty cash vouchers with a unique number and record them in the cash disbursements register.
 - e. Petty cash funds shall be locked at all times in a secure area accessible only to selected staff.

H. Payroll Disbursements

Employee payroll procedures shall be carried out in the following manner:

1. Each supervisor or designated employee shall prepare or have prepared, paper or electronic documents showing dates and total hours worked and where applicable, time in and time out.
2. After review and aggregation by the Human Resource staff, time sheet information shall be transmitted to the DAS/SAE payroll department by 3 p.m. the Tuesday following the end of the pay period.

3. By Friday morning of the pay week, individually printed warrants for state employees who still receive paper warrants shall be delivered to the designated location.