

PS 2310.03 APPROPRIATIONS, USE OF



Program Statement

OPI: ADM
NUMBER: 2310.03
DATE: 7/13/2000
SUBJECT: Appropriations, Use of

1. **PURPOSE AND SCOPE.** This Program Statement describes the basic tenets of Bureau appropriation principles governing the use of funds.

2. **SUMMARY OF CHANGES.** This revision clarifies appropriation principles governing the use of Salaries and Expenses activation appropriation funds available for renovations.

3. **PROGRAM OBJECTIVE.** The expected result of this program is:

Federal funds will be spent legally (31 U.S.C. § 1301(a) and 31 U.S.C. § 1502(a)), properly, and in a manner consistent with the purposes of each Bureau appropriation.

4. **DIRECTIVES AFFECTED**

a. **Directive Rescinded**

PS 2310.02 Appropriations, Use of (11/24/99)

b. **Directives Referenced**

PS 2350.01 Accounting for Real Property and Depreciation
(12/31/97)

PS 4200.09 Facilities Operations Manual (4/3/96)

PS 4500.04 Trust Fund/Warehouse/Laundry Management
Manual (12/15/95)

5. **STANDARDS REFERENCED**

a. American Correctional Association 3rd Edition Standards
for Adult Correctional Institutions: 3-4037

- b. American Correctional Association 3rd Edition Standards for Adult Local Detention Facilities: 3-ALDF-1B-10
- c. American Correctional Association 2nd Edition Standards for Administration of Correctional Agencies: 2-CO-1B-08

6. **SALARIES AND EXPENSES (S&E) ANNUAL APPROPRIATION.** The basic S&E Appropriation is a one-year appropriation providing funds for salaries and operating expenses.

Funds are available for one year only, and may not be used beyond the end of the fiscal year except for bona fide obligations unrecorded at year-end or obligations appearing after the close of a fiscal year (e.g. back pay awards).

- The S&E appropriation is a general appropriation, **☹** meaning that it normally funds all proper and necessary Bureau expenses that are not specifically provided for in other appropriations.
- The S&E funds **may not** be used for construction of new facilities or new construction of any value or for remodeling or renovations that **exceed \$10,000** at existing facilities.

Normally, the S&E appropriation funds the following:

- training, supplies, and travel,
- purchase of office furniture and furnishings (including carpet),
- maintenance and repairs of existing facilities including, alterations, remodeling, and equipping (structurally installed equipment) of existing facilities when the cost is **\$10,000 or less**,
- minor improvements for which property records are not required and are **\$10,000 or less**,
- purchase of all vehicles, in compliance with the Facilities Operations Manual,
- re-surfacing an existing road that costs **\$10,000 or less**, and
- boiler and generator repair that costs **\$10,000 or less**.

In limited instances, with specific approval, maintenance and

repairs which **exceed \$10,000** may be funded from the S&E appropriation when emergency circumstances necessitate such expenditures in order to address **immediate** threats to institution security and/or safety.

- The Regional Director must approve or deny use of S&E funds for maintenance and/or repairs for above items costing **between \$10,001 and \$50,000**.
- The Assistant Director for Administration at the Central Office must approve or deny requests to use S&E funds for such items that **exceed \$50,000**. Projects and costs must be considered **in their entirety** when determining the appropriate approval level.

Approval documentation must be retained at the requesting site.

Capitalization Criteria. It is the responsibility of Bureau sites to ensure items are properly capitalized as personal or real property. Major Work Orders funded by S&E must be monitored carefully to ensure items are capitalized promptly and as required by the Program Statement on Accounting for Real Property and Depreciation.

7. **SALARIES & EXPENSES (S&E) CARRYOVER APPROPRIATIONS.**

Activating institutions are generally funded from S&E appropriations that were initially allocated in the previous year but are made available for an additional year by Public Law. The funding is transferred from the prior fiscal year S&E appropriation and placed in a newly established S&E carryover appropriation for one additional year.

- The Budget Execution Branch determines, during the third quarter of each fiscal year (FY), which institutions will be considered in activation status for the upcoming FY.

The S&E carryover funding is used in the same manner as the S&E Annual Appropriations, described in Section 6, except that renovations, during activation, that cost **\$50,000 or less** are normally funded with an S&E carryover appropriation.

Using the carryover funds for renovations when the cost is **\$50,000 or less** requires advance approval by the Chief, Budget Execution Branch. The Budget Execution Branch will establish an

S&E project to capture these costs which must be added to the Buildings and Facilities activation project ("Z" project) costs to determine the activation's total cost.

8. **BUILDINGS AND FACILITIES (B&F) NO-YEAR APPROPRIATION.** B&F funds are no-year funds, meaning the funds are available until expended and do not lapse at the end of a fiscal year.

- The B&F appropriation is provided for the purchase and acquisition of facilities, new construction at new and existing facilities, renovations, major repairs, and equipping such facilities for penal and correctional use, and related necessary expenses.
- The B&F funds are also provided for construction, remodeling, and equipping necessary buildings and facilities at existing penal and correctional facilities, including all necessary related expenses.
- Importantly, while the funds do not have time limitations, **their use is confined to the basic B&F purposes** outlined in the appropriation's language as described above.

Normally, the B&F appropriation funds the following:

- construction of new facilities and new construction at existing facilities,
- renovations at existing facilities that **exceed \$10,000,**
- renovations at activating facilities that **exceed \$50,000,**
- major repairs that **exceed \$10,000,**
- equipping the facilities with items that are considered part of the physical plant necessary to equip a facility,
- construction of a new building,
- repairs to boilers and generators if the cost **exceeds \$10,000,** and

- bake ovens, boilers, deep well pumps, HVAC systems, telephone systems, elevators, and other items that are considered part of the physical plant after installation.

Projects and projects' costs must be considered in their entirety.

Capitalization Criteria. It is the responsibility of Bureau sites to ensure items are properly capitalized as personal or real property. Projects must be monitored carefully to ensure items are capitalized promptly and as required by the Program Statement on Accounting for Real Property and Depreciation.

9. **COMMISSARY TRUST FUND.** The Commissary Trust Fund was created in the early 1930s to provide inmates with an opportunity to purchase articles or services not issued or delivered as basic care by the institution, or of different quality than that provided as basic care.

- The Trust Fund is a self-sustaining revolving account which is funded through the sale of goods and services to inmates.
- Commissary funds are to be used for the inmates' general benefit and welfare and may not be used to supplement S&E or other appropriations.

Specific guidance on use of Commissary funds is provided in the Trust Fund/Warehouse/Laundry Management Manual.

10. **SPECIAL PURPOSE APPROPRIATIONS.** The Bureau also has special purpose appropriations, the purposes of which are specified in each appropriation's authorizing language. For example, the Bureau has a special budget for Violent Crime Reduction Programs (VCRP).

In the case of the VCRP appropriation, the use of the funds was specifically provided for funding drug abuse treatment programs, and any use of VCRP funds unrelated to that purpose is improper.

- Special purpose appropriations can be single year, multi-year, or no-year appropriations. When special purpose appropriations are made available, specific allotments and guidance on the use of the funds is provided by the Budget Execution Branch.

11. **ADDITIONAL GUIDANCE.** This Program Statement does not cover all possible uses and limitations of each appropriation; instead, it provides the basic uses and limitations of each. Comptrollers and Controllers are to ensure obligations are recorded properly and in accordance with each appropriation's purpose.

When a proper funding citation for an obligation is not apparent, or for specific questions on the use of each appropriation, the Finance Branch or Budget Execution Branch is to be contacted for guidance.

The Trust Fund Branch is to be contacted for Commissary funding issues, and the Budget Execution Branch is to be contacted for questions pertaining to the use of funds within specific program areas or pertaining to reprogramming requests.

/s/

Kathleen Hawk Sawyer
Director