



Change Notice

DIRECTIVE BEING CHANGED: 2000.02

CHANGE NOTICE NUMBER: CN-02

DATE: May 22, 1987

1. Purpose: To revise the Accounting Management Manual, P.S. 2000.02, to reflect the difference in the way that Treasury disburses monies to agencies for imprest funds, and to correct errors that occurred when the Accounting Management Manual was reprinted.

2. Summary of Changes: Treasury does not disburse monies directly to the Bureau of Prisons for imprest funds. Instead, the advances to cashiers are made through the appropriate process. Therefore, Treasury no longer accepts reporting of advances to cashiers as an item classified and reported on Treasury Designated Officer's Statements of Accountability. P.S. 2000.02, Chapter 10518 and 10520, have been revised to reflect this change.

P.S. 2000.02, Chapter 10810, Exhibit C, has been changed to correct line number reference in item numbers 18 through 22.

P.S. 2000.02, Chapter 10975, Page 1, has been changed to correct the amount of funds each approving official is permitted to approve on Requests for Withdrawal of Inmate's Personal Funds forms.

3. Table of Changes:

Remove	Insert
Chapter 10518, Pages Pages 21 and 22, dated October 15, 1986	Chapter 10518, 21 and 22
Chapter 10520, Pages 10 and 11, dated October 15, 1986	Chap 10520, Pages 10 and 11
Chap 10810, Exhibit C, dated October 15, 1986	Chap 10810, Exhibit C
Chapter 10975, Pages 1,2,3 & 4 dated October 15, 1986	Chap 10975, Pages 1 and 2 3 and 4

4. Action: This change notice is to be filed in front of the Accounting Management Manual, P.S. 2000.02.

NORMAN A. CARLSON
Director



Change Notice

DIRECTIVE BEING CHANGED: 2000.02

CHANGE NOTICE NUMBER: CN-01

DATE: March 17, 1987

1. **Purpose:** To revise the monthly proof-check to include Net Disbursements - Draft Payments (110.9 Account) for the prior year.

2. **Summary:** P.S. 2000.02, Chapter 10548, Appendix 5, Page 1, has been changed to include Net Disbursements - Draft Payments (110.9 Account) for the prior year.

3. **Table of Changes:**

Remove	Insert
P.S. 2000.02, Chapter 10548, Appendix 5, Page 1 and 2, Dated October 15, 1986	P.S. 2000.02, Chapter 10548, Appendix 5, Page 1 and 2

4. **Action:** This change notice is to be filed in front of the Accounting Management Manual, P.S. 2000.02.

NORMAN A. CARLSON
Director



Program Statement

OPI: ADM-Financial Management
NUMBER: 2000.02
DATE: October 15, 1986
SUBJECT: Accounting Management Manual

1. Purpose: To reissue the Accounting Management Manual.
2. Summary of Changes: Program Statement 2000.02 is a reissuance of Program Statement 2000.1 and contains no substantive changes.
3. Table of Changes:

	Remove	Insert
P.S. 2000.1 in its entirety		P.S. 2000.02 in its entirety

NORMAN A. CARLSON
Director

BUREAU OF PRISONS

WASHINGTON, D.C.

PROGRAM STATEMENT 2000.02 - ACCOUNTING MANAGEMENT MANUAL

CHAPTER 10300 - FUND ACCOUNTING

CHAPTER	TITLE
10310	Accounting for Funds at the Bureau
10315	Accounting for Allotments, Operating Plans, and Financial Plans

PROGRAM STATEMENT 2000.02 - ACCOUNTING MANAGEMENT MANUAL
CHAPTER 10300 - FUND ACCOUNTING
CHAPTER 10310 - ACCOUNTING FOR FUNDS AT THE BUREAU

a. Accounting for the Allotment Advice - The Department of Justice provides the Bureau of Prisons with Allotment Advice and a copy of the Treasury Warrant. Upon receipt of this advice, the Accounting Operations Section, Central Office enters an 04 general ledger transaction under allotment code 000 (Bureau) into the computerized Financial Management System (FMS) to establish unapportioned appropriations, by appropriation symbol, or accounting entity.

b. Apportionment - After receipt of the Allotment Advice, the Director of the Bureau of Prisons (in accordance with OMB Circular A-34) submits to the Office of Management and Budget, through the Department of Justice, an Apportionment and Reapportionment Schedule, SF-132 (including Estimated Appropriation Reimbursements). This requests apportionments for the Salaries and Expenses Appropriation, the National Institute of Corrections Appropriation, and the Buildings and Facilities Appropriation (no-year).

1. Controls - The Budgetary Series of Accounts is used to control and account for the appropriation, apportionment, and allotment of obligational authority. Specific accounts have been established to show the amount of funds appropriated, apportioned, or reserved, and the amount of allotted funds that have been obligated and disbursed.

2. Accounting - The Accounting Operations Section, Central Office enters into FMS, as appropriate, the following 04 general ledger transactions under allotment code 000 (Bureau):

(1) To account for the appropriation warrants and Allotment Advice:

110.1 - Appropriation Warrants	Dr.
635.1 - Unapportioned Appropriation	Cr.

(2) To account for approved estimated appropriation reimbursements:

631.0 - Estimated Appropriation Reimbursements	Dr.
635.1 - Unapportioned Appropriation	Cr.

(3) To account for apportionments approved by the Office of Management and Budget:

635.1 - Unapportioned Appropriation	Dr.
650.0 - Bureau - Unallotted Available Funds	Cr.

(4) To account for funds reserved by the Office of
Management and Budget:

635.1 - Unapportioned Appropriation	Dr.
640.0 - Reserved Office of Management and Budget	Cr.

(5) To account for funds reserved by the Department of
Justice or the Director of the Bureau of Prisons:

650.0 - Bureau - Unallotted Available Funds	Dr.
645.0 - Administrative Reserve	Cr.

PROGRAM STATEMENT 2000.02 - ACCOUNTING MANAGEMENT MANUAL

CHAPTER 10300 - FUND ACCOUNTING

CHAPTER 10315 - ACCOUNTING FOR ALLOTMENTS, OPERATING PLANS,
AND FINANCIAL PLANS

a. Allotment and Operating Plans

Funds allotted to the Bureau by the Department of Justice (DOJ) are subsequently issued by Operating Plans (via FMIS) to regional offices, which, in turn, are reissued to each institution. Operating Plans are controlled and accounted for at the Central Office, regional office, and institution levels.

1. Bureau - After receiving the apportionment, the Director, Bureau of Prisons, through the Chief, Office of Financial Management, provides obligational authority to the director of each regional office by an Operating Plan (for the Salaries and Expenses Appropriation, the Buildings and Facilities Appropriation, and the National Institute of Corrections Appropriation).

Upon receiving an approved Apportionment and Reapportionment Schedule (SF-132), the Budget Execution staff establishes fund availability for the Central Office and regional officers by entering a 10 transaction into FMS.

The following general ledger entries are generated from the 10 transaction:

656.0	-	Institution and Regional Office Control Allotment From Bureau - Contra	Dr.
655.0	-	Allotment Net	Cr.

This entry must be supported by a Financial Management Information System (FMIS) Operating Plan

The above accountability will provide the capability to produce fund control and monitoring reports with visibility at the general ledger level.

2. Central Office and Regional Offices

The director of each regional office is responsible for controlling obligational authority received from the Central Office and for reissuing such authority to the regional office and to each institution within his jurisdiction for its operations.

In order to maintain the required balance among control accounts

and to have uniformity in the system, the Central Office must make the same entries into the system as the regional office.

PS 2000.02
CN 68, 12/31/98
Chapters 10330 & 10335

Chapters 10330 and 10335 rescinded 12/31/98 by Change Notice 68 to this program statement. These chapters were replaced by PS 2250.01, Recording Obligations.

Upon receipt of an Operating Plan, the Central Office's Budget Execution staff or the regional comptroller is responsible for ensuring that a Financial Plan Transaction (BP-AF-123) is prepared for the current quarter cumulative amount of the Operating Plan and for entering into FMS a 10 transaction code to affect accounts as follows:

656.0 - Institution & Regional Office Control Allotment	
From the Bureau - Contra	Dr.
655.0 - Allotment Net	Cr.
956.0 - Operating Plan - Contra	Dr.
955.0 - Operating Plan	Cr.

When the director of the regional office reissues obligational authority to an institution, the regional comptroller is responsible for ensuring the entry of a negative 10 transaction code into FMS, thus reversing amounts that are issued to the institutions.

b. Authority to Obligate at Institutions

The Operating Plan received by the field installation provides authority to incur obligations.

Recording Operating Plans - Upon receipt of an Operating Plan at the field or other operating installations (i.e. regional office for its own operation or the Central Office), the controller is responsible for entering a 10 transaction code on a Financial Transaction form (BP-AF-123) under the institution allotment code. The accounts affected by the 10 transaction code are the same as shown in a. above.

c. Withdrawal by the Bureau of Unobligated Balances of Operating Plan - Before September 30 of each fiscal year, the controller is responsible for reviewing and adjusting, if necessary, all obligations incurred in the prior and current fiscal year appropriations. This is to determine that the amounts of the obligations recorded are current, valid, and accurate, and that the amounts obligated are sufficient to cover impending liquidations or disbursements.

Following September 30th of each fiscal year, the Operating Plan Holders (OPHs) unobligated balances (total Operating Plan less total obligations), if any, for all appropriations (prior year S&E, B&F and NIC) will be automatically withdrawn by the Bureau. The Buildings and Facilities and National Institute or Corrections Appropriations with unobligated balances will be automatically reestablished at the beginning of the new fiscal year by Accounting Operations.

Upon receipt of an Operating Plan decrease from the budget execution officer, the regional comptroller or Central Office staff must enter into FMS a negative 10 transaction code (BP-Acctg-123) for the full amount of the unobligated balance. The withdrawals (negative 10 transaction code) will affect the following General Ledger Accounts:

655.0 - Allotment Net	Dr.
656.0 - Institution & Regional Office Control Allotment from the Bureau	Cr.
955.0 - Operating Plan	Dr.
955.0 - Operating Plan - Contra	Cr.

Upon receipt of an Operating Plan decrease from the regional comptroller, each accounting supervisor must ensure that a negative 10 transaction code (BP-Acctg-123) for the full amount of unobligated balance is entered into FMS. The withdrawals (10 transaction code) will affect the following General Ledger Accounts:

655.0 - Allotment Net	Dr.
656.0 - Institution & Regional Office Control Allotment from the Bureau	Cr.
955.0 - Operating Plan	Dr.
956.0 - Operating Plan - Contra	Cr.

BUREAU OF PRISONS
WASHINGTON, D.C.

PROGRAM STATEMENT 2000.02 - ACCOUNTING MANAGEMENT MANUAL

CHAPTER 10400 - COST ACCOUNTING

CHAPTER	TITLE
10405	Scope
10410	Appropriation and Fund Codes
10430	Project Codes
10440	Transfer of Cost
10441	Standard Level User Charges (SLUC)
10446	Donated Food Items (CCC)
10450	Accrued Cost
10455	Evaluation - Farm Produced Products

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PROGRAM STATEMENT 2000.02 - ACCOUNTING MANAGEMENT MANUAL
CHAPTER 10400 - COST ACCOUNTING

CHAPTER 10405 - SCOPE

a. Purpose. This chapter sets forth the cost accounting principles and procedures used to classify all elements of cost. Through these classification procedures, the cost of conduction selected activities and operations of the Bureau can be identified.

Under the cost accounting system, a cost is incurred when a resource is consumed or used in carrying out a particular activity or task. All costs, both funded and unfunded, are recorded and reported in the cost accounting system for the period in which used. Funded costs consists of those paid from monies appropriated by Congress. Unfunded costs consist of donations, depreciation, and accrued leave.

Cost are developed not only from the accrued expenditures of the current year appropriation (S&E), but also prior year appropriations. Costs are also recorded for no-year appropriations (B&F) which are utilized exclusively for new buildings and facilities as well as major repairs and improvements to existing buildings and facilities. In the accounting system, costs under the Salaries and Expenses appropriation and the Buildings and Facilities appropriation are segregated.

The accumulation and presentation of reliable data is a distinct contribution to better management because it provides: (1) comparative performance standards; (2) information relative to per capita costs which guide current and future operational policy and; (3) measures the degree of success of individual programs.

b. Policy. All items of costs related to one-year appropriations are coded to identify definite elements such as subsistence, issue clothing, discharge expense, medical attention, maintenance of buildings and grounds, etc. On the other hand, costs related to no-year appropriations are accumulated in a single construction work in progress account, maintained as a running expense account through the life of the project. As an individual project is closed, the total costs are analyzed and then either capitalized by setting up in a real property account, equipment account or expended, all depending upon the nature of the project. Buildings, substantial additions and improvements, and new or replacement facilities, regardless of dollar value, are considered fixed property for purposes of capitalization.

All items of equipment (personal property) purchased under the Buildings and Facilities appropriation shall be, upon receipt, recorded, controlled and depreciated (if capitalized equipment) under the Salaries and Expenses appropriation.

c. Definitions

1. Cost are the value of resources consumed in carrying out a specific activity or function.

2. Cost Accounting. A method of accounting which brings together all appropriate elements of cost incurred to accomplish a purpose, carry on an activity, or complete a specific job. Under the computerized accounting system, the cost accounting is accomplished with the use of a 19-digit code. These digits are broken down to indicate specific bits of information which in total furnish a complete history of each transaction. The digits indicate the following:

(a) Appropriation - Two digits indicating the funds appropriated by Congress which are used to finance each transaction.

(b) Allotment - Three digits indicating the institution or allottee that is incurring an expense.

(c) Budget Activity/Decision Unit - One digit indicating the type of appropriated funds being used to finance each transaction. i.e., Care, M&O, Education, Medical, etc.

(d) Cost Center - Three digits indicating the person or group with the budgetary responsibility for the transactions being financed and costed.

(e) Performance Measurement System (P.M.S.) - Three digits indicating what function is incurring an expense within a cost center.

(f) Project - Three digits indicating the following: Under B&F it will indicate the specific project such as R&I or line item incurring the expense. Under S&E the project number will serve various purpose. It will normally identify the community programs officer responsible for community service contract. It will also be use to capture cost of special occurrences such as disturbances, strikes riots, etc. All project numbers for special occurrences are assigned by the Central Office.

(g) Sub-Object - Four digits indicating the kind or type of transaction such as salaries, travel, transportation, rents, services, supplies, subsistence, etc.

PROGRAM STATEMENT 2000.02 - ACCOUNTING MANAGEMENT MANUAL
CHAPTER 10400 - COST ACCOUNTING

CHAPTER 10410 - APPROPRIATIONS

a. Buildings and Facilities (B&F). This is a no-year appropriation (15X1003) authorized by Congress for the rehabilitation of utilities, renovation of existing structures, repairs and improvements, etc. This appropriation shall be indicated by the accounting code X3 in the appropriate fields.

b. Salaries and Expenses (S&E). This is a one-year appropriation authorized by Congress to cover salaries and expenses for a specified fiscal year.

* Examples are:

Fiscal Year 1992	=	1521060
Fiscal Year 1991	=	1511060
Fiscal Year 1990	=	1501060

Separately identified appropriations will be maintained for six years for obligation adjustments and disbursements. There will be one current year and five expired appropriations (an appropriation whose availability to incur new obligations has expired). At the end of the six-year availability period, the appropriation shall be closed and any remaining balance (whether obligated or unobligated) shall be canceled. *

For coding purposes, the appropriation symbols are reduced to two digits. The first digit signifies the fiscal year. The second digit will always be the numeral two. The following are examples:

	1521060	=	22
	1511060	=	12
	1501060	=	02
*	1591060	=	92
	1581060	=	82
	1571060	=	72
	15M1060	=	M2 (will not be used after 9/30/93)

c. Trust Fund (Commissary). This is a no-year Trust Fund appropriation (15X8408) to benefit inmates by making the Federal Prison Trust Fund (Commissary) self-sustaining through the use of profits from Trust Fund sales to pay operating expenses. This fund shall be indicated by the accounting code X4 in the appropriate fields.

d. National Institute of Corrections (NIC). This is a no-year appropriation (15X1004) authorized by Congress to provide funds to grantees to aid in the development of a more effective, humane, safe and just correctional system. This appropriation shall be indicated by the accounting code X6 in the appropriate fields.

PROGRAM STATEMENT 2000.02 - ACCOUNTING MANAGEMENT MANUAL

CHAPTER 10400 - COST ACCOUNTING

CHAPTER 10430 - PROJECT CODES

a. Purpose. The purpose of this chapter is to set forth project codes. A project code consists of three characters--either alpha or numerical - - and is used to identify a specific task, event or project.

b. Project Codes Under the Salaries and Expenses (S&E) Appropriation. S&E project codes are used to identify various events or special efforts, such as community programs offices, functional units, detention centers, escapes, or disturbances.

When a disturbance or escape occurs and it is estimated that the costs will amount to \$5,000 or more, the Chief, Budget Execution at the Central Office must be contacted immediately for a project number.

c. Project Codes Under the Trust Fund (Commissary). The project code for the Trust Fund (Commissary) must be C M S.

d. Project Codes Under the Buildings and Facilities (B&F) Appropriation. Each separate task or effort funded under the B&F appropriation is assigned a specific B&F project code which remains in effect until the particular project is completed and closed.

The following are types of projects for which codes are issued.

1. Construction of New Institutions

New construction projects are tasks which result in the construction of Bureau of Prisons facilities.
Coded: Z

2. Repairs and Improvements (R&I)

Repairs and improvements projects are specific tasks which result in repairs, improvements, alterations or expansion of an existing facility, construction of a new building within a facility or installation of fixed capital equipment. Repair and improvement projects cost a minimum of \$4,000 but less than \$100,000.

Coded: A-P, S-T and W-Y

3. Line Item Projects Line item projects are tasks which result in new construction, repairs, improvements or alterations costing \$100,000 or more. Line items are included in the annual budget language as specific projects.

e. Project Codes Under the National Institute of Corrections (Nic) Appropriation. Each grantee funded under the NIC

appropriation is assigned a specific project code which remains in effect until the particular project is completed and closed.

f. Determining Appropriate Object for Project Codes.

1. Construction and line item projects accomplished by GSA always be coded to object class 3200.

2. Construction and line item projects awarded to a single contractor for specific tasks which upon completion will result in capitalization of other structures, buildings, improvement of land or entire system replacement (such as heating, plumbing, etc.) will be coded to object class 3200.

3. Construction and line item projects awarded to more than one contractor for specific tasks which upon project completion will result in the capitalization of other structures, buildings or entire system replacement will be coded to the object class that most accurately identifies the nature or articles for which the contract was intended. (e.g. 1100 Salaries, 2500 Services, 2600 Supplies.)

4. Repairs and improvements and line item projects issued to a single contractor or for development or replacement of an entire system or that meet the requirements of (2) above shall also be coded to object class 2500.

5. Repairs and improvements and line item projects that do not meet the above construction projects' criteria when completed shall be coded to the object class that is related to the purpose or result of the project. (ex: A contract to repair existing systems such as elevators would be coded to object class 2500. A contract or purchase order for commodities that are used to form a minor part of fixed property would be coded to object class 2600).

6. Projects accomplished in house shall be coded to the object class that most accurately identifies the nature of each financial transaction. (e.g. 1100 Salaries, 2500 Services, 2600 Supplies, 3100 Equipment, etc.).

Refer to OMB Circular No. A-12 Revised for additional detailed explanation.

Most Commonly Used Project Numbers

Project Number and Title:

000	No Project
01B	General Purpose Unit #1
01D	Otisville Housing #1
010	CPO Seattle #1
011	CPO Seattle #2
02B	General Purpose Unit #2
03B	General Purpose Unit #3
04A	Staff Housing Units
04B	General Purpose Unit #4
05A	Food Service Training Center
05B	General Purpose Unit #5
06B	General Purpose Unit #6
07A	Intro to Correctional Techniques
07B	General Purpose Unit #7
08A	Advanced Correctional Techniques
08B	General Purpose Unit #8
09A	Food Service Skills Program
09B	General Purpose Unit #9
10A	Food Service Administration
10B	General Purpose Unit #10
11A	PA's Training Program
11B	General Purpose Unit #11
110	CPO Boston
111	CPO Hartford
12A	DAP D Unit Lompoc

Project Number and Title:

12C	Canadian American Prisoner Exchange
13A	Lompoc DAOP Unit
13B	General Purpose Unit #13
14B	General Purpose Unit #14
15B	General Purpose Unit #15
16B	General Purpose Unit #16
17B	General Purpose Unit #17
18B	General Purpose Unit #18
19B	General Purpose Unit #19
20B	General Purpose Unit #20
21B	Drug Abuse Unit #2
210	CPO Brooklyn
213	CPO Philadelphia/Baltimore
215	CPO New York City
22B	Narcotic Addiction Unit #1
23B	Alcoholic Treatment Unit
24B	Woman's Unit #1
25B	Comprehensive Health Unit
26B	Therapeutic Communities Unit
27B	Co-Educational Unit
28B	Camp Unit #1
29B	Family Counselling Unit (Married Men)
30B	Community Programs Unit (Work/Study Release)
31B	Forensic Psychiatric Unit
310	CPO Baltimore #1

Project Number and Title

311	CPO Baltimore #2
312	CPO Pittsburgh
313	CPO Richmond
32B	Sentenced Psychiatric Unit
33B	Maximum Security/Control
34B	Receiving/Organization Unit
35B	Pre-Release Unit
35C	Bureau Bus Operation
36B	Narcotic Addiction Unit #2
37B	Narcotic Addition Unit #3
38B	Narcotic Addiction Unit #4
39A	Computer Booking System
39B	Narcotic Addiction Unit #5
40A	Project One Million Education
40B	Narcotic Addiction Unit #6
400	Regional Director Atlanta
41A	Catholic Religious Act
41B	Camp Unit #2
41C	Vocational Food Service Training Oxford
410	CPO Atlanta
411	CPO Orlando #1
412	CPO Louisville
413	CPO Orlando #2
414	CPO Montgomery
415	CPO Raleigh

Project Number and Title:

416 CPO Orlando #3
417 CPO Columbia
419 CPO Nashville
42A Protestant Religious Activity
42B Camp Unit #3
43A Inmate Bus Transfers
43B Camp Unit #4
43C Bureau Land Mgmt Airlift Pris
44B Camp Unit #5
45B Camp Unit #6
46B Women's Unit #2
46C Bureau Airlift Operations
47B Drug Abuse Unit #2
48B Hospital Unit
500 Reg Adm CP Kansas City
510 CPO Minneapolis
511 CPO Chicago MCC
512 CPO Cincinnati
513 CPO Cleveland
514 CPO Detroit
515 CPO Indianapolis
516 CPO Madison
517 CPO St. Louis
518 CPO Chicago

Project Number and Title

56A	Menninger Contract Springfield
57C	Panama Prisoner Exchange
600	Regional Director Dallas
61F	Medical/Surgical Springfield
610	CPO Dallas, Texas
611	CPO Dallas
612	CPO El Paso
613	CPO Houston, Texas
614	CPO New Orleans
616	CPO San Antonio
62F	Psychiatric Springfield
63F	General Population Springfield
7AW	Dismas St Louis Mo
710	CPO Omaha
711	CPO Kansas City
73C	Haitian Alien
750	CTC Kansas City
76C	Close USP Atlanta
80C	Cuban Aliens
81A	Mexican-American Prisoner Exchange
810	CPO Bismarck
811	CPO Denver
812	CPO Salt Lake City
813	CPO Billings, Montana

Project Number and Title

814	Special Project Officer
84A	SCRO Milk Transfer
85C	Idaho State Prisoners
86C	Iranian Students
89C	Ft Chaffee Ark Cubans
90A	Air Charter Transfers WRO
900	Regional Director San Francisco
910	CPO Phoenix
911	CPO Los Angeles #1
912	CPO Los Angeles #2
913	CPO Santa Barbara
914	CPO Sacramento #1
915	CPO Sacramento #2
916	CPO Denver
917	CPO San Francisco
918	CPO Los Angeles #3
920	CPM Los Angeles, California
99C	Central Office and Regional Office Reserve Obligations

43 -Interest and Dividends - Comprises the amount of interest owed or dividend declared by agencies.

4301 - Interest Charges. Amounts paid for interest penalties resulting from late payments to vendors.

4302 - Float Charge. Amounts paid to Draft Payment System Contractors for interest.

PROGRAM STATEMENT 2000.02 - ACCOUNTING MANAGEMENT MANUAL

CHAPTER 10400 - COST ACCOUNTING

CHAPTER 10440 - TRANSFER OF COSTS AT THE SAME INSTITUTION

a. Purpose. The purpose of Chapter 10440 is to set forth the procedures to follow in the transfer of costs from one cost center, P.M.S., or project to another cost center, P.M.S., or project for certain types of purchased items used at the same institution or facility.

b. Definition and Examples of Items Commonly Used. In certain cases, the same type of item is used by more than one cost center, P.M., or project at the same institution. Examples of such items commonly used are gasoline and employee work clothing.

c. Procurement and Financing or Funding of Commonly Used Items. When any type of "common use" item is procured, it is to be financed or "funded" by the cost center that uses the largest quantity or amount.

d. Transfers of Costs When Used in the Billing Process to the "Using" Cost Center, P.M.S., or Projects. Costs may be assigned or charged to the cost center, P.M.S., and project that ultimately uses or consumes items procured. Accordingly, in each instance when a cost center, P.M.S., or project receives and uses materials or supplies that were purchased and funded by a different cost center, P.M.S., or project only a transfer of cost may be made. These costs (office and sanitation supplies, utilities, gasoline, etc.) may be transferred at the Controller's discretion. An Example of such a transfer is listed below:

Gasoline has been funded and purchased by cost center 336 Motor Pool, P.M.S.-665 bulk Supplies. Some of this gasoline is now going to be used by cost center 334 - Construction and Mechanical Services for P.M.S.-627, Grounds Maintenance. The cost of this gasoline could be transferred from cost center 336, P.M.S.-665 to cost center 334, P.M.S.-627.

e. Procedures for the Transfer of Costs within the Same Institution.

1. The Accounting Form 1, Stores Requisition, Invoice and Transfer Receipt, must be used to record and support transfers of costs. For storeroom Stock items issued from the warehouse, the warehouseman must prepare and forward the form to the accounting supervisor when the issue is made to the "using" cost center, P.M.S., or project. For items issued directly by the cost center that procured the item, the cost center manager that procured and issued the item is responsible for preparing and forwarding the Accounting Form 1 to the accounting supervisor when the issue is made.

2. Upon receiving an Accounting Form 1 for the transfer of costs, the accounting supervisor must prepare a "Miscellaneous Transactions" form (BP-ACCTG-122) and enter an 05 transaction code into the system to transfer costs.

For the cost center, P.M.S., or project that purchases and issues any item, the accounting classification and the amount must be shown on the "Miscellaneous Transactions" form and entered into the computerized system. For the cost center, P.M.S. or project that receives and uses any item that was initially purchased by another cost center, P.M.S, or project, the accounting classification and the amount with a "minus" (-) sign after it must be shown on the "Miscellaneous Transactions" form and entered into the computerized system.

(NOTE: The 05 transaction code generates entries automatically to certain general ledger accounts and to "APPLIED COST" column of the computer printed costs reports -- refer to Program Statement 2000.02, Chapter 10518).

f. Procedures for the Transfer of Funds when Salaries and Expenses Appropriation Materials are Used in a Buildings and Facilities Project. When it becomes necessary to draw materials from Salaries and Expenses (S&E) stock for use in a Buildings and Facilities (B&F) project, the B&F appropriation will be required to refund the S&E appropriation. The chief, mechanical services must ensure that an Accounting Form 1 (storehouse requisition and institutional invoice) is prepared to support each requisition of S&E materials and forward to the accounting supervisor.

Accounting Procedures at the Institution

The Accounting Supervisor shall prepare and enter into the computerized system a plus (+) 02 transaction to record the disbursement from the B&F appropriation (15X1003) and a minus (-) 02 transaction to record the collection to the S&E appropriation (15_1060) for the amount indicated on the AF-1. A journal voucher (SF-1017-G) must be prepared to support and explain the nature of the transaction and shall indicate the AF-1 reference number. This transaction must also be included on the SF-224 (Statement of Transactions).

Care shall be exercised to ensure that the S&E refund is applied to the fiscal year in which the specific stock item was funded.

PROGRAM STATEMENT 2000.02 - ACCOUNTING MANAGEMENT MANUAL

CHAPTER 10400 - COST ACCOUNTING

CHAPTER 10441 - STANDARD LEVEL USER CHARGES

a. Purpose. The purpose of Chapter 10441 is to set forth the procedures to follow in the transfer of costs for space rented under the General Services Administration (GSA) Standard Level User Charges (SLUC) system from the Central Office to institutions.

b. Explanation. Under the Standard Level User Charges (SLUC) system (reference: Federal Property Management Regulations, Part 101-21.2 through Part 101-21.6) and the Simplified Intra-governmental Billing and Collection (SIBAC) system (reference: Treasury Fiscal Requirements Manual, Part VI, Chapter 5000), the General Services Administration (GSA) bills and the Central Office pays for all space acquired through GSA under the SLUC system. In order to have more accurate cost accounting these costs for the rental of space procured through GSA must be transferred as "unfunded costs" to each institution that actually uses the space.

Accounting Procedures at the Central Office. The disbursement for SLUC is charged to the Central Office (allotment code 100) each fiscal quarter.

The Chief, Property Management and Procurement must have the charges reviewed and a listing prepared of SLUC costs to be transferred to individual institutions and activities as unfunded costs.

The listing must identify the individual facility, the amount to be charged and the period for which the charge applies and the accounting station that performs the accounting for the facility.

The Chief, Financial Management forwards a copy of the listing to the controller at each accounting station and to the Chief, Accounting Operations at the Bureau.

Accounting Operations, Central Office, must have an 08 transaction code entered into the computerized accounting system. This 08 transaction code entry must contain the following elements in the accounting classification code:

Approp.	Allot.	DU	C.C.	PMS	Proj.	Sub-Object
Salaries	100	X	322	571	000	3904
&						
Expenses						

In addition, this 08 transaction code entry must show a "minus" sign following the amount of charges to be transferred to institutions to affect accounts as follow:

610.2 - Transfer, Non-Capitalized Property Without Reimbursement	Dr.
880.0 - Costs, Donated or Self-Produced	Cr.
948.0 - Space Rental Cost, Transfers to Institutions	Dr.
998.0 - Transfer of Space Rental Costs - Control	Cr.

Accounting Procedures at the Institutions

The controller at each accounting station shown on the listing must have an 08 transaction code entered for each rental facility. This 08 transaction code entry must contain the following elements of the accounting classification code:

1. The proper fiscal year Salaries and Expenses Appropriation code.

2. Decision Unit M.

3. Sub-object classification 3904.

The elements of the accounting classification code for the proper allotment code, cost center, P.M.S. and project must be determined by the staff at the institution. Also, this 08 transaction code must show a "plus" sign following the amount to affect accounts as follows:

880.0 - Costs, Donated or self-Produced	Dr.
610.2 - Transfer, Non-Capitalized Property Without Reimbursements	Cr.
998.0 - Transfer of Space Rental Costs - Control	Dr.
948.0 - Space Rental Costs, Transfer to Institutions	Cr.

Monitor and Control at the Bureau

The Chief, Accounting Operations must have the account balances in accounts 948.0 and 998.0 monitored to determine that entries to transfer costs for rental space have been made for both the Central Office and each institution (allotment code).

PROGRAM STATEMENT 2000.02 - ACCOUNTING MANAGEMENT MANUAL

CHAPTER 10400 - COST ACCOUNTING

CHAPTER 10445 - COST ADJUSTMENTS

F. All items received are charged directly to costs. At the close of each quarter, the value of items remaining in inventory shall be subtracted from costs and recorded in the appropriate general ledger inventory account. In order to accomplish this, a physical inventory must be taken and cost price computed by appropriation, cost center, and sub-object. The physical inventory cost calculation is used as a basis for preparing either a 05 transaction to establish inventory or a 35 transaction to establish inventory of donated items in stock. The S&E cost inventories will remain in the general ledger inventory account until the end of the next quarter when they are adjusted to reflect the new inventory balance. Commissary inventories should be reversed at the beginning of the next quarter.

PROGRAM STATEMENT 2000.02 - ACCOUNTING MANAGEMENT MANUAL

CHAPTER 10400 - COST ACCOUNTING

CHAPTER 10446 - DONATED FOOD ITEMS - COMMODITY CREDIT CORPORATION

a. Purpose. This chapter sets forth the procedures to record certain food items donated by the Commodity Credit Corporation in the general and cost ledgers.

b. Explanation. An agreement dated February 4, 1977, between the Commodity Credit Corporation (Department of Agriculture) and the Bureau of Prisons has made available certain food items donated by the Commodity Credit Corporation. In order to have more accurate cost accounting, the current market value of these donated items must be recorded in the general and cost ledgers.

* c. Accounting Procedures at the Institution. The Accounting Supervisor at each institution, upon receipt of the donated receiving report, must prepare and enter into FMS an 08 transaction code using the proper 19-digit classification code to automatically affect general ledger accounts as follows:

880.0 - Costs, Donated, or Self-Produced	Dr.
610.2 - Transfer, Non-Capitalized Property Without Reimbursement	Cr.

In addition to the general ledger account entries, the 08 transaction code automatically generates an entry to the unfunded cost column in the cost ledger. *

PROGRAM STATEMENT 2000.02 - ACCOUNTING MANAGEMENT MANUAL

CHAPTER 10400 - COST ACCOUNTING

CHAPTER 10450 - ACCRUED COSTS

Costs must be accrued in the same period in which the goods or services are received. Under the automated accounting system most costs will be entered automatically when the receipt or payment of the obligation is recorded in the allotment ledger. Non-funded costs do not affect the allotment ledger; therefore, these costs be entered directly to the cost ledgers. The non-funded costs will be entered via the 06 transaction (depreciation), 07 transaction (leave accruals) and 08 transaction (donated goods).

(NOTE: Leave accruals will be entered into the costs accounts directly and automatically from the payroll section. Institution personnel will not have to compute this cost.)

PROGRAM STATEMENT 2000.02 - ACCOUNTING MANAGEMENT MANUAL

CHAPTER 10400 - COST ACCOUNTING

CHAPTER 10455 - FARM PRODUCED PRODUCTS

Valuation shall be placed on farm produced products consumed in the producing institution and consumed in other institutions in accordance with the quarterly operations memorandum (Farm Product Price) issued by the Medical and Service Division. When farm produced products are consumed in the producing institution, the institution food service administrator shall forward to the accounting supervisor an Accounting Form 1 detailing each purchase of farm products. This document will be used to prepare a journal voucher to support the entries into FMS recording the disbursement from cost center 332 and the collection to 333 or 359 as appropriate. When the producing institution has agreed to supply farm products to another institution, prescribed purchasing procedures shall be followed and subsequent billing accomplished via the SF-1080 process.

BUREAU OF PRISONS
WASHINGTON, D.C.

PROGRAM STATEMENT 2000.2 - ACCOUNTING MANAGEMENT MANUAL

CHAPTER 10500 - ACCOUNTING POLICIES AND PROCEDURES

CHAPTER	TITLE
10505	Statement of Accounting Principles and Standards
10514	Purpose of Chart of Accounts and General Ledger
10516	Characteristics of Accounts
10518	Description of Computerized Ledgers and Transaction Codes
10520	Titles and Identifications Codes of the Chart of Accounts
10525	Description of General Ledger Accounts
10545	Authority and Responsibility for Maintaining Accounting Operations
10548	Proof-Checks and Certifications of General Ledger Accounts
10572	Accounts Receivable
10576	Billing and Accounting for Maintaining Prisoners of Others
10577	Reimbursement for Fire Fighting and Betterment Work
10580	Purpose and Definitions of Refunds and Reimbursements
10581	Types of Refunds and Reimbursements
10582	Accounting for Refunds
10583	Management Control and Accounting for All Types of Reimbursements
10584	Accounting for Annual Reimbursements
10585	Reimbursements - Proceeds from the Sale of Personal Property to be Used for Purchase of Replacement Property

10586	Debt Management	
* 10587	Tort Claims	*
10588	Meal Tickets	
10589	Debit Card Meal Ticket Program	
10595	Accounting for Advance Inmate Performance Pay from UNICOR	
10596	Rewards for Capture of Escaped Federal Prisoners	
10597	Employee Wellness Program	

PROGRAM STATEMENT 2000.02 - ACCOUNTING POLICIES AND PROCEDURES
CHAPTER 10500 - ACCOUNTING POLICIES AND PROCEDURES
CHAPTER 10500 - STATEMENT OF ACCOUNTING PRINCIPLES AND STANDARDS

a. Purpose. This chapter sets forth the basic accounting principles, standards, and related requirements to which the accounting system of the Bureau of Prisons will conform. This is prescribed by the Comptroller General of the United States and is in accordance with the policies and procedures of the Department of Justice, as approved by the General Accounting Office. The principles, standards, and related requirements described in the General Accounting Office Policies and Procedures Manual for Guidance of Federal Agencies will be used to supplement this manual.

b. Basic Principles

1. Resources of each separate fund and appropriation will be applied only to the purposes authorized by law or pursuant to law.

2. Allotment, cost, and other financial data will be provided for planning, programming, budgeting, controlling, and reporting of Bureau of Prisons operations to Congress and other regulatory agencies.

3. Programming, budgeting, reporting, and accounting classifications will be consistent with one another and synchronized with the Bureau of Prisons organizational structure.

4. Complete and reliable records for the Bureau of Prisons resources and operations will be provided. Such records will include all funds, property, and other assets, as well as liabilities and obligations, receipts and revenues, expenditures, disbursements, and costs.

5. Financial transactions will be adequately supported with pertinent documents available for audit. All transactions will be recorded so that they can be readily traced from the originating documents to summary records and financial reports.

6. All transactions occurring during an accounting period will be recorded in the accounts for the period and their effect included in the financial reports. However, due consideration will be given to the materiality and relative significance in allocating cost and income and in computing items where estimates have to be employed.

7. Advances and pre-payments for travel, construction contracts, grants, and other purposes will be recorded as assets. When performance occurs, the accrued expenditure shall be recorded and the asset account reduced accordingly.

8. Major equipment and fixed assets whether purchased or donated will be capitalized. Trade and cash discounts will be deducted and original transportation costs will be included.

9. Physical inventories of capitalized equipment will be taken at least annually and verified to the control accounts. Discrepancies will be investigated and appropriate adjustments made in the accounting records after proper approval.

10. Depreciation will be recorded on all capitalized assets.

11. Internal controls will be maintained by separation of duties among employees so that all elements of a transaction will not be handled by one person.

12. Financial reports will be prepared from the accounting records promptly after the close of the accounting period to provide accurate information for management and for other regulatory agencies.

PROGRAM STATEMENT 2000.02 - ACCOUNTING MANAGEMENT MANUAL
CHAPTER 10500 - ACCOUNTING POLICIES AND PROCEDURES
CHAPTER 10514 - PURPOSE OF CHART OF ACCOUNTS AND GENERAL LEDGER

a. Purpose The purpose of Chapter 10514 is to provide an introductory explanation of the Chart of Accounts that comprises the General Ledger of the Bureau of Prisons.

b. General An account is a record of the monetary aspects of transactions or events which are identical or similar in nature and type. Each account is classified as a control or summary account or as a sub-account which is subsidiary to the control or summary account.

c. Chart of Accounts A complete set of control or summary accounts and sub-accounts is referred to as a Chart of Accounts. The Chart of Accounts for the Bureau of Prisons in Chapter 10520 has been developed in accordance with principles of classification generally applicable to accepted accounting practices, including double-entry bookkeeping techniques.

The structure of accounts represents an integrated system of proprietary, budgetary, and cost accounts in order to provide an adequate accounting for all resources, liabilities, obligations, disbursements, revenues, and costs.

Entries to accounts are made on the accrual basis.

d. Uniformity of Accounts In the computerized accounting system of the Bureau of Prisons, uniform subsidiary and control or summary accounts are prescribed and maintained in order to account properly for changes in assets, liabilities, and the investment of the government that results from the incurrence of obligations, accrued expenditures and costs; the earning of revenues; the receipt and disbursement of cash and all other financial transactions that occur under the appropriations and funds entrusted to the Bureau. Distinct accounts and separate ledgers are produced for each accounting entity (Appropriation or fund).

e. Objective of Uniform Accounts Use of the uniform chart of accounts provides the standardized classifications necessary to accumulate financial information and to report on the operating results and financial status of each accounting entity for each institution and consolidated reports for the Bureau.

PROGRAM STATEMENT 2000.02 - ACCOUNTING MANAGEMENT MANUAL
CHAPTER 10500 - ACCOUNTING POLICIES AND PROCEDURES

Chapter 10516 - CHARACTERISTICS OF ACCOUNTS

a. Purpose The purpose of Chapter 10516 is to present the pertinent characteristics of the accounts and the major divisions of the chart of accounts utilized in the accounting system of the Bureau of Prisons.

b. Account Identification Each account is used to accumulate specific monetary information and is assigned a distinct title to reflect the information in the account and a numeric code consisting of four digits.

Each account serves as either a sub-account or as a controlling summary account.

Under the account identification numeric code, each control or summary accounts ends in "0". Each subsidiary or sub-account ends in some digit other than "0".

c. Division of the Chart of Accounts The Chart of Accounts is arranged into major divisions as follows:

MAJOR DIVISIONS	CODE/SERIES
1. Assets	
Current Assets	100.0 - 199.9
Fixed Assets	200.0 - 299.9
2. Liabilities	
Current Liabilities	400.0 - 499.9
Other Liabilities & Credits	500.0 - 599.9
3. Equity	
Investment in U.S. Government & Net Worth	600.0 - 629.9
4. Budgetary	631.0 - 699.9
5. Income	700.0 - 799.9
6. Expenditures and Funded Costs	800.0 - 879.9

MAJOR DIVISIONS	CODE/SERIES
7. Unfunded Costs	880.0 - 899.9
8. Memoranda and Statistical Accounts	900.0 - 999.9

d. Explanation of Major Divisions

Following are definitions or explanations of the major divisions of accounts:

1. Assets

Assets reflect the monetary value of property which the Bureau owns. The asset accounts include any fund balances with the U.S. Department of the Treasury, receivables, other current assets and fixed assets. Asset accounts are balance sheet or real accounts as distinguished from operating income and expense accounts which are nominal accounts.

2. Liabilities Liabilities represent the indebtedness of the Bureau for goods or services received. In other words, liability accounts show the amounts owed by the Bureau. These accounts are balance sheet or real accounts and are classified as current liabilities and other liabilities.

3. Equity These accounts reflect the invested capital and net worth status of the Bureau.

4. Budgetary Budgetary accounts are utilized to control and account for appropriations or funds made available to the Bureau. Appropriated funds are controlled through these budgetary accounts from the receipt of the warrant or continuing resolution through each step culminating in an expenditure. The status of allotments issued to institutions is monitored and controlled by utilizing computer produced allotment status reports.

5. Income Income accounts reflect the amounts earned for each appropriation or fund (accounting entity). Income accounts are nominal accounts which are transferred or closed to appropriate equity accounts at the end of each fiscal year.

6-7. Funded and Unfunded Costs A cost is the monetary value of resources used or consumed in conducting operations. In the computerized accounting system of the Bureau, both funded and unfunded costs are identified and accounted for.

Funded costs are the monetary value of resources used for which the Bureau has paid or is obligated to pay an amount of its appropriated funds for the current accounting period. Unfunded costs are costs for which the Bureau did not pay an amount of its appropriated funds in the current year of operation.

8. Memoranda and Statistical Accounts These accounts are used to accumulate statistical information and are not a part of the official general ledger accounts. These accounts are offsetting and self-balancing.

PROGRAM STATEMENT 2000.02 - ACCOUNTING MANAGEMENT MANUAL

CHAPTER 10500 - ACCOUNTING POLICIES AND PROCEDURES

Chapter 10520 - TITLES AND IDENTIFICATION CODES OF THE CHART OF ACCOUNTS

a. Purpose. The purpose of Chapter 10520 is to present a listing of each proprietary, budgetary and operating account for each appropriation or fund.

The listing shows the accounts by major classification, the account identification code number, the account title, the appropriation or fund general ledger set of accounts in which each account is included (by Chart of Account appropriation code number as explained below) and whether a debit or credit balance usually is carried in the account.

CHART OF ACCOUNTS - APPROPRIATION CODES
 (USED IN THE LISTINGS THAT FOLLOWS)

IDENTITY OF EACH FUND OR APPROPRIATION	TYPE OF APPROPRIATION OR FUND	CODE NUMBER USED LISTI
15-1060 Salaries and Expenses Appropriation, Bureau of Prisons	General Fund Appropriation	1
15X1003 Buildings and Facilities Appropriation, Federal Prison System	General Fund Appropriation	1
15X1004 National Institute of Corrections	General Fund Appropriation	1
15X8408 Commissary Funds, Federal Prison	Trust Fund	1
20X1807 Refund and Monies Erroneously Received and Covered	General Fund Appropriation	1
15F3875(10) Budget Clearing Account, Suspense, Bureau of Prisons	Deposit Fund	2
15F0101(10) Federal Income Taxes Withheld	Deposit Fund	2
15X6275(10) State Income Taxes Withheld	Deposit Fund	2
15X6085 Funds of Federal Prisoners (T)	Deposit Fund	2
15X6875(10) Suspense, Bureau of Prisons	Deposit Fund	2
20X6133 Payment of Unclaimed Moneys	Deposit Fund	2
151060 and other 6-digit code symbols of Miscellaneous Receipt Accounts	Miscellaneous Receipts	4

LISTING OF GENERAL LEDGER ACCOUNTS
 CHART OF ACCOUNTS

ACCOUNT NORMAL NUMBER	ACCOUNT TITLE	APPROPRIATION CODES						BALANCE
		1	2	3	4	5	6	
CURRENT ASSETS	ASSETS							
110.0	Fund balances with the U.S. Treasury	X	X					Dr.
110.1	Appropriation Warrants	X						Dr.
110.2	Collections	X						Dr.
110.3	Net Disbursements (Disbursements less refunds and reimbursements)	X	X					Cr.
110.4	Net Disbursements (Other Disbursing Offices) Non-Payroll	X	X	X				Cr.
110.5	Net Disbursements (Other Disbursing Offices) Payroll				X	X		Cr.
110.6	Fund Balances, Prior Year Carryover	X	X					Dr.
110.7	Deposits - Budget Clearing Account			X				Dr.
110.8	Non-Expenditure Transfers - Net	X						Dr.
110.9	Disbursements, Draft Payments	X	X					Cr.
115.0	Undeposited Collections - Summary	X	X		X			Dr.
115.1	Undeposited Collections - Affecting Net Disbursements (Public)	X	X					Dr.
115.2	Undeposited Collections - Affecting Net Disbursements (Government)	X	X					Dr.
115.3	Undeposited Collections - Budget Clearing Account (Public)			X				Dr.

LISTING OF GENERAL LEDGER ACCOUNTS
 CHART OF ACCOUNTS

ACCOUNT NORMAL NUMBER	ACCOUNT TITLE	APPROPRIATION CODES						BALANCE
		1	2	3	4	5	6	
115.4	Undeposited Collections-Budget Clearing Account (Government)			X				Dr.
115.7	Undeposited Collections- Affecting Miscellaneous Receipts (Public)			X				Dr.
115.8	Undeposited Collections - Affecting Miscellaneous Receipts (Government)			X				Dr.
116.0	Draft Payments in Transit		X	X				Cr.
120.0	Imprest Funds with Cashiers		X					Dr.
130.0	Accounts Receivable - Appropriation Reimbursement (Summary)		X					Dr.
130.1	Accounts Receivable - Appropriation Reimbursement (Public)		X					Dr.
130.2	Accounts Receivable - Appropriation Reimbursement (Government)		X					Dr.
131.0	Accounts Receivable - Unbilled Appropriation Reimbursement (Summary)		X					Dr.
131.1	Accounts Receivable - Unbilled Appropriation Reimbursement (Public)		X					Dr.
131.2	Accounts Receivable - Unbilled Appropriation Reimbursement (Government)		X					Dr.
135.0	Accounts Receivable - Appropriation Refund (Summary)		X					Dr.
135.1	Accounts Receivable - Appropriation Refund (Public)		X					Dr.

LISTING OF GENERAL LEDGER ACCOUNTS
 CHART OF ACCOUNTS

ACCOUNT CODES NUMBER	NORMAL ACCOUNT TITLE	APPROPRIATION						BALANCE
		1	2	3	4	5	6	
135.2	Accounts Receivable - Appropriation Refund (Government)	X						Dr.
135.3	Accounts Receivable - Misc. Income (Public)	X						Dr.
139.0	Accounts Receivable - Other (Summary)		X		X			Dr.
139.1	Accounts Receivable - Other (Public)		X		X			Dr.
139.2	Accounts Receivable-Other (Government)		X		X			Dr.
140.0	Loans Receivable-Summary				X			Dr.
140.1	Loans Receivable - Work & Study Release	X						Dr.
140.2	Loans Receivable - Inmate Release	X						Dr.
141.0	Allowance for Bad Debt - Summary				X			Cr.
141.1	Allowance for Bad Debt - Accounts Receivable				X			Cr.
141.2	Allowance for Bad Debt - Loans Receivable				X			Cr.
142.0	Accrued Interest Receivable				X			Dr.
160.0	Retained Earnings Distribution - Supplies				X			Dr.
161.0	Inventory-Stores, General Purchases				X			Dr.
162.0	Inventory-Stores, Donated or Self Dr. Produced						X	
163.0	Inventory-Farm Livestock Dr.						X	
164.0	Inventory - Summary						X	

Dr.

164.1 Inventory - General Purpose
Dr.

X

LISTING OF GENERAL LEDGER ACCOUNTS
 CHART OF ACCOUNTS

ACCOUNT CODES NUMBER	NORMAL ACCOUNT	TITLE	APPROPRIATION						BALANCE
			1	2	3	4	5	6	
FIXED ASSETS		ASSETS							
210.0		Land						X	Dr.
211.0		Buildings (Summary)						X	Dr.
211.1		Buildings						X	Dr.
211.2		Capital Improvements Buildings						X	Dr.
212.0		Other Structures & Facilities (Summary)						X	Dr.
212.1		Other Structures & Facilities						X	Dr.
212.2		Capital Improvements Other Structures & Facilities						X	Dr.
213.0		Leasehold Improvements (Summary)						X	Dr.
213.1		Leasehold Improvements						X	Dr.
215.0		Equipment (Summary)						X	Dr.
215.1		Equipment						X	Dr.
215.3		Livestock/Breeding and Dairy						X	Dr.
216.0		Improvements and Equipment Due						X	Dr.

LISTING OF GENERAL LEDGER ACCOUNTS
 CHART OF ACCOUNTS

ACCOUNT CODES NUMBER	NORMAL ACCOUNT TITLE	APPROPRIATION						BALANCE
		1	2	3	4	5	6	
CURRENT LIABILITIES								
	LIABILITIES							
410.0	Allocations from other Federal Agencies	X						Cr.
411.0	Advances from other Federal Agencies	X						Cr.
420.0	Accounts Payable and Accruals (Summary)	X						Cr.
420.1	Accounts Payable and Accruals (Public)	X						Cr.
420.2	Accounts Payable and Accruals (Government)	X						Cr.
430.0	Liability for Undeposited Collections (Summary)				X	X	X	Cr.
430.1	Liability for Undeposited Collections (Public)				X	X	X	Cr.
430.2	Liability for Undeposited Collections (Government)				X	X	X	Cr.
450.0	Liability for Deposit Funds (Summary)				X			Cr.
450.1	Deposit Funds - Inmate Monies				X			Cr.
450.3	Deposit Funds - Income Taxes				X			Cr.
450.5	Deposit Funds - Contract Bids				X			Cr.
450.6	Deposit Funds - Sale of Personal Property - Prior Year				X			Cr.
450.7	Deposit Funds - Sale of Personal				X			Cr.

Property - Current Year

LISTING OF GENERAL LEDGER ACCOUNTS
 CHART OF ACCOUNTS

ACCOUNT CODES NUMBER	NORMAL ACCOUNT TITLE	APPROPRIATION						BALANCE
		1	2	3	4	5	6	
450.8	Deposit Funds - Inmate Performance Pay		X					Cr.
450.9	Deposit Funds - Other		X					Cr.
460.0	Installment Purchase Land	X						Cr.
461.0	Installment Purchase Buildings					X		Cr.
462.0	Installment Purchase Other Structures and Facilities					X		Cr.
465.0	Installment Purchase Equipment					X		Cr.

LISTING OF GENERAL LEDGER ACCOUNTS
 CHART OF ACCOUNTS

ACCOUNT CODES NUMBER	NORMAL ACCOUNT TITLE	1	2	3	4	5	6	APPROPRIATION BALANCE
OTHER LIABILITIES AND CREDITS								
510.0	Liability for Accrued Leave - Summary	X						Cr.
510.1	Liability for Accrued Annual Leave	X						Cr.
510.2	Liability for Annual Leave - Transfer In	X						Cr.
510.3	Liability for Annual Leave - Transfer Out	X						Dr.
510.4	Liability for Compensatory Leave							Cr.
510.5	Liability for Other Types of Leave	X						Cr.

LISTING OF GENERAL LEDGER ACCOUNTS
 CHART OF ACCOUNTS

ACCOUNT CODES NUMBER	NORMAL ACCOUNT TITLE	APPROPRIATION						BALANCE
		1	2	3	4	5	6	
INVESTMENT IN U.S. GOVERNMENT EQUITY AND NET WORTH								
610.0	Invested and Donated Capital - Summary	X						Cr.
610.1	Leave Liability Assumed	X						Dr.
610.2	Transfer Non-capitalized Property Without Reimbursement	X						Cr.
610.3	Transfer Capitalized Property With-out Reimbursement	X						Cr.
610.6	Book Value - Capitalized Asset	X						Cr.
610.9	Net Operating Results			X	X	X		Cr.
611.0	Retained Earnings - Summary			X				Cr.
611.1	Retained Earnings - Prior Year Adjustments			X				Cr.
611.2	Retained Earnings - Current Year			X				Cr.
611.3	Retained Earnings - Prior Year Carryover			X				Cr.
611.4	Retained Earnings - Reserve for Distribution			X				Cr.
611.5	Retained Earnings - Administrative Reserve			X				Cr.

LISTING OF GENERAL LEDGER ACCOUNTS
 CHART OF ACCOUNTS

ACCOUNT CODES NUMBER	NORMAL ACCOUNT TITLE	APPROPRIATION						BALANCE
		1	2	3	4	5	6	
INCOME		EQUITY						
710.0	Income - Appropriation Reimbursement Summary					X		Cr.
710.1	Income - Appropriation Reimbursement					X		Cr.
711.0	Income - Trust Fund Sales Summary					X		Cr.
711.1	Income - Other Sales					X		Cr.
711.2	Income - Coin Sales					X		Cr.
711.3	Income - Stamp Sales					X		Cr.
712.0	Income - Vending Machines					X		Cr.
713.0	Income - Interest Loans					X		Cr.
GENERAL FUND DEPOSITS								
730.0	Income, General Fund Receipts					X		Cr.
780.0	Unavailable Receipts Deposited (Summary)					X		Dr.
780.1	Unavailable Receipts Deposited - Own Accounting Station					X		Dr.
780.2	Unavailable Receipts Deposited - Other Accounting Stations					X		Dr.
EXPENDITURES AND FUNDED COSTS								
810.0	Accrued Expenditures - Summary					X		Dr.
810.1	Accrued Expenditures - Operation Costs					X		Cr.

PROGRAM STATEMENT 2000.2 - ACCOUNTING MANAGEMENT MANUAL

CHAPTER 10500 - ACCOUNTING POLICIES AND PROCEDURES

Chapter 10545 - AUTHORITY AND RESPONSIBILITY FOR MAINTAINING
ACCOUNTING OPERATIONS

1. Purpose. This chapter sets forth policy and guidelines for maintaining and performing accounting operations under the computerized Financial Management System.

2. Accounting Operations. Generally, day-to-day business financial transactions, including the control of obligational authority, placing orders for goods or services, disbursing and receiving payments, and related activities, take place at institutions of the Bureau of Prisons. Accordingly, accounting operations are performed at the institutions (accounting stations) by the accounting staff under direction of the Controller.

3. Control of Accounting Operations. Authority and responsibilities for performing accounting operations and otherwise maintaining the operational aspects of the accounting system are as outlined below.

a. At the Central Office. The Director of the Bureau of Prisons has ultimate authority and responsibility for the accounting system.

* The Assistant Director for Administration has been delegated the authority and the responsibility for the accounting operations with further delegation to the Chief, Office of Finance. The Office of Finance serves as the central control point for the nationwide operation of budget execution, accounting management and operations and accounting systems.

Staff of the Accounting Policies and Procedures Section, Office of Finance, develop the policies and procedures relating to accounting. Also, staff of the Accounting Operations Section monitor results of accounting operations with both sections providing direction, instructions, and assistance as deemed necessary, both to staff at Regional Offices and institutions. *

b. At the Regional Offices. The Regional Director has been delegated the authority and the responsibility for all operations in the Region, including accounting operations.

The Regional Comptroller has the authority and is responsible for ensuring that accounting functions and operations are performed promptly and accurately at each institution and at each accounting station in the region and for providing assistance in overcoming any problematic situations that might arise in accounting operations.

* Once each month, Regional Accountants shall review computerized FMS reports, Department of Treasury reports, and proof-checks, including 100.69 automated proof-check reports, to ensure accuracy and timeliness of accounting data with regard to the areas below.

(1) Cash Management

(a) Review each facility's monthly proof-check for each appropriation to ensure that all receipts and disbursements entered into the accounting system are equal to the receipts and disbursements as reported on the SF-224. Any reported differences are to be fully explained and reconciled.

(b) Compare current month's reconciliations to previous month's reconciliations to ensure required corrections have been made. Review causes of errors to check for trends and/or recurring problems, and offer assistance to prevent future problems.

(c) Review all reports of Statements of Differences for both deposits and disbursements to ensure timely correction.

(d) Review 100.46 Report, Obligations by Sub-Object, for obligations charged to sub-objects 2680, Discounts Lost, and 4301, Interest Charges, to determine compliance with the Prompt Payment Act.

(e) Compare General Ledger Account 110.5, Payroll Disbursements, against the DOJ-224 amount reported on the proof-check. Any and all differences shall be explained and reconciled.

(f) Compare cash balances in the general ledger to that reported on the monthly proof-check.

(g) Review all cash verifications quarterly with emphasis placed on the overages and shortages for principal and alternate cashiers and the necessary documentation to correct these errors. Review Section II, Reimbursement Vouchers Submitted, to ensure that cash in the imprest fund is adequate to cover periodic payments. Review dates of the unannounced verifications to ensure that are accomplished on a staggered basis.

(h) Keep a listing of Certifying Officers in a permanent file and update whenever there is a change of personnel.

(2) Receivables, Advances, Payables, and Undelivered Orders.

(a) Review each facility's proof-checks to ensure the tape amounts reported on the proof-check for the subsidiary records are equal to the amount reported in the corresponding general ledger account.

(b) Compare the reimbursements receivables plus the reimbursements collected to the estimates to ensure validity of the estimates.

(c) Review prior year receivables, payables, and undelivered orders to determine any questionable amounts.

(3) General Review of FMS reports.

(a) Review FMS Report 100.27, Prior Edit Errors and Out-of-Balance Batches, to ensure that batches not accepted are corrected in a timely manner.

(b) Review FMS Report 100.29, Input Summary, Transactions Processed (month), to determine the date each batch was processed and the reject percentage. A large volume of data consistently processed at the end of the month could indicate that data is not being entered into FMS in a timely manner. High reject percentages could indicate that additional training on data preparation and entry is required.

(c) Review FMS Report 100.35, Mismatch Open Documents Error Listing, to ensure that proper accounting procedures are being followed for the establishment and liquidation of accounts payable and undelivered orders.

(d) Compare general ledger allotment accounts to allotments made via FMIS to each institution.

(e) Review FMS Report 100.45, Project Summary, to determine if any project is overobligated or needs to be closed.

(f) Review general ledger accounts for unusual balances.

(g) Continual review of all FMS reports shall be accomplished with regard to report content, format, and method of displaying information. Any suggestion for change in FMS reports or any additional requirements not already provided may be forwarded to the Chief, Finance Branch, Central Office.

4. Other. Conduct periodic on-site reviews of institution accounting procedures and records at the discretion of the appropriate Regional Comptroller. If the regional reviews indicate that the institution is not following proper accounting procedures, on-site staff assistance visits should be accomplished as soon as possible after the trend of non-compliance is suspected. The staff assistance visits are to provide technical hands-on assistance and training to ensure the non-compliance event does not recur.

*

*

c. At the Institution. The Chief Executive Officer at each institution has been delegated the authority and the responsibility for all operations, including accounting operations.

The Controller has been delegated the authority and is responsible for providing supervisory direction to the accounting staff, to other members of the Office of Financial Management, and to all other managers with regard to the accounting operation activities. The Accounting Supervisor has the duty of performing all actions necessary to operate the accounting system in accordance with established policies and procedures and sound business and accounting principles and for bringing any impending conditions or situations to the attention of the Controller.

PROGRAM STATEMENT 2000.2 - ACCOUNTING MANAGEMENT MANUAL

CHAPTER 10500 - ACCOUNTING POLICIES AND PROCEDURES

Chapter 10548 - PROOF-CHECKS AND CERTIFICATIONS OF GENERAL LEDGER ACCOUNTS

1. Purpose

To set forth the procedures that shall be followed each month to determine any errors that may have been made in preparing, entering, or processing information into accounts and reports in the automated Financial Management System (FMS). Also set forth in this chapter are the requirements and the procedures for Controllers and Chief Executive Officers to certify the accuracy of certain account balances listed on the Financial Management computer-printed reports.

2. Official Records

Generally, the accounting system of the Bureau of Prisons consists of basic source documents such as purchase orders, receiving reports, invoices, billings, registers, computer-entry forms, computer-printed reports, journal vouchers, and other related financial documents.

Accordingly, auditors of the Bureau of Prisons, the Department of Justice, the General Accounting Office, and/or others rely upon the basic supporting documents and computer-printed reports in their reviews and audits.

The computer-printed reports of FMS are part of the official records of the Bureau of Prisons. Any memorandums or working papers that are maintained manually must be based on supporting documents and must agree with and support the automated FMS reports.

3. Accuracy of Official Records

Financial accounts and reports are needed to clearly disclose financial facts about operations and activities within the Bureau of Prisons. In order to establish and maintain a useful accounting and reporting system that has integrity and reliability, the information presented in each account and report must be accurate.

Each account balance presented on the computer-printed trial balance or general ledger (report 100.63) or reflected in other reports shall be accurately supported by fully documented subsidiary records, such as files of purchase orders, receiving reports, invoices and Standard Forms 1166 (Voucher and Schedule of Payments) and other such documents. Each account balance shall reflect and present the results of the financial transactions that have taken place.

4. Achieving Accuracy in Entering and Processing Information

To achieve accuracy, extreme care shall be exercised in each phase of financial or accounting operations. All information shall be prepared, entered, processed and reported in the system as events occur and with care necessary to avoid inaccuracies and errors.

Each computer transaction code entered into the automated system shall properly reflect the specific financial transaction that has taken place to ensure the accuracy of generated entries made to accounts and reports through the automated system.

5. Necessity to Perform Checks on Accuracy

Despite the exercise of diligent care, errors of many types still occur in accounting operations. If errors are not detected and corrected in a timely manner, information used in making management decisions may be inaccurate.

6. Methods to Maintain Accuracy in Financial or Accounting Operations

In the accounting system of the Bureau of Prisons, each entry to accounts shall be based upon a financial event, and be supported by a document or documents that specify information and shall be made promptly and accurately. Also, each entry made to an account bears a relationship to an entry made simultaneously to another account or accounts.

In order to maintain a high degree of accuracy in financial operations and reporting, a proof-check has been devised to set forth the relationship between supporting documents and balances shown in specific accounts and the relationship among general ledger accounts. A sample of the proof-check is included at the end of this chapter (Appendices 1-7).

7. Usefulness of and Requirements Relating to Proof-Checks at Institutions

At each institution, the completed proof-checks serve as a method to detect imbalances or errors that have been entered and recorded in the official records and accounts.

The proof-check, however, does not provide specific details nor does it identify errors. Accordingly, each imbalance shall be researched to determine appropriate corrective action.

For example, if a difference exists between an account balance and the supporting documents, the difference shall be analyzed for cause and effect before proper corrective action is taken.

Each correction shall be made a matter of record and documented. An OF-1017G (Journal Voucher) shall be used to support all entries for correction. Each correction shall be entered into the automated system and

complete reference shall be shown with respect to the error (including the circumstances, the correction made, and any other pertinent information). Also, reconciliation working papers shall be maintained on file as a part of the documentation.

At each institution, the Supervisory Operating Accountant shall complete the proof-checks upon the receipt of monthly reports.

All errors (differences) shall be identified promptly. A report explaining the proof-check differences shall be completed to record the reconciling information. A sample of forms that may be used to explain the proof-check differences may be found in Attachments 2-4 at the end of this Chapter.

8. Certifications Required Each Month. With each set of monthly proof-checks, the Controller shall provide a cover letter that includes an assessment of the accounting operations within the institution. This assessment shall address the status of the proof-check (whether all accounts are reconciled and, if not, what corrective action is being taken, etc.);

- the status of reimbursements (whether estimates are accurate, whether the rates of collection are consistent with projections, whether credit balances are on the Accounts Receivable reports, whether any accounts are seriously delinquent, etc.);
- the status of the statements of differences (whether or not they have been cleared, and if not, why, and when they will be cleared, etc.);
- and any other areas of significance the Controller should report to the Region.

The completed proof-check shall be forwarded to the Regional Comptroller to be received no later than the 25th day following the reporting month. When computer problems in the Central Office cause a delay in furnishing month-end reports to institutions and Regional Offices, the deadline (25th of the month) will be automatically extended. If the proof-check is not forwarded in sufficient time to reach the Regional Office by the 25th of the month or the extended due date when applicable, the Controller shall submit a memo to the Regional Comptroller explaining the reasons for noncompliance.

* The Regional Comptroller shall forward a memorandum to the Chief, Finance Branch, Central Office stating his/her assessment of the accounting operation for each institution in the Region, addressing

any problems or accomplishments. The memorandum shall be received by the Chief, Finance Branch no later than the 15th of the subsequent month following the receipt of the institution assessment and proof checks. *

There generally is no allowance or tolerance for errors. The cash accounts for each appropriation of funds must agree with the accounts maintained for each appropriation by the Department of the Treasury. To incur obligations or disburse an amount that is in excess of the amount available or authorized, is clearly a violation of the law.

9. Inmate Account Balance Listing Required Each Month. Institutions shall submit a copy of the detail listing of the Inmate Balance Report, excluding z accounts, with the monthly proof-check to the Region. The Region shall maintain the listing on file until the next month's listing of inmate account balances is received.

10. Certification Required at Fiscal Year-end. The Federal Managers Financial Integrity Act (FMFIA, P. L. 97-255, enacted in 1982) requires annual certification that the Bureau of Prisons' Accounting Systems are in conformance with applicable accounting principles and standards. The Chief Executive Officer at each institution shall submit the certification statement (attachment 1) with the final fiscal year-end proof-check, for the month ending September 30, 19XX. The due date(s) as set forth in paragraph 8 of this chapter shall apply unless superseded by special fiscal year-end instructions.

11. Use of Proof-Checks at Regional Offices. The completed proof-checks received by the Regional Comptroller can serve as a "desk-audit." The Regional Comptroller can identify each institution that is experiencing difficulties in maintaining accuracy. Also, the Regional Comptroller can identify the nature of the error. If an institution continues to commit the same errors, or if errors are not corrected or adequately explained, this may be an indication of extensive problems. The Regional Comptroller and Regional Director should take appropriate action to provide whatever assistance or action is deemed necessary.

(Name) _____, Chief Executive Officer
(Institution)
Certification - Financial Management System
Chief, Office of Financial Management
Central Office, Bureau of Prisons
, Regional Office Comptroller
Region

In accordance with Section 4, of the Federal Managers Financial Integrity Act of 1982, I certify that this institution's accounting records conform with the principles, standards, and related requirements prescribed by Bureau of Prisons, P.S. 2000.2, Accounting Management Manual in all material respects.

I certify that all system proof-check differences or discrepancies have been researched, specific errors identified, and corrections made.

EXPLANATION OF OTHER ACCOUNT DIFFERENCES

Appropriation or Fund Account	G/L Account Number	Difference Amount	Reference Page Number
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EXPLANATION:

Appropriation or Fund Account	G/L Account Number	Difference Amount	Reference Page Number
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EXPLANATION:

Appropriation or Fund Account	G/L Account Number	Difference Amount	Reference Page Number
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EXPLANATION:

INSTITUTION
MONTH ENDING

P.S. 2000.2
Appendix 1
CH 10548
Page 1 of 11

MONTHLY PROOF-CHECK

General Ledger Cash Accounts vs. Statement of Transactions (SF-224)

*A. Current Year Salaries and Expenses

Column 3, SF-224

15 1060 110.3 Net Disbursements Current Month

115.0 Undep. Coll. (-) Column 3, SF-224
Current Month Prior Months

Subtotal
GOALS Bill
Current Month
GOALS Bill
Prior Months

TOTAL TOTAL

DIFFERENCE

B. First Prior Year Salaries and Expenses

Column 3, SF-224

15 1060 110.3 Net Disbursements Current Month

115.0 Undep. Coll. (-) Column 3, SF-224
Current Month Prior Months

Subtotal
GOALS Bill-
September

15.0 Undep. Coll. (+)
PY Carryover PY Carryover

TOTAL TOTAL

DIFFERENCE

INSTITUTION
MONTH ENDING

P.S. 2000.2
Appendix 1
CH 10548
Page 2 of 11

C. Second Prior Year Salaries and Expenses

				Column 3, SF-224	
15	1060	110.3	Net Disbursements		Current Month
		115.0	Undep. Coll. (-)	Column 3, SF-224	
			Current Month		Prior Months
			Subtotal		115.0 Undep. Coll. (+)
					PY Carryover
PY Carryover					
		TOTAL			TOTAL
			DIFFERENCE		

D. Third Prior Year Salaries and Expenses

				Column 3, SF-224	
15	1060	110.3	Net Disbursements		Current Month
		115.0	Undep. Coll. (-)	Column 3, SF-224	
			Current Month		Prior Months
				Subtotal	
		115.0	Undep. Coll. (+)		
			PY Carryover		PY Carryover
		TOTAL			TOTAL
			DIFFERENCE		

E. Fourth Prior Year Salaries and Expenses

				Column 3, SF-224	
15	1060	110.3	Net Disbursements		Current Month
		115.0	Undep. Coll. (-)	Column 3, SF-224	
			Current Month		Prior Months
				Subtotal	
15.0			Undep. Coll. (+)		
			PY Carryover		PY Carryover
		TOTAL			TOTAL
			DIFFERENCE		

F. Fifth Prior Year Salaries and Expenses

	Column 3, SF-224				
15	1060	110.3	Net Disbursements	Current Month	
		115.0	Undep. Coll. (-)	Column 3, SF-224	
			Current Month	Prior Months	
			Subtotal	115.0	Undep. Coll. (+)
			PY Carryover		PY Carryover
			TOTAL		TOTAL
			DIFFERENCE		

G. All Other Prior Years (will not be used after 9/30/93)

				Column 3, SF-224
15M1060	110.3		Net Disbursements	Current Month
	115.0		Undep. Coll. (-)	Column 3, SF-224
			Current Month	Prior Months
				Subtotal
	115.0		Undep. Coll. (+)	
			PY Carryover	PY Carryover
			TOTAL	TOTAL
			DIFFERENCE	

H. Trust Fund

				Column 2, SF-224
15X8408	110.2		Collections	Current Month
	115.0		Undep. Coll.	Column 2, SF-224
			Current Mo. (-)	Prior Months
				Subtotal
15.0			Undep. Coll. (+)	
			PY Carryover	PY Carryover
			TOTAL	TOTAL
			DIFFERENCE	

INSTITUTION
MONTH ENDING

P.S. 2000.2
Appendix 1
CH 10548
Page 4 of 11

I. Trust Fund
Column 3, SF-224
15X8408 110.3 Net Disbursements Current Month
Column 3, SF-224
Prior Months

Subtotal PY Carryover

TOTAL TOTAL

DIFFERENCE

J. Buildings and Facilities
Column 3, SF-224
15X1003 110.3 Net Disbursements Current Month
115.0 Undep. Coll. Column 3, SF-224
Current Mo. (-) Prior Months

Subtotal

15.0 Undep. Coll. (+)
PY Carryover PY Carryover

TOTAL TOTAL

DIFFERENCE

K. National Institute
of Corrections
Column 3, SF-224
15X1004 110.3 Net Disbursements Current Month
115.0 Undep. Coll. Column 3, SF-224
Current Mo. (-) Prior Months

Subtotal

115.0 Undep. Coll. (+)
PY Carryover PY Carryover

TOTAL TOTAL

DIFFERENCE

INSTITUTION

P.S. 2000.2

Appendix 1

MONTH ENDING

CH 10548

Page 5 of 11

L. Suspense Account 15X6875(10)

110.3 Net Disbursements
115.0 Undep. Coll.
Current Month (-)

Column 3, SF-224
Current Month
Column 3, SF-224
Prior Months
Subtotal

115.0 Undep. Coll. (+)
PY Carryover

PY Carryover

TOTAL

TOTAL

DIFFERENCE

M. Deposits in Transit
Differences 15F3878(10)

110.7 Deposits-
Budget/Clearing

Column 2, SF-224
Current Month
Column 2, SF-224
Prior Months
Subtotal
SF-224

5901 Credit
Current Month
5901 Credit
Prior Months
Subtotal
5901s
PY Carryover

TOTAL

TOTAL

DIFFERENCE

INSTITUTION

P.S. 2000.2

Appendix 1

MONTH ENDING

CH 10548

Page 6 of 11

N. Deposits in Transit
Differences 15F3878(10)

110.3 Net Disbursements

Column 3, SF-224
Current Month
Column 3, SF-224
Prior Months
Subtotal
SF-224

5901 Charge
Current Month
5901 Charge
Prior Months
Subtotal
5901s

PY Carryover

TOTAL

TOTAL

DIFFERENCE

O. Undistributed and Letter of Credit
Differences 15F3879(10)

110.7 Deposits-
Budget/Clearing

Column 2, SF-224
Current Month
Column 2, SF-224
Prior Months

Subtotal
SF-224

5901 Credit
Current Month
5901 Credit
Prior Months
Subtotal
5901s

PY Carryover

TOTAL

TOTAL

DIFFERENCE

INSTITUTION

P.S. 2000.2

Appendix 1

MONTH ENDING

CH 10548

Page 7 of 11

P. Undistributed and Letter of Credit Differences 15F3879(10)

	Column 3, SF-224
110.3 Net Disbursements	Current Month
	Column 3, SF-224
	Prior Months
	Subtotal
	SF-224
	5901 Charge
	Current Month
	5901 Charge
	Prior Months
	Subtotal
	5901s
	PY Carryover
TOTAL	TOTAL

DIFFERENCE

Q. Unavailable Check Cancellations and Overpayments 15F3880(10)

	Column 2, SF-224
110.7 Deposits-	Current Month
Budget/Clearing	Column 2, SF-224
	Prior Months
	Subtotal
	PY Carryover
TOTAL	TOTAL

DIFFERENCE

INSTITUTION

P.S. 2000.2

Appendix 1

MONTH ENDING

CH 10548

Page 8 of 11

R. Unavailable Check Cancellations
and Overpayments 15F3880(10)

110.3	Net Disbursements	Column 3, SF-224	Current Month
		Column 3, SF-224	Prior Months
		Subtotal	
		PY Carryover	
	TOTAL	TOTAL	

DIFFERENCE

S. Budget Clearing Account 15F (10)

110.7	Deposits-	Column 2, SF-224	Current Month
	Budget/Clearing		
115.0	Undep. Coll.	Column 2, SF-224	Prior Months
	Current Mo. (-)	Subtotal	
115.0	Undep. Coll. (+)		
	PY Carryover	PY Carryover	
	TOTAL	TOTAL	

DIFFERENCE

T. Budget Clearing Account 15F (10)

110.3	Net Disbursements	Column 3, SF-224	Current Month
		Column 3, SF-224	Prior Months
		Subtotal	
		PY Carryover	
	TOTAL	TOTAL	

DIFFERENCE

INSTITUTION
MONTH ENDING

P.S. 2000.2
Appendix 1
CH 10548
Page 9 of 11

U. Miscellaneous Receipts

153220	780.0	Unavail. Receipts	Column 2, SF-224
		Deposited-Sum	Current Month
115.0		Undep. Coll.	Column 2, SF-224
		Current Mo. (-)	Prior Months
			Subtotal
115.0		Undep. Coll. (+)	
		PY Carryover	PY Carryover
		TOTAL	TOTAL
		DIFFERENCE	

V. Miscellaneous Interest Received

151435	780.0	Unavail. Receipts	Column 2, SF-224
		Deposited-Sum	Current Month
115.0		Undep. Coll.	Column 2, SF-224
		Current Mo. (-)	Prior Months
			Subtotal
115.0		Undep. Coll. (+)	
		PY Carryover	PY Carryover
		TOTAL	TOTAL
		DIFFERENCE	

W. Payment Unclaimed Money

			Column 3, SF-224
20X6133	110.3	Net Disbursements	Current Month
115.0		Undep. Coll.	Column 3, SF-224
		Current Mo. (-)	Prior Months
			Subtotal
115.0		Undep. Coll. (+)	
		PY Carryover	PY Carryover
		TOTAL	TOTAL
		DIFFERENCE	

INSTITUTION
MONTH ENDING

P.S. 2000.2
Appendix 1
CH 10548
Page 10 of 11

X. Forfeiture Unclaimed Money

151060	780.0	Unavail. Receipts Deposited-Sum	Column 2, SF-224 Current Month
115.0		Undep. Coll. Current Mo. (-)	Column 2, SF-224 Prior Months Subtotal
115.0		Undep. Coll. (+) PY Carryover	PY Carryover
		TOTAL	TOTAL
		DIFFERENCE	

Y. Fines, Penalties and Forfeitures

151099	780.0	Unavail. Receipts Deposited-Sum	Column 2, SF-224 Current Month
115.0		Undep. Coll. Current Mo. (-)	Column 2, SF-224 Prior Months Subtotal
115.0		Undep. Coll. (+) PY Carryover	PY Carryover
		TOTAL	TOTAL
		DIFFERENCE	

Z. Other Account

	780.0	Unavail. Receipts Deposited-Sum	Column 2, SF-224 Current Month
115.0		Undep. Coll. Current Mo. (-)	Column 2, SF-224 Prior Months Subtotal
115.0		Undep. Coll. (+) PY Carryover	PY Carryover
		TOTAL	TOTAL
		DIFFERENCE	

INSTITUTION
MONTH ENDING

P.S. 2000.2
Appendix 1
CH 10548
Page 11 of 11

AA. Other Account

780.0	Unavail. Receipts	Column 2, SF-224
	Deposited-Sum	Current Month
115.0	Undep. Coll.	Column 2, SF-224
	Current Mo. (-)	Prior Months
		Subtotal
115.0	Undep. Coll. (+)	
	PY Carryover	PY Carryover
	TOTAL	TOTAL
	DIFFERENCE	*

INSTITUTION
MONTH ENDING

P.S. 2000.2
Appendix 2
CH 10548
Page 1 of 4

MONTHLY PROOF-CHECK

General Ledger Payroll Accounts vs. Department of Justice (DOJ)
Statement of Transaction

*

A. Current Year

15	1060	110.5	Net Disbursements	DOJ Payroll Statement Current Month
				DOJ Payroll Statement Prior Months
				Subtotal
				Bureau Memorandums
			TOTAL	TOTAL
			DIFFERENCE	

B. First Prior Year

15	1060	110.5	Net Disbursements	DOJ Payroll Statement Current Month
				DOJ Payroll Statement Prior Months
				Subtotal
				Bureau Memorandums PY Carryover
			TOTAL	TOTAL
			DIFFERENCE	

INSTITUTION
MONTH ENDING

P.S. 2000.2
Appendix 2
CH 10548
Page 3 of 4

F. Fifth Prior Year

15	1060	110.5	Net Disbursements	DOJ Payroll Statement Current Month
				DOJ Payroll Statement Prior Months
				Subtotal
				PY Carryover
			TOTAL	TOTAL
			DIFFERENCE	

G. All Other Prior Years (will not be used after 9/30/93)

15M1060	110.5	Net Disbursements	DOJ Payroll Statement Current Month	
			DOJ Payroll Statement Prior Months	
			Subtotal	
			PY Carryover	
			TOTAL	TOTAL
			DIFFERENCE	

H. Trust Fund

15X8408	110.5	Net Disbursements	DOJ Payroll Statement Current Month	
			DOJ Payroll Statement Prior Months	
			Subtotal	
			Bureau Memorandums	
			PY Carryover	
			TOTAL	TOTAL
			DIFFERENCE	

INSTITUTION
MONTH ENDING

P.S. 2000.2
Appendix 2
CH 10548
Page 4 of 4

I. Buildings & Facilities

15X1003	110.5	Net Disbursements	DOJ Payroll Statement Current Month
			DOJ Payroll Statement Prior Months
			Subtotal
			Bureau Memorandums PY Carryover
		TOTAL	TOTAL
		DIFFERENCE	

J. National Institute of Corrections
(Central Office Only)

15X1004	110.5	Net Disbursements	DOJ Payroll Statement Current Month
			DOJ Payroll Statement Prior Months
			Subtotal
			Bureau Memorandums PY Carryover
		TOTAL	TOTAL
		DIFFERENCE	*

INSTITUTION
MONTH ENDING

P.S. 2000.2
Appendix 3
CH 10548
Page 1 of 6

MONTHLY PROOF-CHECK

General Ledger Draft Payment Accounts vs. Draft Payment Control Register

*

A. Current Year S&E
15 1060

General Ledger

Monthly Draft Report

116.0 Drafts in Transit
110.9 Disbursements -
Draft Payments

Current Mo.
Prior Mos.
this FY

Total

Total

DIFFERENCE

B. First Prior Year S&E
15 1060

General Ledger

Monthly Draft Report

116.0 Drafts in Transit
110.9 Disbursements -
Draft Payments

Current Mo.
Prior Mos.
this FY

Subtotal

Less: 116.0 Prior Year
> PY Carryover
Total

Carryover <

Total

DIFFERENCE

INSTITUTION
MONTH ENDING

P.S. 2000.2
Appendix 3
CH 10548
Page 2 of 6

C. Second Prior Year S&E
15 1060

General Ledger

Monthly Draft Report

116.0 Drafts in Transit
110.9 Disbursements -
Draft Payments

Current Mo.
Prior Mos.
this FY

16.0 Prior Year
Carryover <
Total

Subtotal Less:
> PY Carryover
Total

DIFFERENCE

D. Third Prior Year S&E
15 1060

General Ledger

Monthly Draft Report

116.0 Drafts in Transit
110.9 Disbursements -
Draft Payments

Current Mo.
Prior Mos.
this FY

16.0 Prior Year
Carryover <
Total

Subtotal Less:
> PY Carryover
Total

DIFFERENCE

INSTITUTION
MONTH ENDING

P.S. 2000.2
Appendix 3
CH 10548
Page 3 of 6

E. Fourth Prior Year S&E
15 1060

General Ledger

Monthly Draft Report

116.0 Drafts in Transit
110.9 Disbursements -
Draft Payments

Current Mo.
Prior Mos.
this FY

16.0 Prior Year
Carryover <
Total

Subtotal Less:

> PY Carryover
Total

DIFFERENCE

F. Fifth Prior Year S&E
15 1060

General Ledger

Monthly Draft Report

116.0 Drafts in Transit
110.9 Disbursements -
Draft Payments

Current Mo.
Prior Mos.
this FY

16.0 Prior Year
Carryover <
Total

Subtotal Less:

> PY Carryover
Total

DIFFERENCE

INSTITUTION
MONTH ENDING

P.S. 2000.2
Appendix 3
CH 10548
Page 4 of 6

G. All Other Prior Years (will not be used after 9/30/93)
15M1060

General Ledger		Monthly Draft Report	
116.0	Drafts in Transit		Current Mo.
110.9	Disbursements - Draft Payments		Prior Mos. this FY
		Subtotal	Less:
16.0	Prior Year Carryover <	>	PY Carryover
	Total	Total	
	DIFFERENCE		

H. Buildings & Facilities
15X1003

General Ledger		Monthly Draft Report	
116.0	Drafts in Transit		Current Mo.
110.9	Disbursements - Draft Payments		Prior Mos. this FY
		Subtotal	Less:
16.0	Prior Year Carryover <	>	PY Carryover
	Total	Total	
	DIFFERENCE		

INSTITUTION
MONTH ENDING

P.S. 2000.2
Appendix 3
CH 10548
Page 5 of 6

I. Trust Fund
15X8408

General Ledger

116.0 Drafts in Transit
110.9 Disbursements -
Draft Payments

16.0 Prior Year
Carryover <
Total

Monthly Draft Report

Current Mo.
Prior Mos.
this FY
Subtotal

> PY Carryover
Total

DIFFERENCE

J. National Institute of Corrections
15X1004

General Ledger

116.0 Drafts in Transit
110.9 Disbursements -
Draft Payments

16.0 Prior Year
Carryover <
Total

Monthly Draft Report

Current Mo.
Prior Mos.
this FY
Subtotal

> PY Carryover
Total

DIFFERENCE

INSTITUTION
MONTH ENDING

P.S. 2000.2
Appendix 3
CH 10548
Page 6 of 6

K. Inmate Deposit Fund
15X6085

General Ledger

Monthly Draft Report

116.0 Drafts in Transit
110.9 Disbursements -
Draft Payments

Current Mo.
Prior Mos.
this FY

16.0 Prior Year
Carryover <

Subtotal Less:

Total

> PY Carryover
Total

DIFFERENCE

L. Suspense Account
15X6875(10)

General Ledger

Monthly Draft Report

116.0 Drafts in Transit
110.9 Disbursements -
Draft Payments

Current Mo.
Prior Mos.
this FY

16.0 Prior Year
Carryover <

Subtotal Less:

Total

> PY Carryover
Total

DIFFERENCE

*

INSTITUTION
MONTH ENDING

P.S. 2000.2
Chapter 10548
Appendix 4
Page 1 of 7

MONTHLY PROOF-CHECK

Comparison of General Ledger Balances to Subsidiary Records (Tapes, SPMS, Inventories, Other

A. Current Year Appropriation
15 1060

Account #	TITLE	AMOUNT	TAPE AMOUNT	DIFFERENCE
1.	115.0 Undep. Coll.			
2.	120.0 Imprest Fund Adv.			
3.	130.0 A/Rec. Reim.			
4.	131.0 A/Rec. Unbilled			
5.	135.0 A/Rec. Refund			
6.	161.0 Inv. General			
7.	162.0 Inv. Donated			
8.	163.0 Inv. Farm			
9.	180.0 Travel Advance			
10.	182.0 Travelers Checks Advance			
11.	210.0 Land			
12.	211.0 Building			
13.	212.0 Other Struc.			
14.	213.0 Lease Improv.			
15.	221.0 Depr.-Bldgs.			
16.	222.0 Depr.-Oth. Struc.			
17.	223.0 Depr.-Improv.			
18.	901.1 Meal Tickets			
19.	955.0 Operating Plan			
		(Budget Form 3)		
20.	215.0 Equipment CY		SPMS Approp. Code 2	
	First Prior Yr.		SPMS Approp. Code 3	
	Other Prior Yrs.			
	TOTAL		SPMS Total	
		DIFFERENCE		
21.	225.0 Accum. Depr.		SPMS Approp. Code 2 Code 3	
	TOTAL		SPMS Total	
		DIFFERENCE		
22.	420.0 Accounts Payable			Tape
		100.23 Report		
	TOTAL		TOTAL	
		DIFFERENCE		
23.	660.0 Undelivered Orders			Tape
		DIFFERENCE		

INSTITUTION

P.S. 2000.2

Chapter 10548

MONTH ENDING

Appendix 4

Page 2 of 7

B. First Prior Year

15 1060

Account	G/L Title	AMOUNT	TAPE AMOUNT	DIFFERENCE
1.	115.0 Undep. Coll.			
2.	130.0 A/Rec. Reim.			
3.	131.0 A/Rec. Unbilled			
4.	135.0 A/Rec. Refund			
5.	420.0 A/Payable			
6.	660.0 Un/Orders			

C. Second Prior Year

15 1060

Account	G/L Title	AMOUNT	TAPE AMOUNT	DIFFERENCE
1.	115.0 Undep. Coll.			
2.	130.0 A/Rec. Reim.			
3.	131.0 A/Rec. Unbilled			
4.	135.0 A/Rec. Refund			
5.	420.0 A/Payable			
6.	660.0 Un/Orders			

*

D. Third Prior Year

15 1060

Account	G/L Title	AMOUNT	TAPE AMOUNT	DIFFERENCE
1.	115.0 Undep. Coll.			
2.	130.0 A/Rec. Reim.			
3.	131.0 A/Rec. Unbilled			
4.	135.0 A/Rec. Refund			
5.	420.0 A/Payable			
6.	660.0 Un/Orders			

E. Fourth Prior Year

15 1060

Account	G/L Title	AMOUNT	TAPE AMOUNT	DIFFERENCE
1.	115.0 Undep. Coll.			
2.	130.0 A/Rec. Reim.			
3.	131.0 A/Rec. Unbilled			
4.	135.0 A/Rec. Refund			
5.	420.0 A/Payable			
6.	660.0 Un/Orders			

F. Fifth Prior Year

15 1060

Account	G/L Title	AMOUNT	TAPE AMOUNT	DIFFERENCE
1.	115.0 Undep. Coll.			
2.	130.0 A/Rec. Reim.			
3.	131.0 A/Rec. Unbilled			
4.	135.0 A/Rec. Refund			
5.	420.0 A/Payable			
6.	660.0 Un/Orders			

INSTITUTION
MONTH ENDING

P.S. 2000.2
Chapter 10548
Appendix 4
Page 3 of 7

G. All Other Prior Years (will not be used after 9/30/93)
15M1060

Account	G/L Title	AMOUNT	TAPE AMOUNT	DIFFERENCE
1.	115.0 Undep. Coll.			
2.	130.0 A/Rec. Reim.			
3.	131.0 A/Rec. Unbilled			
4.	135.0 A/Rec. Refund			
5.	420.0 A/Payable			
6.	660.0 Un/Orders			*

H. Trust Fund
15X8408

Account	G/L Title	AMOUNT	TAPE AMOUNT	DIFFERENCE
1.	115.0 Undep. Coll.			
2.	125.0 Checks for Coins and Stamps			
3.	130.0 A/Rec. Reim.			
4.	131.0 A/Rec. Unbilled			
5.	135.0 A/Rec. Refund			
6.	180.0 Travel Advance			
7.	211.0 Buildings			
8.	221.0 Depr.-Bldgs.			
9.	420.0 A/Payable			
	100.23 Report			
	TOTAL			
10.	660.0 Un/Orders			

AMOUNT SPMS AMOUNT DIFFERENCE

11.	215.0 Equipment			
12.	225.0 Accum. Deprec.			
13.	651.0 Annual Budget	Authorization		Difference
14.	812.4 Cost of Goods Sold			
	Less: 711.3 Stamp Sales			
	Add: 164.4 Stamp Inventory			
	Total Stamp Inventory			
			Physical Stamp	
			Invntry	
		DIFFERENCE		

INSTITUTION
MONTH ENDING

P.S. 2000.2
Chapter 10548
Appendix 4
Page 4 of 7

15. 812.5 Cost of Goods Sold

Less: 711.2 Coin Sales

Add: 164.5 Coin Inventory

Total Coin Inventory

DIFFERENCE

Physical Coin
Inventory

16. Physical Inventory

Inventory Ceiling

Less: 961.0 Inventory
Overage/Shortage

Less: 961.0 Inventory
Variance +/-

NOTE: Inventory ceiling equals avg. last six (6) months sales
(G/L 711.0) multiplied by 2.5.

NOTE: Physical Merchandise Inventory (Cost & Selling Price) minimum
requirement is quarterly.

NOTE: Inventory overage/shortage is required quarterly only.
If Physical Inventory is greater than the 961.0 Account, then
inventory overage.
If Physical Inventory is less than the 961.0 Account, then
inventory shortage.

17. 962.0 Purchases Selling
Price

Receiving Report
Register - SP
Receiving Reports
Prior Months

Less: 962.0 - 10/1 Balance

Price Adjustments

Carryover

Less: Sales to
Institution

Total Current Year
Purchases

Total
Accountability

DIFFERENCE

18. 963.0 Report of Survey

Report of Survey
Current Mo.
Report of Survey
Prior Months

TOTAL

TOTAL

DIFFERENCE

INSTITUTION

MONTH ENDING

I. 15X1003 - Buildings and Facilities

Account	G/L Title	AMOUNT	TAPE AMOUNT	DIFFERENCE
1.	115.0	Undep. Coll.		
2.	135.0	A/Rec. Refund		
3.	180.0	Travel Advance		
* 4.	190.0	Construction, W.I.P.	100.73 Report	
		DIFFERENCE		

NOTE: Account 190.0 - Construction-W.I.P.- should balance to the 100.73 report - Cost by project, B&F.

Compare the 100.63 - General Ledger Trial Balance, 190.0 account - Construction-W.I.P, cumulative to date balance, to the 100.73 report - Cost by Project, B&F, grand totals: cumulative, total costs, less closed project totals: cumulative, total costs. *

5.	420.0	A/Payable	Tape A/Payable	
			100.23 Report	
		TOTAL	TOTAL	
		DIFFERENCE		
6.	660.0	Un/Orders	Tape Un/Orders	
		DIFFERENCE		
7.	955.0	Operating Plan	FMIS RBF1 REPORT	
		DIFFERENCE		

INSTITUTION
 MONTH ENDING

MONTHLY PROOF-CHECK
 GENERAL LEDGER ACCOUNTS VS. TAPE OF SUPPORTING DOCUMENTS

* A. 15F3878(10) - Deposits in Transit Differences					
Account	G/L Title	AMOUNT	TAPE	AMOUNT	DIFFERENCE
1.	450.0	Lia for Dpst Fund			
2.	139.0	A/Rec Summary			
B. 15F3879(10) - Undistributed and Letter of Credit Differences					
Account	G/L Title	AMOUNT	TAPE	AMOUNT	DIFFERENCE
1.	450.0	Lia for Dpst Fund			
2.	139.0	A/Rec Summary			*
C. 15F3880(10) - Unavailable Check Cancellations and Overpayments					
Account	G/L Title	AMOUNT	TAPE	AMOUNT	DIFFERENCE
1.	450.0	Lia for Dpst Fund			
D. 15X6875(10) - Suspense					
Account	G/L Title	AMOUNT	TAPE	AMOUNT	DIFFERENCE
1.	450.0	Lia for Dpst Fund			
E. 20X6133 - Payment Unclaimed Money					
Account	G/L Title	AMOUNT	TAPE	AMOUNT	DIFFERENCE
1.	450.0	Lia for Dpst Fund			
F. 151060 - Forfeiture Unclaimed Money					
Account	G/L Title	AMOUNT	TAPE	AMOUNT	DIFFERENCE
1.	139.0	A/Rec Summary			
G. 151435 - Miscellaneous Interest Received					
Account	G/L Title	AMOUNT	TAPE	AMOUNT	DIFFERENCE

1. 139.0 A/Rec Summary

INSTITUTION
MONTH ENDING

P.S. 2000.2
Chapter 10548
Appendix 4
Page 7 of 7

H. 153220 - Miscellaneous Receipt

Account	G/L Title	AMOUNT	TAPE AMOUNT	DIFFERENCE
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1.	139.0	A/Rec Summary		
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I. 15 - Other Account

Account	G/L Title	AMOUNT	TAPE AMOUNT	DIFFERENCE
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1.	139.0	A/Rec Summary		
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J. 15 - Other Account

Account	G/L Title	AMOUNT	TAPE AMOUNT	DIFFERENCE
---------	-----------	--------	-------------	------------

1.	139.0	A/Rec Summary		
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INSTITUTION:
 MONTH ENDING:

MONTHLY PROOF-CHECK
 PRISONERS DEPOSIT FUND - 15X6085

1. General Ledger Cash Account vs. Statement of Transactions
 (SF-224)

110.6 (Dr.)	Prior Year Carry-over		SF-224. Beginning
		Balance April 1,	
110.3 (Dr.)	Net Disbursements		1983
115.0	Undep. Collections (+)		Prior Fiscal Year
	after 4/1/83		
* 110.9	Net Disbursements -		
	Draft Payments	Prior Months this	
	Prior Year	(+)	*Fiscal Year
		Current month this	
		Fiscal Year	
		MSA Advanced Pay	
TOTAL		TOTAL	

DIFFERENCE: \$

2. Verification of General Ledger Account Balance 100.63 Report

	Balance	Tape	Difference
a.			
(1)	115.0	Undeposited Collections	
(2)	139.0	Account Receivable	
(3)	450.1	Deposit Funds-Inmate	
(4)	921.0	Inmate Savings Bonds	
b.	110.0	Fund Balance	450.0
	116.0	Draft Payments	
		in Transit	
	139.0	Accounts Receivable	
	TOTAL		TOTAL

DIFFERENCE: \$

RECONCILIATION WORKSHEET

INMATE DEPOSIT FUND

15X6085

ITEM No. 110.0 450.0 SF-224 INMATE CARDS
 CORRECTED

Balance					

EXPLANATION:

INSTITUTION
 MONTH ENDING

MONTHLY PROOF-CHECK
 BUDGET CLEARING ACCOUNT - 15F3875-10

General Ledger Cash Account vs. Statement of Transactions (SF-224)
 a. JEDS 445 Report
 Current Month

Column 3 SF-224
 Current Month

JEDS 445 Report
 Prior Months this
 Fiscal Year

Column 3 SF-224
 Prior Months this
 Fiscal Year

110.3 Net Disbursements

TOTAL

Difference

b. 110.7 Deposit Budget
 Clearing Account

Column 2 SF-224
 Current Month

115.0 Undeposited Collections
 (PY Carry-Over) (-)

Column 2 SF-224
 Prior Months this
 Fiscal

Year

115.0 Undeposited Collections
 (Current Month) (+)

TOTAL

TOTAL

Difference

c. 450.0 Liability for
Deposit Fund

Tape of Supporting
Documents

Difference

PROGRAM STATEMENT 2000.2 - ACCOUNTING MANAGEMENT MANUAL

CHAPTER 10500 - ACCOUNTING POLICIES AND PROCEDURES

Chapter 10572 - ACCOUNTS RECEIVABLE

- a. Purpose. Several "accounts receivable" are maintained in the current assets section of the general ledger to show clearly and accurately the amounts due and owed to the United States. Each amount owed, including amounts to be deposited to miscellaneous receipt accounts, must be accounted for under the procedures described below.
- b. General. Each accounts receivable is a general ledger control account which must be supported by subsidiary records consisting of a source or an originating document, a bill and a "Register of Accounts Receivable".
 1. A source or an originating document must be prepared by the cost center manager of the organizational unit that furnished the goods or services. The originating document must show the amount owed and the organization which owes that amount.
 2. The controller is responsible for the preparation of a bill for each charge or group of charges for which the Bureau has not received payment. The bill is to be forwarded immediately to the organization that owes an amount to the government. Bills are to be numbered consecutively beginning with number 110001 on October 1st of each year, and are to be maintained in a "bills rendered" or "receivables" file.
 3. The accounting supervisor must maintain a separate "register of accounts receivable" for the refunds and other. He shall also make the necessary entry into FMS to affect the appropriate accounts receivable.

Each billing or invoice that has been prepared must be recorded on the appropriate register. Each register is to support each appropriate general ledger receivable control account and is to be prepared and maintained on Account Form 27 to conform to the following format.

REGISTER OF ACCOUNTS RECEIVABLE - REFUNDS

Date 19XX	Doc. No.	Item	Stores or Cost Data	Amount	Settlement Date	No.
Jan 10	110057	Telephone Service - FPI	P	138.00		
Jan 15	110058	ABC Mfg. Co. (Overpayment)	P	25.50		

Please note that the "Stores of Cost Data" column is used to denote a "Public" (P) or "Government" (G) accounts receivable.

* 4. All accounts receivables that are to be liquidated in excess of the collection amount shall be accompanied by a Journal Voucher, approved by the Controller, with an explanation as to why the collection amount was less than the billed amount.

*

When collections are received, the date and the collection schedule number are to be recorded in the "Settlement" column of the register. At the end of each month, each open item on the accounts receivable must agree with both the bills remaining unpaid in the bills rendered or receivables file and with the balance of each corresponding general ledger receivable control account.

c. Submitting Billings to UNICOR. The procedures listed below shall be followed by each institution in billing UNICOR for goods or services that have been furnished by the Bureau and constitute reimbursement or refund accounts receivable for the Bureau. Charges to be billed for manufactured or purchased utilities shall be based on actual meter readings. When meter readings are not available, other objective measurements or engineering formulas shall be used. After the Controller and the Superintendent of Industries have reached an agreement, a copy of the objective measurements or engineering formulas and the determined rate shall be forwarded to the Chief Executive Officer for approval and retained on file for audit purposes. The written agreement shall be in the format shown in Exhibit C.

1. Utilities Manufactured or Produced by the Bureau (Reimbursement)

(a) UNICOR must be billed on an actual cost basis at the end of each month for utilities which are manufactured or produced by the Bureau. (The September billing shall be estimated for accrual purposes prior to the end of the fiscal year.)

(b) The 100.71 cost report shall be used in determining the actual cost for producing steam. The Mechanical Service Form No. 31 shall be used to determine actual fuel consumption for producing steam and the total pounds of steam produced for the current month. Cost of fuel consumed shall be based on the average per unit rate charged by the vendor for the fuel purchased during the billing month.

(c) The format shown in Exhibit A shall be used to compute the per unit cost of steam. A five percent (5%) administrative charge shall be added to this amount to arrive at the unit price chargeable to UNICOR.

2. Utilities Purchased by the Bureau (Refund)

UNICOR shall be billed for its proportionate share of purchased utilities. The unit cost shall be determined by dividing the institution's total utility bill (including the costs for demand, fuel adjustment, etc.) by the institution's total usage (including UNICOR). This rate shall be

applied to the UNICOR usage (meter reading) as shown on Mechanical Services Form No. 31 to arrive at the total UNICOR utility billing.

The format shown in Exhibit B shall be used to determine the UNICOR billing for purchased utilities.

NOTE: If maximum demand utilized by UNICOR is metered separately, then UNICOR shall be billed for maximum demand as a separate item utilizing Exhibit "B".

UNICOR shall not be billed for water (hot or cold) or sewage, unless it is used for industrial processing or production purposes, such as produce cleaning systems, water wash paint spray booths, cooling systems, etc.

* 3. Shop Work (Mechanical Services) (Refund)

Each billing for shop work accomplished for UNICOR shall include the cost of materials (unless furnished by UNICOR) and labor costs including benefits of 25.2% for the actual time required to do the work.

Overhead application charges for shop work shall be computed as follows:

- (a) UNICOR-Furnished Materials - A 2% administrative charge on labor will be added to the billing.
- (b) Institution-Furnished Materials - A 5% administrative charge on labor will be added to the billing.

For example, the institution builds shelving for UNICOR and the work takes 6 hours. However, UNICOR furnishes the lumber. The billing would be as follows:

Carpenter Shop Labor - 6 hours @ \$8.43	\$50.58
(Based on hourly wage of employee performing the work)	
Benefits 25.2% (Constant for all institutions)	12.75
Total - Labor and Benefits	\$63.33
Overhead Application 2% (.02 X \$63.33)	1.27
Total for Shop Work (Work Order #)	\$64.60 *

If in this same example, the institution furnished the materials in the amount of \$100.00, the billing would be as follows:

*	Carpenter Shop Labor - 6 hours @ \$8.43 (Based on hourly wage of employee performing the work)	\$ 50.58
	Benefits 25.2% (Constant for all institutions)	12.75
	Total - Labor and Benefits	\$ 63.33
	Overhead Application 5% (.05 X \$63.33)	3.17
	Materials	\$100.00
	Total for Shop Work (Work Order #)	\$166.50 *

4. Stores (Refund) - UNICOR is to be billed for all stores articles which the Bureau furnishes, except for regularly budgeted inmate allowance stores items such as food, soap, towels, toilet tissue, etc., which are used in computing "per capita" information for the budget. UNICOR is to be billed for any special items which it requires, such as protective clothing, goggles, cleaning supplies, or stationery. Also, UNICOR is to be billed for items which it requires that are similar to "regular" issue, but differ in grade, quality, size, color, etc. A good rule of thumb is "UNICOR must pay for any special need it creates."

Only inmate allowances are to be furnished to UNICOR without charge. UNICOR is not to be billed for any accelerated or increase use of regular inmate allowance items.

5. Use of Bureau Vehicles by UNICOR (Reimbursement) - UNICOR must be billed for its use of Bureau vehicles at rates per mile which are established by the nearest GSA Motor Pool for the type of vehicles used. An accurate record shall be established and maintained of the mileage driven and reported as UNICOR vehicle mileage under the Energy Conservation Program.
6. "Fourth" Meals Provided to Inmates (Refund) - UNICOR shall be billed for meals which constitute the "fourth" meal of the day served to inmates who work a regularly scheduled night shift. A Stores Requisition and Transfer Receipt (BP-100) will be prepared for the food items drawn from the food service stores inventory to prepare the "fourth meal." The Stores Requisition and Transfer Receipt (BP-100) shall be forwarded to the accounting supervisor to be used as a source document for billing UNICOR. The accounting supervisor shall prepare an SF-1080 for the stores requisition form(s) and enter a (-31) transaction into (FMS) to establish the accounts receivable-refund. Upon collection of the bill, the accounting supervisor shall reverse the previously established (-31 transaction) and enter an (-02) transaction for the collection.
7. Advances to employees, see P.S. 2000.1, CH 10630.

d. Employee Organizations

1. Institutions with vending machines and other appliances operated on the premises, with profits from these machines and appliances used for the benefit of employee organizations, shall establish the following monthly rates, as applicable:

Machines, Vending

Beverages, cold; bottled; canned or packed	\$1.85
Beverages, cold; one or more flavors, cup type	\$3.00
Beverages, hot; one or more flavors, cup type	\$4.50
Bill and/or Coin Changers	\$.35
Cigarettes, candy cookie, cigar nut, etc. (Mechanical)	\$.50
Fruit, fresh	\$1.50
Ice Cream	\$1.40
Popcorn	\$.70
Sandwich	\$1.55

Appliances

Ovens, heating (1/2 cu. ft.)	\$.90
Plates, hot; portable electric, each burner	\$1.75
Refrigerator; 8 cu. ft. or less	\$2.00
9 to 16 cu. ft.	\$3.30
Over 16 cu. ft.	\$5.00
Warmers; Hot Canned Food	\$.40

Space \$.15 per square foot of floor space per month for all space occupied by reserve stock of cokes, cigarettes, candy etc.

2. Reimbursement to the government for vending machines, other appliances and space may be made quarterly, semi-annually or annually as determined locally.
3. Collections are to be deposited to miscellaneous receipts (Account Number 153220).
4. Agreement - A written agreement between the institution and the employees group shall be executed, revised from time to time as necessary, and maintained on file.
5. Employee's Time - Any time devoted to vending machine operation (filling machines, collecting proceeds, etc.) shall be done on employee's own personal time and not during regular work hours.

Employees Club Profits - Bureau of Prisons Program Statement 3721.3 states that 15 percent of Employees Club profits, derived from vending machines in visiting rooms or other inmate use locations, shall be deposited into the Trust Fund Account (15X8408).

To accomplish this, an accounts receivable must be established for the estimated collection in the unbilled column of a "40" transaction, using sub-object 2669, payor code 099, and descriptor code G6. When the actual bill amount is determined, the unbilled accounts receivable must be reversed and the actual billed amount established in the billed column. Upon receipt of the collection the billed amount must be reversed and the amount collected must be entered on a "40" transaction in the collected column using sub-object 2699, payor code 099, and descriptor code G6.

POWER PLANT

STEAM PRODUCTION COST

Month _____, 19__

A.	Current Month Operating Cost (c.c. 335-100.71)	\$	
B.	Fuel: (Consumption per M.S. Form #31; Average rate billed by vendor)		
	1. Gas:	Cu. Ft. x rate	
	2. Oil:	Gals x rate	
	3. Coal:	Tons x rate	
C.	Total Operation Costs (A+B)	\$	
D.	Total Steam Produced (M.S. Form #31)		lbs.
E.	Production Costs/1000 lbs (C/D X 1000)	\$	
F.	Steam Cost to UNICOR/1000 lbs. (E x 1.05)	\$	
G.	UNICOR Steam Use		lbs.
H.	Total Steam Cost to UNICOR (G/1000 X F)	\$	

Utility and Service Billing for _____ the month of _____
(water, electricity, trash,
telephone, etc.)

- A. Total Utility or Service Bill (Electric, Water, Gas, etc.) \$

- B. Total Measured Use (Gal. KWH, No.of Trash Receptacles,
Extensions, etc.)

- C. Utility or Service Unit Cost (A + B) \$

- D. UNICOR Utility or Service Use (No. of Units)

- E. Total Utility or Service Cost to UNICOR (C X D) \$

(Sample)

UNICOR Billing Agreement

(Institution)

Steam

Billing will be made at the end of each month based on estimated amount used by UNICOR adjusted by actual amount used for the previous month. The unit cost will be based on the total institution production costs to date. Computations will be shown on Exhibit A, Chapter 10572.

In computing actual usage, and because the area does not have a separate meter, UNICOR will be charged a percentage of the steam that passes through the institution lines. Based on the square footage of floor space occupied by UNICOR, this will be 8.4% of the institution's square footage ($55,042 + 655.856 = .0839$).

This agreement will remain in effect until superseded.

(Name)
Controller

(Name)
Superintendent, UNICOR

(Name)
Chief Executive Officer

PROGRAM STATEMENT 2000.2 ACCOUNTING MANAGEMENT MANUAL

CHAPTER 10500 - ACCOUNTING POLICIES AND PROCEDURES

CHAPTER 10576 - BILLING AND ACCOUNTING FOR MAINTAINING PRISONERS OF OTHERS

a. Purpose. This chapter provides the authority, coverage, billing and accounting procedures for maintaining prisoners of others at Bureau institutions.

b. Classification of Prisoners Maintained for Others.

1. At some of its institutions, the Bureau of Prisons maintains prisoners for the District of Columbia.
2. In addition, the Bureau of Prisons is reimbursed by others for maintaining State or territorial prisoners and for the transportation of prisoners for other Federal agencies.

c. District of Columbia Prisoners.

1. Authority - The laws of the District of Columbia provide that: "The cost of the care and custody of District of Columbia convicts in any federal penitentiary shall be charged against the District of Columbia in quarterly accounts to be rendered by the disbursing officer of said penitentiary; and the amount to be charged against the district of Columbia shall be ascertained by multiplying the average daily number of District of Columbia convicts confined in the penitentiary during the quarter by the pre capita cost for all prisoners in such penitentiary for the same quarter but excluding expenses of construction or extraordinary repair of buildings." (24 D.C.C. 424)

2. Coverage - For those prisoners who are committed under laws exclusively applicable to the District of Columbia (D.C.). Where prisoners are sentenced under both D.C. and Federal laws and the sentences run concurrently, a charge may not be made during any period the U.S. Code sentence is being served. However, if consecutive or "stacked" sentences are involved, a separate computation must be made for the first sentence as though "standing alone." If the D.C. Code sentence is first, then, as soon as it terminates, including any forfeited, withheld, or restored statutory and extra good time, the billing shall terminate. If the U.S. Code sentence is first, then, as soon as it terminates, including any forfeited, withheld, or restored statutory good time and extra good time, billing for the D.C. Code sentence shall begin. No billing adjustments shall be made for statutory good time forfeitures, withholdings or restorations, or extra good time awards that occur after the beginning or termination of the billing process.

* 3. Billing Procedure - The Accounting Management Section, Accounting Operations Group, Central Office has the responsibility for producing the billing documents, transmitting the bill, and entering the appropriate transactions into the Financial Management System (FMS) to record the receivables and subsequent collections for the District of Columbia.

d. State and Territorial Prisoners.

1. Authority - The United States Code, Title 18, Section 5003 provides that: "(a)(1) The Director of the Bureau of Prisons when proper and adequate facilities and personnel are available may contract with proper officials of a State or territory, for the custody, care, subsistence, education, treatment, and training of persons convicted of criminal offenses in the courts of such State or territory.

(2) Any such contract shall provide --

(A) for reimbursing the United States in full for all costs or expenses involved;

(B) for receiving in exchange persons convicted of criminal offenses in the courts of the United States, to serve their sentence in appropriate institutions or facilities of the State or territory by designation as provided in section 4082(b) of this title, this exchange to be made according to formulas or conditions which may be negotiated in the contract; or

(C) for compensating the United States by means of a combination of monetary payment and or receipt of persons convicted of criminal offenses in the courts of the United States, according to formulas or conditions which may be negotiated in the contract.

(3) No such contract shall provide for the receipt of more State or territory prisoners by the United States than are transferred to that State or territory by such contract.

(b) Funds received under such contract may be deposited in the Treasury to the credit of the appropriation or appropriations from which the payments for such service were originally made.

(c) Unless otherwise specifically provided in the contract, a person committed to the Attorney General hereunder shall be subject to all the provisions of law and regulations applicable to persons committed for violations of laws of the United States not inconsistent with the sentence imposed.

(d) The term "State" as used in this section includes any State, territory, or possession of the United States, and the Canal Zone."

2. Coverage - Prisoners of a State or territory who are maintained under contract by the Bureau of Prisons.

* 3. Billing Procedure - The Accounting Management Section, Accounting Operations Group, Central Office has the responsibility for producing the billing documents, transmitting the bills, and the entering the appropriate transaction into the Financial Management System (FMS) to record the receivables and subsequent collections for each State or territory.

The Office of Financial Management at the institution is no longer required to prepare, send, and account for State Prisoner Billings subsequent to fiscal year 1987. However, each institution's Office of Financial Management is responsible for monitoring and collecting any outstanding amounts owed on billings prior to fiscal year 1988 (bills prepared and transmitted in October 1987 and prior).

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PROGRAM STATEMENT 2000.2 - ACCOUNTING MANAGEMENT MANUAL

CHAPTER 10500 - ACCOUNTING POLICIES AND PROCEDURES

Chapter 10577 - REIMBURSEMENT FOR FIRE FIGHTING AND BETTERMENT WORK

- a. Purpose. The purpose of Chapter 10577 is to set forth the authorization and procedures for the reimbursement services provided for fire fighting and betterment work.
- b. Authority.
 1. Laws of the united States provide:

"...the Attorney General may make available to the heads of the several departments the services of the United States prisoners under terms, conditions, and rates mutually agreed upon, for constructing or repairing roads, clearing, maintaining and reinforcing public lands..." (18 U.S.C. 4125.)
 2. Camp agreements with the Forest Service.
- c. Coverage - Inmates and officers engaged in such work.
- d. Billing Procedure - Bills must be submitted monthly direct to the Officer in Charge of the Forest activities in the region in which the camp is located. Bills must be prepared on Standard Form 1080 and in accordance with the provisions of the agreement. Time and Attendance reports shall be maintained to support the billing.
- e. Accounting Procedure
 1. The amount for credit to inmates must be deposited to 15X6085, Funds of Federal Prisoners and entered to the individual inmate's account.
 2. The amount for credit to the appropriation must be posted as a reimbursement. (See Chapter 10584, Accounting for Annual Reimbursements.)

PROGRAM STATEMENT 2000.2 ACCOUNTING MANAGEMENT MANUAL

REFUNDS AND REIMBURSEMENTS

Chapter 10580 - PURPOSE AND DEFINITIONS OF REFUNDS AND REIMBURSEMENTS

- a. Purpose. The purpose of Chapters 10580 through 10585 is to set forth the procedures to follow in accounting for refunds and reimbursements.
- b. Definitions. The General Accounting Office (GAO) has defined refunds and reimbursements as follows:
 1. Refunds. Refunds are defined as recoveries of amounts paid in error and recoveries of advances. Refunds are reductions of prior disbursements and are not subject to apportionment by the Office of Management and Budget. (GAO Manual for Guidance of Federal Agencies, Title 2, Section 4030.10b(1).)

Refunds are defined further as repayments for excess payments which are to be credited to the appropriation or fund accounts from which the excess payments were made. Each refund must be directly related to previously recorded disbursements and is a reduction of such disbursements. (GAO Manual for Guidance of Federal Agencies, Title 7, Section 13.2(2).)

2. Reimbursements. Appropriation reimbursements are defined as earnings or collections from the sale of commodities and services furnished or to be furnished which by law may be credited to an appropriation account. Reimbursements do not represent a correction or adjustment of previously recorded disbursements (such corrections or adjustments are refunds). Rather, reimbursements constitute a restoration of the original amount appropriated by the Congress, and are subject to apportionment by the Office of Management and Budget. (GAO Manual for Guidance of Federal Agencies, Title 2, Section 4030.10b(2).)

PROGRAM STATEMENT 2000.2 ACCOUNTING MANAGEMENT MANUAL

CHAPTER 10500 - ACCOUNTING POLICIES AND PROCEDURES

Chapter 10581 - TYPES OF REFUNDS AND REIMBURSEMENTS

Examples of Refunds and Reimbursements

a. Examples of Refunds

Presented below are examples of the types of transactions that occur in the Bureau of Prisons which are considered as refunds (recoveries of amounts paid in error or recoveries of advances).

1. Return by a traveler of his unused travel advance.
2. Unused airline or other such transportation tickets.
3. An overpayment of a prior disbursement.
4. Juror or witness fees remitted by Bureau employees which they had received for jury duty. (5 USC 5515)
5. Payments received from Federal Prison Industries for purchase from the Bureau of Prisons of:
 - (a) Utilities which the Bureau has purchased from utility companies.
 - (b) Shop and warehouse stock items.
 - (c) Items purchased from cashier's imprest funds.
6. Farm or other products which are produced by one institution of the Bureau and transferred or "sold" to another institution. For example, farm products "sold" by Texarkana to Seagoville.

b. Examples of Reimbursements

Presented below are examples of the types of transactions that occur in the Bureau of Prisons which are considered as reimbursements (earnings or collections realized from the sale of commodities or services that constitute a restoration of the amount originally appropriated by Congress).

1. Payments received from state or municipal governments for boarding non-federal prisoners.
2. Sale of meal tickets to employees.
3. Sale of utilities, produced by the Bureau, to Federal Prison Industries.

4. Sale of personal property to be used for the purchase of replacement property.
5. Cash payments received for the rental of residences.
6. Transportation in the work release program, but only that portion which represents the recovery of actual costs. The remaining portion-- the excess of receipts over costs -- is to be deposited into a Miscellaneous Receipt account.
7. Transportation of prisoners for other agencies.
8. Payments received for fire fighting or betterment work.

PROGRAM STATEMENT 2000.2 ACCOUNTING MANAGEMENT MANUAL

CHAPTER 10500 - ACCOUNTING POLICIES AND PROCEDURES

Chapter 10582 - ACCOUNTING FOR REFUNDS

a. Accounting for Refunds

Under the automated Financial Management System, the accounting supervisor is to complete and enter the appropriate transaction form into the system to affect entries to accounts automatically for the various refund transactions. Listed below are examples of transactions which may involve either receiving cash or setting up an account receivable, and the required inputs to the system for each type of transaction.

b. Cash Transactions

Return of an unused travel advance.

When the amount of an unused travel advance is returned, the accounting supervisor inputs an 04 transaction code to affect the following entries to accounts:

110.3 - Net Disbursements	Dr.
180.0 - Travel Advance	Cr.

(Note. The disbursement did not go to the cost or allotment ledger when the advance initially was made to the traveler.)

c. Receivable Transactions

1. Listed below are the types of transactions for which cash may not be received immediately; therefore, require setting up an account receivable:

- (a) Unused airlines or other public transportation tickets.
- (b) Juror or witness fees paid to Bureau of Prison employees.
- (c) Any overpayment made in a prior disbursement.
- (d) Providing shop and warehouse stock items to Federal Prison Industries.
- (e) Providing items purchased from imprest funds to Federal Prison Industries.
- (f) Providing to Federal Prison Industries those utilities which the Bureau of Prisons had purchased.

- (g) The sale of farm products by one institution of the Bureau to another institution of the Bureau.
2. When it is recognized that a refund is due and payable to the Bureau of Prisons, the accounting supervisor is to send out an appropriate billing statement or invoice and enter into the computerized system a minus (-) 31 transaction. If the refund amount is not known prior to the close of the accounting period, an estimate must be recorded and adjusted the following month for the exact amount of the refund.
 3. The computer has been programmed to generate and produce certain specific entries to accounts based upon the 31 input transaction. In effect, the computer "reads" the transaction code, the sub-object class, whether the amount is positive or negative and other data to generate predesignated, programmed entries to accounts. Therefore, please note that the accuracy of the accounts of record and reports is dependent upon the accuracy and validity of the input information.
 4. When the collection is received, the accounting supervisor enters a positive 31 "Obligation Transaction" to reverse the previously made entry. Also, the accounting supervisor enters a minus (-) 02 transaction to generate entries to accounts. (The accounts affected depend upon the data shown on the input form and entered into the computerized system. The possible entries are too extensive to present here.)

PROGRAM STATEMENT 2000.2 ACCOUNTING MANAGEMENT MANUAL

CHAPTER 10500 - ACCOUNTING POLICES AND PROCEDURES

Chapter 10583 - MANAGEMENT CONTROL AND ACCOUNTING FOR ALL TYPES OF REIMBURSEMENTS

a. Management Control

1. Only the Chief, Financial Management Branch, Administration Division controls the issue of allotment advises resulting from all reimbursement transactions. Other officials and managers at institutions, regional offices, or the Central Office are not authorized to increase allotments (available unobligated balance) nor to incur obligations for reimbursements earned or collected.

2. The annual allocation issued to institutions include an amount for reimbursements which is based on the annual budget submissions of institutions. Therefore, reimbursement earnings or collections cannot be obligated. Reimbursements earned and collected in excess of the individual estimates of institutions are controlled separately by the Chief, Financial Management. Income earned or collections that fall short of estimates require downward adjustments of the institution allocation and withdrawal of that portion of the allocation that is for the estimated reimbursements.

b. Accounting Control At Each Institution

1. A computerized reimbursement-receivable system has been developed to monitor the status of earned reimbursements so that the Bureau, considered in its entirety, does not incur obligations that exceed legally authorized apportionments, (which include estimated reimbursements) that have been approved by the Office of Management and Budget.

2. The Reimbursements - Cost Center, Budget Activity Report -- 100.86 -- is used to report the estimated reimbursements made for each fiscal year and to summarize and accumulate all reimbursement transactions at the end of each month; the report is on a cumulative basis. Following is an explanation of information shown in each column.

(a) Description Column

This column identifies the type or kind of reimbursement by each cost center within each budget activity.

(b) Estimated Column

The "Estimated" column must include all the estimated reimbursements which each institution submitted to the Chief, Financial Management on its budgetary reports. These estimates must be revised whenever a determination is made which increases or decreases the original estimated reimbursements.

(c) Unanticipated Column

This column represents the type of reimbursement earned for which an estimate was not established. Additional obligational authority (allocations) for unanticipated reimbursements or reimbursements earned in excess of initial estimates is controlled by the Chief, Financial Management.

(d) Unbilled Column

The "Unbilled" column shows reimbursements earned for which invoices have not been prepared. Unbilled earnings must be entered prior to the end of each month. This column must agree with the 100.87 report "Reimbursement Unbilled Register" and with general ledger account 131.0 "Accounts Receivable - Unbilled Appropriation Reimbursements - Summary".

(e) Billed Column

This column represents reimbursements for which bills have been prepared, but payment has not yet been received. This column must agree with the 100.88 report "Reimbursement Billed Register"; general ledger account 130.0 "Accounts Receivable - Appropriation Reimbursements - Summary" and with the outstanding receivable billings for which payment has not been received.

(f) Collected Column

The "Collected" column shows all reimbursements that have been collected and deposited.

(g) Total Column

This column is the sum total of the Unbilled, Billed and Collected columns and represents total reimbursements earned to date.

(h) Per Cent Column

This column is computed by comparing the total column to the estimated column. If an estimate is not present, then the reimbursement automatically is classified as an unanticipated reimbursement and appears in the unanticipated column. "No Est" appears in the Per Cent column.

3. The Reimbursement Unbilled Register report--100.87--provides an "aged" listing of reimbursements that have been earned but for which invoices have not been prepared. The register lists each unbilled reimbursement by payor with the complete accounting classification code.

(c) The Supervisory Budget Analyst, Budget Execution, must monitor and control the reimbursements which had not been initially included in estimated reimbursements. Each institution must include on the report any reimbursement amounts which had not been included in the estimated reimbursements initially forwarded to the Bureau. The institution must not obligate or expend these unanticipated or initially underestimated reimbursements, but must submit a request through the Regional Office, attention: Comptroller, to the Chief, Financial Management in the Central Office to request an allocation for the unanticipated or underestimated reimbursements. Additional allocations for unanticipated or underestimated reimbursements are considered only if the institution is meeting its reimbursement estimates as initially shown on Exhibit 10A and the Bureau overall is reaching the reimbursement estimates included in the annual financial plan.

d. Accounting Control - Regional Offices

1. The Regional Comptroller must verify the accuracy of the reimbursement reports by analyzing and comparing the appropriate reimbursements accounts receivable accounts and the 632.0 Earned Reimbursements account. Also, the Regional comptroller must ensure that at institutions, reimbursements are recorded as earned even though billings have not yet been prepared.
2. The Comptroller must immediately notify the Supervisory Budget Analyst, Budget Execution of any discrepancies.

PROGRAM STATEMENT 2000.2 - ACCOUNTING MANAGEMENT MANUAL

CHAPTER 10500 - ACCOUNTING POLICIES AND PROCEDURES

Chapter 10584 - ACCOUNTING FOR ANNUAL REIMBURSEMENTS

a. Annual Reimbursement Transactions

The type or kind of reimbursement transactions -- referred to as annual reimbursements -- which are to be accounted for and reported under this Chapter are listed below:

1. Payments received from state or municipal governments for boarding non-federal prisoners.
2. Sale of meal tickets to employees.
3. Sale to Federal Prison Industries of utilities produced by the Bureau.
4. Sale of personal property to be used for the purchase of replacement property.
5. Cash payments received for the rental of residences.
6. Transportation in the work release program, but only that portion of receipts which represents the recovery of actual costs. The remaining portion--excess of receipts over actual costs--is to be deposited into Miscellaneous Receipts Account.
7. Transportation of prisoners for other agencies.
8. Payments received for fire fighting or betterment work.

b. Accounting for Annual Reimbursements

Allocations include estimated reimbursements and are issued to institutions before reimbursements are earned or collected. Therefore, it is most important for managers at institutions, regional offices and the Central Office to monitor the status of reimbursements earned, regardless of whether the institution has prepared or forwarded an invoice. To provide this monitoring and control mechanism, an automated Reimbursement-Receiveable Sub-system has been developed as described on the following pages.

1. Computer Transaction Codes

Computer transaction codes 39 and 40 have been programmed to generate entries automatically to the master files of information used to produce Reimbursement Reports 100.86, 100.87, 100.88 and 100.89. Only computer transaction code 40 generates entries to certain general ledger accounts. (Detailed instructions relating to the 39 and 40 transaction codes are presented in Chapter 10518).

2. Invoice Number Descriptor, and Payor Codes

Descriptor and Payor codes have been established as shown in Exhibits A and B respectively. The Descriptor Code consists of 2 numerals which identifies the type of reimbursement. The Payor Code consists of 3 numerals which identifies the organization or other entity responsible for payment of the reimbursement. Requests for additions or deletions to Descriptor and Payor Codes must be directed to the Chief, Financial Systems and Operations at the Central Office. (The payor is the paying organization. The payee is the receiving organization for which there is no code necessary).

The invoice number must be assigned by institution staff at the time the reimbursement is earned. Consequently, it may be necessary to assign an invoice number quite some time before an invoice is prepared. Once assigned, the same invoice number must be maintained through the unbilled, billed and collection phases of reimbursement accounting. Otherwise, transactions are going to appear on the Mismatch Report (100.35) requiring prompt corrections upon receipt.

3. At the Institution

(a) Recording Estimated Reimbursements

(1) Initial Estimated Reimbursements

At the start of each fiscal year, a 39 transaction code must be prepared and entered to record the initial estimated reimbursements (as reported on the "10A" Budgetary report).

(2) Revised Estimated Reimbursements

Each month, the controller, and other cost center managers as appropriate must evaluate the accuracy of the initial or subsequently revised estimate and project earned reimbursements to the end of the fiscal year. Whenever a determination is made that the estimate needs to be revised, a 39 transaction code must be entered to increase or decrease the estimate.

(b). Recording Reimbursement Transactions

- (1) Prior to the end of each month, the controller in coordination with cost center managers, as appropriate, must determine as accurately as possible the amount of goods or services that have been provided for which invoices have not yet been prepared.

From these estimates, the Accounting Supervisor must prepare and enter a 40 transaction code which automatically affects entries to accounts as follows:

NOTE: Entry to the appropriate government or public account receivable is determined automatically from the "Y" or "N" entered in the "Intra Government" column. Accordingly, accounts receivable are shown below as 131.X or 130.X.

131.X - Accounts Receivable Unbilled, Appropriation Reimbursements	Dr.
632.0 - Reimbursements Earned	Cr.

When an invoice is prepared for goods or services provided, a 40 transaction must be entered to record the billed reimbursement. If an unbilled amount had previously been established, an entry must be made to reverse the unbilled amount and establish the billed amount. The general ledger accounts automatically affected are:

For the Billed Amount

130.X - Accounts Receivable, Appropriation Reimbursements	Dr.
632.0 - Reimbursements Earned	Cr.

For the Reversal of the Unbilled Amount

632.0 - Reimbursements Earned	Dr.
131.X - Accounts Receivable Unbilled, Appropriation Reimbursements	Cr.

- (2) When payment is received for goods or services provided, then a 40 transaction must be entered to record the collection. If payment is received for a previously billed reimbursement, the 40 transaction will record the collection and automatically reverse the billed and interest amounts. The general ledger accounts automatically affected are:

For the Collection

110.3 - Net Disbursements	Dr.	
632.0 - Reimbursements Earned		Cr.

For the Reversal of the Billed Amount

632.0 - Reimbursements Earned	Dr.	
130.X - Accounts Receivable, Appropriation		
Reimbursements		Cr.

(c) Recording Meal Ticket Collections

In order to affect the proper general ledger accounts for the deposit of meal ticket collections, sub-object code 2699 - Sale of Meal Tickets must be used. A 40 transaction, using sub-object 2699 and a positive amount in the collected column automatically affects accounts as follows:

110.3 - Net Disbursements	Dr.	
632.0 - Reimbursements Earned		Cr.

----Also----

951.1 - Liability for Meal Tickets - Inst.	Dr.	
901.1 - Liability for Meal Tickets - Inst.	Dr.	

(d) Recording Rental of Residence Cash Collections

Project number 04A; Sub-object 2330 will be used in the cash collections of residences. This will be done in a 40 transaction.

FMS DESCRIPTORS

(1) CONTROL GROUP	(2) FMS	(3) DESCRIPTOR AND PAYOR CODES DESCRIPTION	(4) DESCRIPTOR TITLE
"A" STATE BILLINGS	2-M-301-400-000-2601	A1 Various	STATE INMATE REGULAR
	2-M-301-400-000-2601	A2 035	STATE INMATE NEW MEXICO
	2-M-301-400-000-2601	A3 016	STATE INMATE IDAHO
	29-M-301-400-000-2601	A4 011	DISTRICT OF COLUMBIA INMATE
"B" OTHER FEDERAL	2-M-301-400-000-2601	B1 099	U.S. COURT CIVIL CONTEMPT
AGENCIES	2-M-301-400-000-2601	B2 085	INS REGULAR DETAINEE
	2-M-301-400-000-2601	B3 084	GSA PERSONAL SERVICES (CHICAGO)
"C" TRUST FUND	2-M-301-400-000-2601	C1 099	TRUST FUND SPACE
SPACE			
"D" UNICOR	2-M-301-400-000-2601	D1 082	UNICOR UTILITIES (STEAM)
	2-M-301-400-000-2601	D2 082	UNICOR BUILDING MAINT.
	2-M-301-400-000-2601	D3 082	UNICOR VEHICLE MAINT.
	2-M-301-400-000-2601	D4 082	UNICOR - INMATE 4TH MEAL
"E" MISCELLANEOUS	2-M-301-400-000-2699	E1 099	MEAL TICKETS
	2-M-301-400-04A-2330	E2 099	RENTAL OR RES (CASH)
	2-M-301-400-000-2601	E3 099	PERSONAL PROPERTY
"F" FARM OPERATIONS	2-M-301-400-000-2601	F1 099	FARM-BY PRODUCTS
	2-M-301-400-000-2601	F2 099	FARM-LIVESTOCK
	2-M-301-400-000-2601	F3 099	FARM-MILK
	2-M-301-400-000-2601	F4 099	FARM-CROPS
	2-M-301-400-000-2601	F5 099	FARM-PERSONAL PROPERTY
"G" TRUST FUND	X4-1-323-536-CMS-2668	G1 099	TRUST FUND COIN SALES
SALES	X4-1-323-536-CMS-2673	G1 099	TRUST FUND STAMP SALES
	X4-1-323-536-CMS-2675	G1 099	TRUST FUND REGULAR SALES
	X4-1-323-536-CMS-2677	G2 099	TRUST FUND SURVEYS
	X4-1-323-536-CMS-2678	G3 099	TRUST FUND INVENTORY OVERAGES
	X4-1-323-536-CMS-2679	G4 099	TRUST FUND INVENTORY SHORTAGES
	X4-1-323-536-CMS-2676	G5 099	TRUST FUND PURCHASES AT SELLING
	X4-1-323-536-CMS-2669	G6 099	TRUST FUND MISCELLANEOUS INCOMING

PAYOR CODES

Reimbursement-Receiveable Sub-System

PAYOR CODE	PAYOR TITLE
001	ALABAMA
002	ALASKA
004	ARIZONA
005	ARKANSAS
006	CALIFORNIA
008	COLORADO
009	CONNECTICUT
010	DELAWARE
011	DISTRICT OF COLUMBIA
012	FLORIDA
013	GEORGIA
015	HAWAII
016	IDAHO
017	ILLINOIS
018	INDIANA
019	IOWA
020	KANSAS
021	KENTUCKY
022	LOUISIANA
023	MAINE
024	MARYLAND
025	MASSACHUSETTS
026	MICHIGAN
027	MINNESOTA
028	MISSISSIPPI
029	MISSOURI
030	MONTANA
031	NEBRASKA
032	NEVADA
033	NEW HAMPSHIRE
034	NEW JERSEY
035	NEW MEXICO
036	NEW YORK
037	NORTH CAROLINA
038	NORTH DAKOTA
039	OHIO
040	OKLAHOMA
041	OREGON
042	PENNSYLVANIA
043	PUERTO RICO
044	RHODE ISLAND
045	SOUTH CAROLINA
046	SOUTH DAKOTA

PAYOR CODE	PAYOR TITLE
047	TENNESSEE
048	TEXAS
049	UTAH
050	VERMONT
051	VIRGINIA
052	VIRGIN ISLANDS
053	WASHINGTON
054	WEST VIRGINIA
055	WISCONSIN
056	WYOMING
057	CANAL ZONE
058	GUAM
059	SAMOA
070	INMATE FUND ACCOUNT
080	AIR FORCE
081	DEPARTMENT OF JUSTICE
082	UNICOR
083	FOREST SERVICE
084	GENERAL SERVICES ADMINISTRATION
085	IMMIGRATION AND NATURALIZATION SERVICE
086	PUBLIC HEALTH SERVICE
099	MISCELLANEOUS

PROGRAM STATEMENT 2000.2 ACCOUNTING MANAGEMENT MANUAL

CHAPTER 10500 - ACCOUNTING POLICES AND PROCEDURES

Chapter 10585 - REIMBURSEMENTS - PROCEEDS FROM THE SALE OF PERSONAL
PROPERTY

TO BE USED FOR THE PURCHASE OF REPLACEMENT PROPERTY

a. General

From the standpoint of management control, proceeds from the sale of personal property to be used for the purchase of replacement property are to be handled in essentially the same manner as the annual reimbursements. These proceeds must be included in the estimated reimbursements along with the annual reimbursement transactions (See Chapter 10583).

b. Definitions

In federal accounting, all property is usually divided into two major classifications, real property and personal property.

1. Real Property - consists of land and buildings and all property permanently attached thereto.
2. Personal Property - includes equipment, food products, and any other property that is not real property.

c. U.S. General Accounting Office Requirements

The U.S. General Accounting Office (GAO) has issued specific guidelines applicable to the proceeds from the sale of personal property to be used for the purchase of replacement property. The accounting procedures set forth in Chapter 10585 are in compliance with GAO requirements.

The GAO Manual for the Guidance of Federal Agencies, Title 7, Section 15.4, states that:

1. Except as otherwise directed, all proceeds from the sale of personal property will be available during the fiscal year in which the property was sold and for one fiscal year thereafter, for obligation for the purchase of replacement property.
2. If the sales proceeds are received before an obligation for replacement property has been incurred but an administrative determination has been made that such proceeds will be used as an appropriation reimbursement to apply against an obligation which will be incurred within the prescribed time limit, the proceeds will be credited to a Budget Clearing Account of the agency.

The Budget Clearing Account will be charged and the appropriation will be credited when the obligation is subsequently incurred for the replacement property. The voucher must include or be supported by

evidence that the credit to the appropriation account is applicable to an obligation incurred for the purchase of replacement property.

d. Certification Required

A written administrative determination must be prepared prior to the sale of personal property when the proceeds of such sale are to be used for the purchase of replacement property. The written determination in the form of a certification approved by the chief executive officer then must be cross referenced or otherwise identified as support to all other documents relating to the transaction. (Refer to Chapter 13610 for further guidance).

e. Accounting at each Institution

1. If the personal property is sold and delivered by the Bureau before the collection for the sale is received, the Accounting Supervisor must prepare and enter an 04 transaction to appropriation 15F3875(10) on a general ledger transaction form to affect accounts as follows:

As appropriate:

139.1 - Accounts Receivable, Other Public	Dr.	
139.2 - Accounts Receivable, Other Gov't.	Dr.	-and-
450.7 - Deposit Funds - Sale of Personal Property - Current Fiscal Year		Cr.

When collection for the sale is made, the Accounting Supervisor must prepare and enter an 04 transaction to Budget Clearing Account 15F3875(10) on a general ledger transaction form to affect accounts as follows:

110.7 - Deposits, Budget Clearing Account	Dr.	
-and, as appropriate-		
139.1 - Accounts Receivable, Other Public		Cr.
139.2 - Accounts Receivable, Other Gov't.		Cr.

2. If the collection is made at the time of the sale, an 04 transaction is prepared on a general ledger transaction form and entered into the system to affect accounts as follows:

110.7 - Deposits, Budget Clearing Account	Dr.	
450.7 - Deposit Funds - Sale of Personal Property - Current Fiscal Year		Cr.

3. If the reimbursement is an unanticipated reimbursement, one which had not been included in the initial Estimate of Reimbursements, and transactions under a and b above have been accomplished, the institution may submit a request to have the Chief, Office of Financial Management consider issuing an allotment advice for the amount to purchase replacement property.
4. When replacement property is being procured, (in the case of an unanticipated reimbursement, the institution must first receive a special allocation from the Bureau) the Accounting Supervisor

must enter the following transactions to record the transfer:

- (a) An 04 transaction to Budget Clearing Account 15F3875(10) to affect accounts as follows:

As appropriate:

450.6 - Deposit Funds - Sale of Personal Property - Prior Fiscal Year	Dr.
450.7 - Deposit Funds - Sale of Personal Property - Current Fiscal Year	Dr.
-and-	
110.3 - Net Disbursements	Cr.

- (b) A 40 transaction which automatically affects the following accounts to the Current Year Salaries and Expenses Appropriation:

110.3 - Net Disbursements	Dr.
632.0 - Reimbursements Earned	Cr.

5. In addition, the accounting supervisor must prepare a standard form 1017G "Journal Voucher" in sufficient detail to explain and support the transfer of funds from the Budget Clearing Account (appropriation 15F3875(10)) to the Current Year Salaries and Expense appropriation. Also, the Accounting Supervisor must record the transfer of funds on the Statement of Transactions (standard form 224).

- f. Proceeds from the Sale of Personal Property - Farm Operation

If the sales proceeds are derived from the sale of personal property associated with a farm operation, the accounting procedures for the collection are the same as presented in paragraph e.1 and e.2. above.

At the end of the month, the Accounting Supervisor shall prepare a SF-1081 to transfer the proceeds collected from the sale of farm property and forward to the Central Office (Attn: Chief, Fiscal Services) for processing. (Institutions shall not send the SF-1081 directly to the Treasury.) All supporting documentation shall be attached to the SF-1081.

The Accounting Supervisor at the institution and the Central Office, upon receipt of the accomplished copy of the SF-1081, shall prepare and enter an 04 transaction to 15X3875(10) to affect the following accounts, as appropriate:

- (a) At the Institution

450.7 - Deposit Funds - Sale of Personal Property - Current Fiscal Year	Dr.
110.3 - Net Disbursements	Cr.

(b) At the Central Office

110.7 - Deposits, Budget Clearing Account Dr.

450.7 - Deposit Funds - Sale of Personal Property Cr.
Current Fiscal Year

(Note: This procedure does not apply to farm products
produced for sale to other institutions.)

g. Accounting at the Central Office

See Chapter 10583

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PROGRAM STATEMENT 2000.2 - ACCOUNTING MANAGEMENT MANUAL

CHAPTER 10500 - ACCOUNTING POLICIES AND PROCEDURES

CHAPTER 10587 - Tort Claims

a. Purpose. This chapter sets forth requirements and procedures relating to the disposition of Tort Claims.

b. Requirements. The Federal Tort Claims Act, 28 USC 2672 (Public Law 89-506), provides that a claim for money damages involving personal injury or death and/or damage to or loss of property may not be instituted against the United States unless the injured party first presents the claim to the appropriate Federal agency for administrative action. Under the Federal Tort Claims Act, the Government is not liable for acts of its employees outside the scope of their employment. The Bureau of Prisons shall consider administrative claims asserted under the Federal Tort Claims Act in accordance with the provisions of 28 CFR 14.1. The Director, Bureau of Prisons, is delegated authority by 28 CFR 0.96 and 0.172 to consider, adjust, determine, compromise, settle, and pay federal tort claims. In accordance with the provisions of 28 CFR 0.97, the Director, Bureau of Prisons, has redelegated this authority to the General Counsel and each Regional Counsel, as appropriate, when the claim's proposed disposition does not exceed \$2,500. Claims over \$2,500, and up to \$10,000, may be settled by the Office of General Counsel (OGC). Recommendation for settlement of claims over \$10,000 are referred by OGC to the Department of Justice Civil Division Tort Branch.

c. Procedures. Program Statement 1320.02, Claims Under the Federal Tort Claims Act, shall be used to provide guidance for filing claims and for the proper procedures needed to complete the Standard Form 96, Claim for Damage, Injury, or Death. When making payment of approved claims, a voucher data form shall be prepared and scheduled for payment in accordance with P.S. 2000.2, Chapter 10715.

d. Prompt Recording. The appropriate 02 transaction shall be entered into the Financial Management System (FMS). The tort claim shall be charged to the cost center which incurs the loss using Sub-object 4201. (Examples: If inmate property is lost in-transit, ISM is charged. If a staff member driving a Government vehicle for Food Service damages another vehicle, Food Service is charged.)

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PROGRAM STATEMENT 2000.2 - ACCOUNTING MANAGEMENT MANUAL

CHAPTER 10500 - ACCOUNTING POLICIES AND PROCEDURES

CHAPTER 10588 -MEAL TICKETS

- a. Purpose. The purpose of Chapter 10588 is to set forth the procedures for the control and handling of meal ticket inventories.
- b. Meal Ticket Price Change. When a change is made in the charge for meals served in the Dining Room, the employees shall be advised of the new price to be charged and the effective date of change.
- c. Purchase of Meal Tickets Preceding a Price Change. Meal tickets purchased by employees preceding a price increase will be limited to such quantities as is necessary to carry the employee through the close of business on the day preceding the effective date of the price increase.
- d. Establish Cut-Off. To establish cut-off in accountability for meal tickets prior to the establishment of a new price, the following action is required:
 1. A receipt (AF-115) for all meal ticket funds on hand as of the close of business on the day preceding the effective date of the price change will be written.
 2. A deposit ticket is to be prepared, including the meal ticket funds on hand, as of the business on the day preceding the effective date of the price change.
 3. This deposit ticket will be recorded in the records of the institution separate from the prior to deposits of collections of meal ticket sales made at the new price of tickets.
 4. Entries must be made to the Cashier's subsidiary stock record cards (AF-84) for the final sale of tickets at the old price. An adjustment in the recorded inventory value must also be made to the stock record cards to reflect the increased value of the meal tickets. All future entries to the stock record card must reflect the new selling price.
 5. The recorded value of the inventory of meal tickets on hand as of the effective date of the price change must be increased in the general ledger. A Standard Form 1017-G must be prepared and an 04 transaction code entry must be made to affect general ledger accounts for the amount of the price increase in the current year appropriation as follows:

901.1 Inventory of Meal Tickets - Institution Dr.

951.1 Liability for Meal Tickets - Institution Cr.

In addition to the above entry, the Accounting Supervisor for the United States Penitentiary at Terre Haute must make an 04 type transaction code entry to the general ledger to increase the value of the Bureau supply of meal tickets as follows:

901.2 Inventory of Meal Tickets - Bureau Supply Dr.

951.2 Liability for Meal Tickets - Bureau Supply Cr.

PROGRAM STATEMENT 2000.2 - ACCOUNTING MANAGEMENT MANUAL

CHAPTER 10500 - ACCOUNTING POLICIES AND PROCEDURES

CHAPTER 10589 - DEBIT CARD MEAL TICKET PROGRAM

a. Purpose. The purpose of this chapter is to provide the policies and procedures for the operation of the Debit Card Meal
* Ticket Program and accounting procedures to be followed when employees use their debit cards in the Trust Fund and Employee Organization debit vending machines. *

b. Definition of Terms.

1. Cash-to-Card Terminal. This terminal, used to encode credits to the debit card meal ticket, shall be located in an area easily accessible to employees. It is used to encode credits on the debit card and accepts currency in denominations of \$1, \$5, \$10, and \$20. It neither accepts coins nor gives change. When the employee inserts the debit card and currency into the terminal, the terminal encodes the debit card with that amount.

2. Debit Card Terminal. This terminal is used to debit (deduct) amounts from the debit card meal ticket. The Debit Card Terminal and a printer shall be located in the staff dining area. Locations without staff dining areas or with multiple dining area locations should place the terminal in a protected area easily accessible to staff. Each time the debit card is inserted in the Debit Card Terminal, it will deduct the cost of a meal from the card and provide the cardholder with a receipt. It will also display the balance remaining on debit card. The employee shall sign and date the receipt and place it in the meal ticket box provided.

3. Data Collector. This is a hand-held computer used to register collections from the Cash-to-Card Terminal. The Register of Transactions Report is created using the data collected and stored in the Data Collector.

c. Operation. The local Office of Financial Management is responsible for the overall operation of the Debit Card Meal
* Ticket Program. The Cashier may temporarily sell meal tickets in the case of machine failure or malfunction until the necessary repairs are made. It is strongly recommended that institutions keep a small supply of meal tickets on hand to sell if the automated equipment fails. *

d. Meal Ticket Debit Cards. The supply of Meal Ticket Debit Cards (debit cards) shall be stored in the Cashier's Office and shall be available to staff during normal Cashier hours. Lost cards shall be reported to the Cashier so a replacement card can be issued. No refund can be issued for any remaining value on a lost debit card.

e. Collection Procedures. The Cashier and the Controller and/or designee are responsible for collecting funds from the Cash-to- Card Machine. There shall be only one designee and the designation shall be in writing. The Cashier and the Controller/designee are to collect funds from the Cash-to-Card Machine at least once a week and anytime there is a report that money has been lost due to machine malfunction. In the Cashier's presence, the Controller/designee shall unlock the Cash-to-Card Machine, remove the money from the machine, and place the money in a bank deposit bag or container with locking capacity.

After the funds are removed from the machine, the Cashier is to connect the Data Collector to the Cash-to-Card Machine and take a reading of collections. This reading will be the source of the Register of Transactions Report. The Cashier and the Controller/designee shall return immediately to the Cashier's Office where the Controller/designee will turn the collected funds over to the Cashier. At this time, the Cashier will print the Register of Transactions Report. The Cashier shall then count the funds in the Controller/designee's presence and complete a Cash Receipt, BP-114. In addition, the amount of funds collected and receipted shall be verified against the Register of Transactions Report.

Debit card meal ticket collections are to be maintained separately from the Imprest Fund. The collections shall be deposited in accordance with Chapter 10615, paragraph c.5.

* f. Use of Meal Ticket Debit Cards. In addition to purchasing meals with the debit card, it may be used to purchase items from the Trust Fund and Employee Organization debit vending machines. The vending machines have been programmed with site codes to distinguish the use of the staff debit cards from the inmate debit cards. The vending machine readings itemize the vending purchases by the site code 301 to indicate employee purchases and 222 for inmate purchases. Funds will be transferred from the S&E Appropriation to either the Trust Fund or the Employee Organization, as appropriate, based on site code readings.

1. Employee Debit Card Used in the Trust Fund Debit Card Vending Machines. When employees use their debit cards in Trust Fund debit card vending machines, the amount of the vending purchases are improperly recorded as meal ticket reimbursements rather than Trust Fund vending income. The employees' total transactions (determined by site code 301) must be reversed from the S&E Appropriation and transferred to the Trust Fund Appropriation as follows:

- Negative 40 Transaction: _2 M 301 400 2698 E1 099

This entry reduces reimbursements earned and generates the following entry in the general ledger:

632.0 Reimbursement Earned	Debit
110.3 Net Disbursement	Credit

- 40 Transaction: X4 1 323 536 CMS 2689 G7 099

This entry records Trust Fund vending income and generates the following entry in the general ledger:

110.2 Collection	Debit
717.1 Revenue-Debit Card Vending	Credit

A Journal Voucher (JV) shall be prepared to support these transactions. The vending machine reading report shall be attached to the JV.

2. Employee Debit Card Used in the Employee Organization Debit Vending Machines. When employees use their debit cards in Employee Organization debit card vending machines, the amount of vending purchases is improperly recorded as meal ticket reimbursements rather than provided to the Employee Organization. The employees' total sales transaction (determined by site code 301) must be reversed from the S&E Appropriation, transferred to the Suspense Account temporarily, then disbursed to the Employees Organization from the Suspense Account as follows:

- Negative 40 Transaction: _2 M 301 400 2698 E1 099

This entry reduces reimbursements earned and generates the following entry in the general ledger:

632.0 Reimbursement Earned	Debit
110.3 Net Disbursement	Credit

- 04 Transaction in 15X6875

110.3 Net Disbursement	Debit
450.9 Deposit Funds-Other	Credit

This transfers the funds to the suspense account. A JV shall be prepared to support these transactions. The vending machine reading report shall be attached to the JV.

- 04 Transaction in 15X6875

450.9 Deposit Funds-Other	Debit
110.4 Disbursements- Other Accounting Stations	Credit or
116.0 Draft Payments in Transit	Credit

This records the disbursement to Employee Organization either by draft (116.0) or Treasury check (110.4). *

g. Refunds. Once a credit is encoded on the debit card, refunds are not allowed except as permitted below. Therefore, if an employee transfers from an institution that uses the Debit Card Meal Ticket Program to one that does not, a refund cannot be given for any amount remaining on the employee's card at the time of transfer. However, debit cards may be transferred between employees. In addition, staff should be reminded to purchase debits in amounts sufficient to meet their needs. Refunds are allowed in the following instances only:

1. Cash-to-Card Machine Malfunction. If money is inserted in the Cash-to-Card Machine and the machine fails to credit the employee's card, the employee is to immediately report the malfunction to the Controller/designee. The Cashier and the Controller/designee shall immediately collect the money from the machine as explained in paragraph e. and verify the malfunction. The Controller/designee shall verify the loss by obtaining the Register of Transactions Report and comparing the amount on the report to the cash collected. When it is verified that collections exceed transactions, the employee reporting the loss shall receive a refund in the amount of the loss. The employee shall sign the Register of Transactions Report verifying the amount of refund received. The Controller/designee shall then sign the Register of Transactions Report verifying the employee's signature and the amount refunded to the employee. If collections exceed transactions, but there are no claims to the money, the money shall be deposited into 153220, Miscellaneous Receipts.

In the event transactions exceed collections, a note is to be made to the Register of Transactions Report indicating the amount of the shortage. Both the Cashier and the Controller/designee are to sign the report indicating that they agree with the amount of the shortage. The vendor is to be contacted immediately to verify the machine malfunction. The machine inspection is to be attached to the Register of Transactions Report as supporting documentation.

2. Debit Card Read Errors. In the case of debit card read errors, the Controller/designee shall obtain the card from the employee and forward it to the vendor for a validation reading. The vendor will return the debit card and a validation report to the Controller/designee. Based on the validation report, the Controller/designee shall authorize the refund. The Cashier shall then refund the money to the employee. The employee is to be advised as to when the refund will be made. If the employee is unavailable at that time because it is a non-duty day, the Controller/designee may hold the employee's refund in the Cashier's safe until the employee's next duty day. The employee shall sign the validation report verifying the amount of refund received. The Controller/designee shall then sign the validation report verifying the employee's signature and the amount refunded to the employee.

Once the validation report is received, the refund is to be made from the next collections "picked up" from the Cash-to-Card Machine. To account for these funds, an adjustment to that day's collections is to be made on the Register of Transactions Report. The validation report and the damaged debit card are to be attached to the Register of Transactions Report as supporting documentation.

* h. Safeguarding of Keys. Only three keys to the Cash-to-Card Machine shall exist. The Controller and the designee shall each have a key. The third key is a duplicate that is kept in the same manner as the duplicate key to each cash box (Chapter 10610, and the Correctional Services Manual). *

i. Visitor Meal Tickets. Each visitor's meal ticket is to be purchased by the visitor's escort/sponsor with the escort/ sponsor's debit card. The escort/sponsor may collect the amount of each meal ticket from the visitor.

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PROGRAM STATEMENT 2000.2 - ACCOUNTING MANAGEMENT MANUAL

CHAPTER 10500 - ACCOUNTING POLICES AND PROCEDURES

CHAPTER 10595 -ACCOUNTING FOR ADVANCE INMATE PERFORMANCE PAY FROM UNICOR

- a. Purpose. The purpose of this chapter is to set forth the procedures to follow in accounting for advance Inmate Performance Pay (IPP) from UNICOR.
- b. Accounting Procedures at the Central Office. The procedures, as established below, shall be followed by the staff of the Fiscal Services Unit for the receipt and distribution of advance IPP.
 1. Receipt of advance MSA. At the beginning of each quarter, UNICOR will advance to the Bureau of Prisons, c/o Cashier, Central Office, the quarterly allocation for IPP. The Fiscal Services Unit at the Central Office shall receipt for the deposit to 15X6085 Inmate Deposit fund, the total amount received. An 04 transaction code shall be prepared and entered into FMS to affect the following general ledger accounts:

110.3 - Net Disbursements Dr.

450.8 - Advance MSA Cr.

2. Distribution of Advance IPP to Institutions. Upon receipt of approved allocation plan for IPP, the staff of the Fiscal Services Unit shall schedule payment via memorandum over SENTRY Electronic Mail System (EMS) for the amounts indicated for each institution. The Central Office will prepare a Journal Voucher and enter an 04 transaction code into FMS to affect the following general ledger accounts:

450.8 - Advance IPP Dr.

110.3 - Net Disbursements Cr.

- c. Accounting Procedures at the Institution. The procedures, as established below, shall be followed by the staff of the accounting section at the institution for the receipt and payment of IPP.
 1. Receipt of Advance IPP. At the beginning of each quarter, staff of the Central Office will schedule payment to each institution for their quarterly allocation for Inmate Performance Pay. Upon receipt of the memorandum at the institution, staff of the business office shall assign a Journal Voucher number and prepare and enter into FMS (15X6085) an 04 transaction code entry to affect the following accounts: (Institutions must not report their amount on the SF-224 but must include the amount in the total reported on the monthly proof-check.)

110.3 - Net Disbursements	Dr.	
450.8 - Advance IPP		Cr.

2. Recording IPP Payroll. Once the monthly IPP has been prepared and received by the business office, an 04 transaction code shall be prepared and entered into FMS, for the total amount of the payroll, to affect the following general ledger accounts:

450.8 - Advance MSA	Dr.	
450.1 - Inmate Funds		Cr.

PROGRAM STATEMENT 2000.2 - ACCOUNTING MANAGEMENT MANUAL

CHAPTER 10500 - ACCOUNTING POLICES AND PROCEDURES

CHAPTER 10596 - REWARDS FOR CAPTURE OF ESCAPED FEDERAL PRISONERS

- a. Authority - By virtue of 18 USC 3059, the Attorney General is authorized to pay a reward not to exceed \$25,000 for information or capture of anyone who is charged with violation of criminal laws of the United States or any State or of the District of Columbia. If any of the said persons shall be killed in resisting lawful arrest, the Attorney General may pay any part of the reward money in his discretion to the person or persons whom he shall adjudge to be entitled thereto. 28 CFR Part 7 prescribes regulations relating to rewards.
- b. Standing Offer of Reward - A standing offer of reward is made for the capture, or for assisting in, or furnishing information leading to, the capture, of an escaped Federal prisoner, in accordance with the conditions stated in this part.
- c. Delegation - The Chief Executive Officer is delegated the authority to approve, not in excess of \$200 for each capture of a prisoner and to more than one claimant, as determined applicable and appropriate. The Director of the Bureau of Prisons may, in exceptional circumstances, grant rewards in excess of \$200. Bodily harm, damage, violence, intimidation, terrorizing, risks, etc., will be considered in determining the appropriate amount of reward.
- d. Eligibility for Reward - A reward may be paid to any person, except an official or employee of the Department of Justice or a law-enforcement officer of the United States Government, who personally captures and surrenders an escaped Federal prisoner to proper officials, or who assists in the capture of an escaped Federal prisoner.
- e. Procedure for claiming reward - A Person claiming a reward under this part shall present his claim within six months from the date of the capture, in the form of a letter to the Warden or United States Marshal concerned. The letter shall state fully the facts and circumstances on which the claim is based, and shall include the name of each escapee captured and the time and place of the capture, and details as to how the arrest was made by the claimant or as to how assistance was rendered to others who made the arrest.

Claim - The claimant's letter shall be considered sufficient evidence for making payment. It should contain full information as required above and be certified as required by paragraph "f".

- f. Certification - The claim letter required under paragraph "e" shall

contain the following certification immediately preceding the signature of the claimant:

"I am not an officer or employee of the Department of Justice or a law-enforcement officer of the U.S. Government."

The following certification shall be typed on the claim letter:

"Reward approved for payment (28 C.F.R. 7) \$

."

(Warden)

PROGRAM STATEMENT 2000.2 - ACCOUNTING MANAGEMENT MANUAL

CHAPTER 10500 - ACCOUNTING POLICIES AND PROCEDURES

CHAPTER 10597 -EMPLOYEE WELLNESS PROGRAM

a. Purpose. The purpose is to provide proper accounting classification coding for expenses associated with the Employee Wellness Program.

b. Authority. The Executive Staff approved the establishment of an Employee Wellness Program for Bureau of Prisons employees to promote and maintain physical and mental fitness.

* c. Accounting for Costs. All charges, including equipment and maintenance, associated with the Employee Wellness Program are to be charged as follows:

Location	D/U	Cost Center	PMS
Central Office	X	142	744
Regional Office	X	242	744
Institution	M	342	744

BUREAU OF PRISONS
WASHINGTON, D.C.

PROGRAM STATEMENT 2000.2 - ACCOUNTING MANAGEMENT MANUAL

CHAPTER 10600 - CASH ACCOUNTING

Chapter	Title
10605	Abbreviations Used in the 10600 Series
10610	Internal Control
10615	Collections
10620	Deposits
10625	Purchases and Miscellaneous Cash Payments
10630	Travel Advances
10635	Savings Bonds
10640	Draft Payment System *

PROGRAM STATEMENT 2000.2 - ACCOUNTING MANAGEMENT MANUAL

CHAPTER 10600 - CASH ACCOUNTING

CHAPTER 10605 - ABBREVIATIONS USED IN THE 10600 SERIES

- a. Purpose. These chapters establish procedures that must be followed in controlling and accounting for cash resources at each institution.
- a. Requirements. Accounting technicians must follow the procedures provided in the "Manual of Procedures and Instructions for Cashiers," 31 U.S.C. 3321 and the policies in the 10600 series.
- c. Abbreviations Used in the 10600 Series.

Abbreviations

JV	Journal Voucher
FMS	Financial Management System
FRB	Federal Reserve Bank
GTR	Government Transportation Request
RFC	Regional Finance Center
TFRM	Treasury Fiscal Requirements Manual

This section of the Accounting Management Manual refers to "cashier" and "alternate cashier" as a job related function of an accounting technician, not as separate positions.

PROGRAM STATEMENT 2000.2 - ACCOUNTING MANAGEMENT MANUAL

CHAPTER 10600 - CASH ACCOUNTING

CHAPTER 10610 - INTERNAL CONTROL

- a. Purpose. This chapter sets forth the administrative procedures to be followed at each institution for maintenance of an imprest fund.
- b. Definition. An imprest fund is a fixed cash or petty cash fund in the form of currency, coin, or government check which has been advanced by an official government disbursing office to a designated cashier for cash payment or other cash requirements as specified in the designation or authorization.
- c. Designation and Revocation of Principal and Alternate Cashiers. An SF-211 shall be prepared in duplicate for each principal and alternate cashier (hereafter referred to as cashier and alternate). Once this is accomplished, the RFC will issue reimbursement checks to either the cashier or alternate. However, only one cashier at a time (usually the principal) will be responsible to the RFC for the entire amount of the facility advance.

Assuming the cashier is responsible to the RFC for the entire facility advance, the cashier may advance sufficient funds to the alternate to cover a few days operation. The alternate is responsible to the cashier for this advance and may not submit reimbursement vouchers to the RFC.

When the cashier will be absent for an extended period, the cashier shall transfer the entire facility advance to the alternate via the SF-1129 in accordance with the Manual of Procedures and Instructions for Cashiers. Upon the principal's return, this procedure shall be reversed. IT IS NOT NECESSARY TO PREPARE A SF-1129 (Request for Change in Imprest Fund) TO COVER THESE TEMPORARY TRANSFERS OF RESPONSIBILITY.

SF-211s shall be prepared in accordance with the Manual of Procedures and Instructions for Cashiers. The following points shall be kept in mind:

1. The institutions are responsible for obtaining their supply of SF-211s;
2. The institutions are responsible for completing Sections I and II;

The following are specific instructions for certain sections of the guidelines:

- (a) Subsection "f" provides for "Maximum Cash Advance." The amount to be entered here is the total facility advance for

the institution and is the maximum amount either cashier may hold. The same amount shall be entered on each SF-211 whether it covers the cashier or the alternate.

- (b) Amount to be advanced - When designating an alternate, this block shall be shown as "None" since the alternate will receive funds from the principal. When designating a principal and the new principal will receive his/her funds by transfer from the outgoing cashier, this block shall be left blank.
 - (c) Subsection "i" provides for class and type of cashier to be designated. When submitting request for cashier designations throughout the regional office, include all pertinent information on the SF-211.
 - (d) The signature box under sub-section "k" is to be left blank.
 - (e) The title box under sub-section "l" should show "Regional Director", Bureau of Prisons.
 - (f) A new SF-211 is required whenever there is a change in the maximum cash to be authorized, location of cashier, name of cashier or class of cashier. A new form is not required when changing from principal to alternate cashier or vice versa.
 - (g) The original and copies of the SF-211 and a transmittal letter to the RFC using institution letterhead and making provision for signature of regional director, Bureau of Prisons will be sent to the regional office for signature and transmittal to the RFC.
- d. SF-1129 is prescribed for use by administrative agencies. This form is to be used to request changes in imprest funds or cashier functions. Examples are:
- 1. Increases or decreases in the funds held within the maximum approved amount.
 - 2. Revocation of cashier designation.
 - 3. Liquidation of the advance in cases where the designation is not revoked at the time.
 - 4. A permanent change from cashier to alternate or vice versa. DO NOT USE FOR TEMPORARY CHANGES.
 - 5. An original and three copies of SF-1129 will be prepared in the following manner:
 - a. The original and two copies will be submitted to the Chief Disbursing Officer or RFC as applicable.
 - b. The third copy will be forward to the regional director as an information copy.

- e. Maintenance of Cash. The amount of cash on hand should be held to the minimum consistent with institution and other facility requirements. In accordance with section three of Treasury's "Manual of Procedures and Instructions for Cashiers", the criteria for determining and controlling the amount of cash held shall be:

1. When the source of funds is reasonably close to the facility and when no more than 24 hours' notice is required to obtain cash:

(a) Two weeks' requirement when the amount is less than \$10,000 (except if the amount is less than \$2,000, the amount of cash held can be based on amount needed to enable cashiers to prepare a replenishment voucher no more frequently than once a month);

(b) One week's requirement when the amount is \$10,000 or over but less than \$100,000;

(c) Three days' requirement when the amount is \$100,000 or over.

2. When the source of funds is not reasonably close to the facility and more than 24 hours' notice is required to obtain cash:

(a) One month's requirement when the amount is less than \$10,000;

(b) Two weeks' requirement when the amount is \$10,000 or over but less than \$100,000;

(c) One week's requirement when the amount is \$100,000 or over.

3. When source of funds is remote:

(a) One month's requirement when the amount is less than \$200,000;

(b) Two weeks' requirement when the amount is \$200,000 or over.

Cash requirements not meeting the above criteria shall be requested in writing to the appropriate Regional Director. A copy of the request shall also be submitted to the Chief, Office of Financial Management, Central Office.

If it is found that on the basis of experience or because of changed conditions an excessive amount of cash is being maintained, the chief executive officer of the facility will take action to have the fund reduced to a level commensurate with operating needs.

f. Control of Funds Sent by Mail. Occasionally, refunds of overpayments or checks for unused travel advances will be transmitted through the mail. Internal controls must be maintained to prevent the person that deposits receipts from receiving cash, checks, and money orders through the mail.

Therefore, the controller must designate a person other than the cashier or alternate cashier to receive and open mail. The person designated to open mail shall log in all cash, checks and money orders received. The cashier or alternate cashier will verify these amounts by initialing the log noting that funds sent through the mail have been received. Once a month, the controller shall verify the amounts posted in this log against the receipts posted by the cashier to ensure that every negotiable item received through the mail is accounted for.

g. Safekeeping Facilities. The cashier's office must be secure and separate from the other offices and must be locked at all times. Each cashier and alternate cashier shall be provided with a sturdy and otherwise substantial cash box with a lock or a separate cash drawer to which only he/she has access.

The controller, budget and accounting (B&A) officer, accounting supervisor, cashiers, and alternate cashiers shall be issued personal rings with keys to the cashier's office or a key to a lock box containing the key (Folger Adams-type) to the cashier's office. Only Folger Adams-type keys may be turned in to the control center. The keys maintained in control must be kept in a lockbox to which only the individuals listed in this paragraph have keys. Keys other than Folger Adams-type keys shall not be turned into control. *

Authorized personnel only are allowed in the cashier's office. Persons authorized are limited to those whose presence is required in the cashier's office to conduct official business. Persons that are required to be in the cashier's office to conduct official business must be accompanied by the principal or alternate cashier.

Cash boxes and cash drawers must be kept in a safe or vault. Separate compartments equipped with separate locks for the cashier and the alternate cashiers must be provided in the cashier's safe or vault. Each cashier must keep his/her respective cash box and meal tickets in the assigned compartment which must be kept locked when not in use. A duplicate key to each cash box or each compartment in the safe or vault shall be sealed in a separate envelope having the following statement typed thereon and must be dated and signed by the Warden:

"This envelope containing the extra key to the cash box and the extra key to the cashier (or alternate cashier) compartment of the cashier's vault or safe shall be opened only in the presence of two members of the following committee of three:

Controller
One other clerical employee
Cashier (witness opening of the alternate cashier's envelope)
Alternate Cashier (witness opening of the cashier's envelope)

Signed
(Chief Executive Officer)"

These envelopes must be kept in the telekey cabinet. No employee, other than the controller, B&A officer, assistant controller where there is no B&A officer, cashier, or the alternate cashier(s), will be provided with or have access to the combination of the safe. The safe combination must be changed at least once each year or whenever there is a change in any one of the positions stated above. Institution locksmiths, or locally-procured services of a locksmith, may be used in obtaining the necessary technical instructions to change the safe combination. A log permanently posted inside the safe shall be kept as a record of all changes to the combination.

Remainder of page left blank intentionally. Next page number is Page 5.

The actual settings of the new combination must be personally performed by the cashier or alternate; the locksmith must not have knowledge of the combination. To maintain complete control, the locksmith shall not have access to the combination to the cashier's, Trust Fund's or controller's safe. The safe of the cashier must not be used as a storage space for miscellaneous items not pertaining to the official duties of the cashier. Keepsakes, Red Cross, and/or Combined Federal Campaign collections, inmate valuables and employees' club funds may not be kept in this safe. Cashiers must lock and turn the dial on the safe or vault any time they leave the office.

- h. Responsibility. The cashier or their alternates are personally liable for all monies coming into their possession. They must receive, deposit or otherwise account for all cash resources received by the institution. Under no circumstances will cashier funds be mingled with private or unofficial funds.
- i. Reporting Undeposited Collections. In accordance with Treasury regulations, receipts shall be reported on a collection basis. Therefore, undeposited collections on hand at month end must be reported in Sections I, II and III on the SF-224 and considered in cash reconciliations.
- j. Verification of Cashiers' Accounts
 - 1. Treasury Department, Division of Disbursement procedures and regulations require an unannounced verification and audit of imprest funds of cashiers functioning under 31 U.S.C. 3321. The requirements for performing the above verification and audit function are to be developed by each agency as part of its overall system of management and control.
 - 2. It is the policy of the Bureau of Prisons that an unannounced verification of the cashier's and alternate cashier's imprest funds shall be made at least once each quarter by the controller, administrative officer or another employee other than the cashier. Verification of the cashier's and alternate cashier's funds shall be made simultaneously or with one immediately following the other so that the imprest funds cannot become mingled between the cashiers. Meal tickets, postage stamps and other accountable items shall be verified at the same time. The controller's inventory of meal tickets and postage stamps shall be verified by the accounting supervisor using an AF-84 stock record card. Also, stamp inventories maintained by unit management for inmate distribution must be verified by the controller or designee on a quarterly basis.
 - 3. It is the policy of the Bureau of Prisons that the regional comptroller or a member of the comptroller's staff shall make, at least once each fiscal year, an unannounced verification of imprest funds at each institution within their region. This verification of imprest funds shall also include a verification of the controller's inventory of meal tickets and postage stamps.

This must be done for the purpose of determining that all funds are properly accounted for, the amount of funds are not in excess of cash requirements and that adequate protection procedures against loss or misuse are followed.

4. A BP-Acctg-3 shall be used for both unannounced verifications and audits. These verifications will have no affect on the SF-1129 required for the end of the month reimbursement. The verification shall consist not only of counting the cash on hand but also verifying the following:
 - (a) Receipts - The amount of cash and cash items coming into the hands of the cashiers since the last BP-Acctg-3.
 - (b) Disposition - Disposition of cash and cash items.
 - (c) Balances - Balances of cash and cash items on hand at the time of the verification.
 - (d) Emergency Trust Fund Keys - A written statement on the reverse side of the BP-Acctg-3 signed by the controller verifying that the Emergency Trust Fund Keys are secured.
 - (e) Inventory of Unit Management Postage Stamps - A written statement on the reverse side of the BP-Acctg-3 signed by the controller verifying that accurate postage stamp inventory records are maintained by unit management.
 - (e) Miscellaneous - Verification of other accountable items as indicated in Section IV on BP-Acctg-3.
5. When unannounced verifications of the cashier's accounts are made, a copy of the BP-Acctg-3 must be forwarded to the regional comptroller within ten days after completion. (This does not apply to the SF-1129 required with reimbursements.) (The BP-Acctg-3 must indicate "UNANNOUNCED VERIFICATION." These verifications should be staggered so as to permit the element of surprise.
- k. Replenishment. The cashier's reimbursement vouchers shall be prepared and submitted at least weekly. A copy of the SF-1129 will not be required to be submitted with the SF-1166 for replenishment of the imprest fund. On the last workday of each month or whenever there is a transfer of accountability between cashiers, a signed SF-1129 accounting for the imprest funds will be sent directly to the RFC who advanced the funds to the cashier as an accountability report. The accountability report will be noted to show the number of reimbursement vouchers submitted during the month and the total dollar value and will be clearly marked "Accountability Report." A reimbursement voucher must be submitted at the close of each fiscal year for all expenditures made through September 30 not previously claimed.
1. Reporting Funds Accountability to Treasury
 1. On the last workday of each month or whenever there is an increase or decrease in the amount advanced or a change in cashiers, a signed SF-1129 shall be submitted to the RFC that

issued the advance.

2. Only one employee, the cashier's supervisor, need make the cash verification and sign the original and one copy of the SF-1129 in the box marked "Approved." Signature in this box will indicate the items listed under "Status of Funds" have been verified and found correct.
3. All tapes and papers, properly identified, supporting the cash count should be attached to the file copy of the SF-1129. The certification shall be signed on both the original and copy.
4. The BP-Acctg-3 shall continue to be used for unannounced verifications only.
5. The signature or initials on the face of the SF-1129 verifying the amount of the sub-vouchers may be the same as the employee who made the cash verification.
6. If the cashier does not have any transactions during the month, the cash verification will be made on the last day of the month. Where two or more reimbursement vouchers are processed, the cash verification is required on only one, the first reimbursement voucher of the month.

m. Items Authorized in Safes. Only items related to the Office of Financial Management operation shall be maintained in the cashier's safe. Therefore, the only items authorized to be maintained in the safe shall be: 1) cashier's cash (including unpaid vouchers); 2) Savings Bonds; 3) credit cards; 4) GTR's; 5) CMS Form 14's; 6) meal tickets, and 7) checks (including payroll/airline ticket). Accountability for these items is as follows:

1. Cash - SF-1129 and BP-Acctg-3
2. Savings Bond - Register of Bonds held for safekeeping
3. Credit card - Register of credit cards received, date issued and person issued to
4. GTR's - Register of GTR's received, date and person issued to
5. CMS Form 14 - Register of forms received, date issued and date returned
6. Cash Meal Tickets - Register of inclusive numbers of tickets received
7. Checks/airline tickets held for employee or inmate pick-up

n. Procedures for Handling Losses

1. Reporting the loss, shortage or theft of the cashier's and alternate cashier's cash (official funds). All facts will be reported immediately to the RFC who advanced the funds, the appropriate regional director and the nearest field office of the United States Secret Service and Federal Bureau of Investigation (FBI). Small losses or shortages which might be the result of errors in change making, etc., need not be reported to the Secret Service or FBI if there is no identification of irregularity or improper action (Section 5 of the Manual of Procedures and Instructions for Cashiers).

2. Accounting for overages and shortages. Cashiers, when so directed, will immediately make good any shortages. Any overages will be deposited to the Miscellaneous Receipts Account 151060 (Forfeiture of Unclaimed Money).

PROGRAM STATEMENT 2000.2 - ACCOUNTING MANAGEMENT MANUAL

CHAPTER 10600 - CASH ACCOUNTING

CHAPTER 10615 - Collections

a. Purpose. The purpose of this chapter is to set forth the procedures to follow when controlling and accounting for cash resources that are received or collected.

b. Cash Receipts. Cash receipts must be accounted for as follows:

1. Cash Receipts (BP-114) are prenumbered in triplicate and printed in bound books with 150 receipts to a book. The original must be given to the payee, the second copy must be attached to the administrative copy of the deposit tickets, and the third copy must remain in the book. The used books must be retained until destruction is authorized.

2. The cashier must issue a Cash Receipt for all cash, money orders, checks, or drafts which are received regardless of the source. Separate receipts for sales of cash meal tickets must be prepared before each deposit with the inclusive numbers of the tickets sold indicated on the receipt. Meal ticket collections are to be deposited to the S&E appropriation in effect at the time the meal tickets are sold. Separate receipts shall be prepared for cash meal tickets sold prior to October 1 and for cash meal tickets sold on or after October 1 of each fiscal year.

3. Only symbol numbers of the fund accounts to be credited are to be indicated. Miscellaneous receipts account symbols must be taken from the "Receipts and Appropriations and Other Fund Account Symbols and Titles" booklet as published by the Department of Treasury, Bureau of Accounts, Division of Government Financial Operations.

4. When it is necessary to void a cash receipt, all copies must be marked "VOID" in large letters, initialed, and dated by the cashier. The original (white) must be attached to the triplicate copy (blue) and both remain in the book. The duplicate copy (yellow/pink) shall be forwarded to the account, who shall maintain accountability for receipts.

5. In those institutions where the cashier accepts collections or UNICOR and the remittance requires no receipt, the original receipt must be attached to the appropriate invoice and must be forwarded to the UNICOR account.

c. Miscellaneous Collections.

1. Collections of jury and witness fees from Bureau employees. Fees received by Bureau of Prisons employees for serving as witnesses or for jury duty are "refund" transactions and must be accounted for as prescribed in Chapter 10582 of this Program Statement.

(No payment for jury or witness services in Federal courts may be made to a Federal employee, except that per diem in lieu of subsistence may be paid in accordance with Federal Travel Regulations.)

2. Collections of bid deposits. Bid deposits are defined as bond guarantee amounts representing a bidder's ability to perform a contract in the event of an award. Checks or money orders from contractors for bid deposits shall be held uncashed by an Accounting Technician in the safe or vault. Upon award, the uncashed bid deposits will be returned to the unsuccessful bidders. The successful bidder's deposit must be returned after the contract has been signed.

Plans and specifications (specs) deposits are defined as amounts presented by bidder's for copies of the plans and specifications of a contract. Bidders are advised that these amounts will be returned to them only after the plans and specs have been returned. Plans and specs deposits shall be deposited to the 15X6875.10 account upon receipt. If the plans are returned, a check shall be paid to the bidder from the 15X6875.10 account. If the plans are not returned within three years, the funds shall be disbursed from 15X6875.10 and collected to Miscellaneous Receipts Account, 153220.

3. Collections received in foreign currency or checks drawn on foreign banks. Foreign currency collections may be deposited with the Federal Reserve Bank of New York in accordance with the Treasury Financial Manual, Part 5, Chapter 6000. Checks drawn on foreign banks, whether payable in U.S. dollars or in a foreign currency, may be deposited with Mellon Bank in accordance with the Treasury Financial Manual, Part 5, Chapter 6000. However, foreign currencies can be exchanged in local banks and the dollar proceeds deposited in local authorized depositories for credit to the account of the Treasurer of the United States (P.S. 2000.2, Chapter 10967, page 2).

4. Collection of employee's club profits. Fifteen percent of employee's club profits derived from Class 1 vending machines shall be deposited into the Trust Fund Operation, 15X8408 (P.S. 3721.04, Employee Organizations, February 24, 1992). To record the collection, a 40 Transaction using Sub-object 2669, Payor Code 099, and Descriptor Code G6 must be entered into the Financial Management System (FMS).

5. Collections received from meal tickets (debit card and cash). Collections received from the Debit Card Meal Ticket Program shall be deposited into the Current Year Salaries and Expenses (15_1060) Appropriation. To record the

collection, a 40 Transaction using Sub-object 2698, Payor Code 099, and Descriptor Code E1 must be entered into FMS.

Collections received from the sale of meal tickets shall be deposited into the Current Year Salaries and Expenses (15_1060) Appropriation. To record the collection, a 40 Transaction using Sub-object 2699, Payor Code 099, and Descriptor Code E1 must be entered into FMS.

Debit card meal ticket collections and cash meal ticket sales shall be maintained separately from Imprest Funds.

6. Other collections. The following are other common collections and the proper appropriation or account to which the collection must be deposited (see P.S. 2000.2, Chapter 10518, for proper 04 or 40 Transactions for entry into FMS).

Collection	Type	Appropriation/ Account
Accounting & Audit Fees	Misc. Receipts	153220
Damage to Government Property	Misc. Receipts	153220
D.C. Prisoner Billings & Receipts	Misc. Receipts	153220
Dividends & Earnings Receipts	Misc. Receipts	153223
Employees Clothing Advance Pay	Refund	15_1060
Federal Taxes - Relocation	Budget Clearing	15F3875(10)
Freedom of Information Act (FOIA)	Misc. Receipts	153220
Funeral Trip OT for Escorted Inmates	Misc. Receipts	153220
Interest Due on Overdue Bill	Misc. Receipts	151435
Meal Ticket Sales to Employees (Cash and Debit Card)	Reimbursement	15_1060*
Medicare Taxes	Budget Clearing	15F3875(10)
Monies Confiscated from Inmates	Misc. Receipts	151060
Monies Found on Institution Prop.	Misc. Receipts	151099
Monies of Unlocated Inmates \$25 or more	Deposit Fund	20X6133
Monies of Unlocated Inmates Under \$25	Misc. Receipts	151060
Parcel Post Package Receipts	Misc. Receipts	153220

Pay Phones Commission	Misc. Receipts	153220
Sale of Personal Property	Budget Clearing	15F3875(10)
Photocopying Fees	Misc. Receipts	153220
Real Property Sales	Misc. Receipts	153220
Rental of Residences to Employees	Reimbursement	15_1060
Rental of Space to Employee's Club	Misc. Receipts	153220
Sale of Employee Clothing	Misc. Receipts	153220
Sale of Farm By-products	Budget Clearing	15F3875(10)
Scrap and Salvage Sales Receipts	Misc. Receipts	153220
State Prisoners Billings & Receipts	Reimbursement	15_1060
State Taxes - Relocation	Deposit Fund	15X6875(10)
Utilities (Manufactured by Bureau)	Reimbursement	15_1060
Utilities (Purchased)	Refund	15_1060
Suspense Bureau of Prisons	Deposit Fund	15X6875(10)
Refund of Monies Erroneously Received and covered	Deposit Fund	20X1807

7. Aluminum can recycling program. Recycling programs may be established at the discretion of the Warden. The disposition of the proceeds generated from the sale of aluminum cans will differ depending on whether the cans were originally purchased with appropriated or other than appropriated funds. The Warden is to decide which area(s), Trust Fund, Employee's Club, Inmate Organization, or the institution will operate the recycling program(s). If the Warden decides that more than one area will operate a recycling program, an Institution Supplement shall be developed to indicate how the proceeds from the program will be divided.

(a) Appropriated funds. If the cans were originally purchased with appropriated funds (usually not the case in the appropriate General Services Administration (GSA) Regional Office to arrange for the sale of the cans in accordance with Federal Property Management Regulation, 41 CFR 101-45.103.1. In accordance with 40 U.S.C. 485 (a), the funds received from the sale must be deposited into the Treasury as miscellaneous receipts. To record the deposit, an 04 Transaction must be made to General Fund Proprietary Receipts, Not Otherwise Classified Appropriation (153220), debiting the 780.1, Unavailable Receipts Deposited - Own Accounting Station, and crediting the 730.0, Income General Fund Receipts, General Ledger Accounts.

(b) other than appropriated funds. When other than appropriated funds (i.e., Trust fund, Employee or Inmate

Organizations) are involved, the Environmental Protection Agency (EPA) has determined that these may be sold without assistance from GSA. EPA guidelines state that the funds may be used for ongoing operational costs or as charitable contributions (Developing a Comprehensive Federal Office Recycling Program, Environmental Protection Agency, Office of Administration and Resource Management PM 215, October 1990). The guidelines on how to apply the proceeds from the sale of aluminum cans are as follows:

(i) Trust Fund: The Trust Fund may establish an aluminum can recycling program. Since the Trust Fund does not use appropriated funds, the proceeds from the sale of aluminum cans can be treated as income for the Trust Fund Operation. To Recycling Programs Income, Descriptor Code G6.

EPA regulations recommend that contracts for the sale of recyclable items be competitively bid. However, the institution may contact its regional GSA office to use an existing GSA contract for the sale of the cans (Developing a Comprehensive Federal office Recycling Program, October 1990).

(ii) Employees' Club and Inmate Organizations: The employees' Club may establish an aluminum can recycling program. An Inmate Organization may only establish an aluminum can recycling program if the Trust Fund does not establish one (P.S. 5381.3, inmate Organizations, May 31, 1983). The proceeds from aluminum cans collected by these organizations may be donated to charities or used as organization income.

8. Register of Collections.

(a) The Register of Collections (AF-116) is a bound book in which all cans receipts must be recorded. Deposit ticket numbers and the disposition of funds received must be posted.

(b) The principal Cashier and each alternate must maintain separate books.

(c) The information to be shown in the register is mostly self-explanatory. Care must be exercised to ensure that descriptions are brief and accurate. The balance on hand at any time must represent the sum of the individual items for which the date and deposit ticket number have not been entered. A recap of totals by appropriation shall be prepared

at the end of each month. This recap must reflect the same coding as entries made to FMS.

PROGRAM STATEMENT 2000.2 - ACCOUNTING MANAGEMENT MANUAL

CHAPTER 10600 - CASH ACCOUNTING

CHAPTER 10620 - DEPOSITS

a. Purpose. This chapter sets forth requirements and procedures relating to the deposit of collections.

b. Requirements. In accordance with the Treasury Financial Manual (TFM), Volume I, Parts 5 and 6, the Bureau of Prisons has established the following deposit requirements:

* 1. Deposits shall be made whenever total receipts reach \$5,000. In addition, deposits shall be made every Thursday, regardless of the amount accumulated. *

2. All Treasury checks totaling \$5,000 and over shall be deposited on the day received at the nearest Federal Reserve Bank (FRB) in accordance with I TFM 6-8030.30.

3. The Deposit Ticket (SF-215) shall be used for all deposits.

The deposit date entered on the SF-215 shall be based on the cut-off time at the bank (i.e., bank cut-off time is 2 p.m., any deposit delivered prior to 2 p.m. is considered that day's business. Conversely, any deposit delivered after 2 p.m. is considered the next day's business). All deposits shall be made as late as possible prior to the cut-off time to maximize deposit amounts.

4. Endorsement of checks shall include:

- Agency Name;
- the words "For credit to the U.S. Treasury";
- the date of endorsement;
- the CASH-LINK Identification Number (CIN);

The CIN is a nine-digit number assigned to each Agency Location Code by the Federal Reserve System (I TFM 5-2000). The CIN shall be used on all deposit tickets and check endorsements. To obtain the CIN and CASH-LINK software, contact the Department of Treasury, Financial Management Service at (202)874-6554 or (202)874-6757.

c. Procedures. One of the following procedures shall be used when making a deposit with either a general depository or a Federal Reserve Bank.

1. General/Local Depositories. "Authorized Local Depository" will mean any general depository which has been approved by the U.S. Treasury to receive deposit tickets and return them directly to the depositor. Checks deposited with general depositories do not need to be sorted, but must be accompanied by an adding-machine tape or other listing, unless other arrangements have been made by Treasury.

2. Federal Reserve Banks (FRB). Cash and checks will be recorded on separate deposit tickets (SF-215s) when depositing with an FRB. A cash deposit and a check deposit constitute one deposit per day in accordance with TFM, Volume I, Part 5, Chapter 4000, Section 4020, and TFM, Volume I, Part 6, Chapter 8000, Section 8030.30. The cash shall be sorted and packaged in accordance with TFM, Volume I, Part 5, Chapter 2000, Section 2050.20a. Checks deposited with a FRB do not need to be sorted, but must be accompanied by an adding-machine tape or other listing showing the item amounts and the deposit total.

3. Reference to the pre-printed deposit ticket number must be used in the appropriate cash and collection record books to clear all receipt items. Receipted (confirmed) copies must be retained for audit purposes. Institutions may not establish their own deposit ticket control numbers for recording in the cash collection record; however, they may use their own control numbers for entry into FMS.

4. Distribution of copies of the deposit ticket must be in accordance with TFM, Volume I, Part 5, Chapter 5000, Section 3000, Appendix 1. An administrative copy of the deposit ticket must be submitted to the Accounting Supervisor for posting purposes.

5. The Accounting Supervisor shall be furnished any supporting documents which may have been received with remittances. These include copies of the bills being paid, transmittal forms or letters accompanying remittances, etc., and the related duplicate copies (yellow or pink) of the BP-114, Cash Receipt.

6. Based on the type of financial transaction, the Accounting Supervisor must prepare the appropriate forms and enter appropriate transaction codes into FMS.

d. Transmittal of Deposits to Treasury. One of the following methods shall be used to make deposits to Treasury to ensure protection against losses in transit:

1. Hand-delivered deposits by the Accounting Technician/ Cashier or alternate with the FRB or authorized local depository;

2. Deposit by mail with the FRB or authorized local depository;

3. The Secretary of the Treasury may authorize the exchange of public monies for drafts issued by insured banks to facilitate the transmission of funds. Under this procedure, all items are converted to a single draft and forwarded to Treasury. The cost of bank drafts shall be charged to Cost Center _22, Sub-object 2599;

4. Deposits may be transported by armored car service to an authorized local depository.

e. Adjustments. If an error is discovered after an SF-215 has been mailed, that document may not be recalled or corrected. The Accounting Supervisor must contact the depository (FRB or designated depository) and the depository will prepare:

1. An additional SF-215 for the difference if the deposit amount is to be increased;

2. A Debit Voucher (TFS-5515) for the difference if the amount is to be decreased. See paragraph g. in this chapter.

f. Recording Undeposited Collections. At the end of each month, the Accounting Supervisor shall prepare a General Ledger Transaction (BP-121) Form to enter the 04 transaction to record the amount of undeposited collections.

115.X - Undeposited Collections	Dr.	
430.X - Liability for Undeposited Collections		Cr.

*

Also, the Accounting Supervisor shall prepare a BP-121 Form at the start of the following month to enter the 04 transaction to reverse the undeposited collections entered in the preceding month. *

430.X - Liability for Undeposited Collections	Dr.	
115.X - Undeposited Collections		Cr.

g. Debit Voucher. In some circumstances, Treasury will honor a claim for a check previously issued and paid, or will dishonor an original check. To show the chargeback for those funds, Treasury will issue TFS Form 5515 Debit Voucher. The TFS 5515 will show the Regional Finance Center (RFC) symbol credited and the eight digit agency location code of the facility. Debit Vouchers shall be treated as a reduction to collections on the SF-224 (Statement of Transactions) working papers (See Chapter 10760).

PROGRAM STATEMENT 2000.02 - ACCOUNTING MANAGEMENT MANUAL

CHAPTER 10600 - CASH ACCOUNTING

CHAPTER 10625 - PURCHASES AND MISCELLANEOUS CASH PAYMENTS

- * a. Purpose. This chapter sets forth requirements and procedures to be followed at each facility for purchases and miscellaneous cash payments made from imprest funds. Procedures are established in accordance with The Department of the Treasury Financial Manual, Part 4, Chapter 3000, and the Manual of Procedures and Instructions for Cashiers operating under 31 U.S.C. 3321. *
- b. Maximum Limitations. Payments from imprest funds for any one transaction will not exceed \$500.00 except on an emergency, case-by-case basis which only the controller can authorize. The reason for the emergency shall be documented.
- c. Exceptions to Maximum Limitations. See Chapter 10975 for exception to maximum limitations.
- d. Examples of Items Authorized for Payment from Cashier's Imprest Fund, Not to Exceed Maximum Limitations above:
- * 1. Repair of equipment
2. Small Purchases (made in accordance with FAR)
3. Parcel post, postage stamps, money orders, local drayage, Treasury Check Cashing fees
4. Travel advances and travel settlement (see Chapter 10630)
5. Freight charges up to \$100.00 maximum
6. Certain emergency salary payments (see paragraph i. of this chapter). *
- e. Payments, Reports, Receipts and Procedures
1. SF-1129 - Cashiers shall retain a memorandum copy of the replenishment voucher for their records.
2. Petty cash vouchers
- (a) Numbering - Petty cash sub-vouchers covering all payments by the cashier and alternate cashiers shall be numbered consecutively in the same series beginning with No. 1 at the beginning of each fiscal year.

(b) Temporary receipts - A temporary receipt (SF-1165 stub portion) shall be placed in the cash box when a cash advance is made for cash purchases and shall be returned to the employee when the sub-voucher receipt is furnished. Advances shall be settled as soon as possible and in no case later than three workdays following the date of the advance.

* (c) Release vouchers - Vouchers for gratuities, inmate personal funds, and cash furnished for transportation costs are prepared by the accounting office on a BP-112 and approved by the certifying officer before payment. The inmate shall sign the voucher at the time the funds are received from the cashier or control center/release officer.

The controller and inmate systems manager may determine that requiring the inmate to pick up release funds at the cashier's office is not appropriate. If release vouchers and funds are passed to the control center officer/release officer, the officer will acknowledge receipt and accountability responsibility by signing and dating the cashier's copy of the BP-112. The release officer shall obtain the inmate's signature on the BP-112 at the time the inmate receives the funds. The release officer or designee shall return the original signed BP-112, release voucher, to the cashier on the next workday. The cashier will return the cashier's copy of the BP-112 to the release officer to evidence relief of the officer's accountability for the funds. An Institution Supplement shall be published detailing the requirements of control and accountability for funds left in the control center for after-hours release. The Institution Supplement shall detail all steps and identify accountable staff. *

(d) Receipt requirements - Each cash purchase made shall be supported by a receipt and may be in any of the following forms:

* (1) SF-1165 (Receipt for Cash) itemizing the articles or services purchased shall be used where vendor does not furnish an itemized sales slip.

(2) Original bill, sales slip, or invoice of the dealer itemizing the articles or services purchased.

(3) See Chapter 10630 for required travel settlement receipts. *

(4) Carbon copy of sales ticket, where the original sales ticket is retained by the dealer as part of his/her accounting records, and the carbon copy is the only document available. Generally, this copy will be printed "Customer's Invoice."

(5) Passenger transportation ticket when ticket cost is \$100.00 or less including tax.

* f. Sub-Vouchers. All sub-vouchers shall be listed numerically on the reverse side of the SF-1129 or on an attached sheet for the items or services purchased so the proper accounting code is determined. The reimbursement schedule shall be numbered in regular series of institution schedules. In order to establish uniformity in recording cash expenditures, the following format shall be followed: *

SV No.	SV Date.	P/R No.	Accounting Class	Appropriation			
				15-1060	15X1003	15X8408	15X6085
1	3/3	0174	X3 3 334 400 000 2601 N 04 0079	74.35			
2	3/3	0175	X3 3 334 400 000 2601 N 04 0077	29.30			
3	3/6	0199	X4 1 323 400 000 2601 N 04 0004			20.00	
4	3/19	0200	32 M 322 400 000 2601 N 04 0001	18.00			
5	3/19	0201	X4 1 323 400 000 2601 N 04 0004			20.00	
6	3/19	Release Voucher					100.00
Recap			15_1060 \$ 18.00				
			15X1003 103.65				
			15X8408 40.00				
			15X6085 100.00				
Total			\$261.65				

g. Interim Receipts, SF-1165 Stub Portion. The cashier's interim receipts are retained in the petty cash box evidencing advance of funds and shall be securely maintained in chronological order. This is accomplished as follows:

1. Remove the SF-1165's from the receipt book and retain them as needed.
2. Retain the bound, stub portion in the petty cash box in an envelope labeled "Interim Receipts."
3. When cash is advanced to an employee, remove the bound stub booklet from the interim receipt envelope and enter the date and amount on the receipt, obtain the signature of the employee receiving the cash and replace the stub booklet in the "Interim Receipts" envelope in the cash box. (Do Not Remove The Stub At This Time.) This will eliminate the loss of interim receipts.
4. When the advance is returned or settled by the employee, the cashier shall remove the signed "Interim Receipt for Cash" stub from the receipt booklet and return it to the employee. At the same time, a sub-voucher number shall be assigned to the receipt on the SF-1165 or the vendor's sales slip receipt and stapled to the accumulated sub-vouchers packet. The loss of sub-vouchers, pending preparation of the weekly replenishment voucher, can be eliminated by stapling them in a single packet as

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received. All sub-vouchers, invoices or receipts shall be marked "PAID" immediately upon settlement by employee as required by the Treasury Financial Manual, Part 4, Chapter 3000. *

h. Travel Advances. Procedures for handling travel advances are located in Chapter 10630.

i. Salary Payments. In accordance with the Treasury Financial Manual, Part 4, Chapter 3000, authority has been granted to the Bureau of Prisons' cashiers and their alternates to use imprest funds for partial salary payments to new employees and for certain emergency salary payments. Salary payments may be made from the imprest fund or by draft subject to the following provisions:

1. Payments may be made to employees who did not receive a check on the scheduled payday due to an administrative error or a delay in processing necessary documents.

2. Payments may be made for or during the initial pay period to new employees only for actual hours worked, when waiting for the normal payday would impose a serious financial hardship. Payment cannot be made in advance of hours worked.

3. Payments may be made to an employee who receives a check but the amount of the check is for less than 90 per cent of the net amount due.

4. An emergency salary payment is based on regular pay only, and cannot include any amount due for overtime or premium pay.

5. The following methods of payment shall be followed:

(a) Payment by Cash. A temporary receipt (SF-1165) shall be signed by the employee and placed in the cash box to evidence the salary payment from imprest funds. It shall be returned to the employee when the employee repays the cashier for the amount of the payment.

(b) Payment by Draft. A voucher shall be prepared to support the salary payment by draft and shall include the request, along with the approval for the salary payment. An accounts receivable shall be established.

The following 04 transaction code entry shall be prepared and entered into FMS in the 15X6875(10) Bureau of Prisons Suspense Account, to record the draft disbursements.

139.1 - Accounts Receivable - Public	Dr.
116.0 - Draft Payments in Transit	Cr.

To record the collection of the accounts receivable, the following 04 transaction code entry shall be prepared and entered into FMS in the 15X6875(10) Bureau of Prisons Suspense Account.

110.3 - Net Disbursements	Dr.	
139.1 - Accounts Receivable - Public		Cr.

6. At the institutional level, the Personnel Officer must request the salary payment on behalf of the employee by memorandum to the local Office of Financial Management. The memorandum must include the employee's name, amount of payment, and reason for payment. All salary payments from imprest funds must be approved on a case-by-case basis by the Warden. At the regional level, the Comptroller must approve the salary payment. The Chief, Finance Branch, must approve salary payments for Central Office employees.

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PROGRAM STATEMENT 2000.2 - ACCOUNTING MANAGEMENT MANUAL

CHAPTER 10600 - CASH ACCOUNTING

CHAPTER 10630 - TRAVEL ADVANCES

a. Purpose. This chapter prescribes the procedures to be followed for the issuance and settlement of travel advances.

b. General. The Travel Expense Act of 1949 authorized advancing of funds to cover expenses in connection with official travel including movement of household effects. Determination should be made that the advance is secured by salary, accrued leave, retirement credits, or other funds due the employee. However, administrative determination may be made that an advance is proper even though not entirely covered by funds due. If not otherwise recoverable, the advance used for travel would be certified a debt due the United States. The advance must be approved by a certifying officer. Advances should be held to a minimum and made only when necessary. Travel advances and settlements will be paid by draft or by U.S. Treasury check, unless circumstances warrant payment by cash. Cash payments shall be held to a minimum.

c. Travel Advances from Imprest Funds. The Treasury Financial Manual, Volume I, Part 4, Chapter 3000, Section 3040.20, authorizes travel advances to be made from imprest funds, not to exceed \$500.00 for any one transaction. The advance of funds and settlement of advances are considered separate transactions. Therefore, an amount not to exceed \$500.00 may be paid as an advance and an additional amount not to exceed \$500.00 may be paid when the travel voucher is submitted for settlement.

When a travel advance is made, the traveler must submit in duplicate, a properly approved SF-1038 (Advance of Fund, Application and Account) accompanied by an approved BP-142 (Travel Authorization). Travel advance amounts shall approximate the expected entitlements of the trip, but in no case should it exceed the basic entitlement for 45 days of the assignment. The original SF-1038 (signature in "applicant sign here" block) is used as evidence of a debt due the U.S. Government by the employee and becomes a part of the subsidiary record to support the General Ledger Account 180.0 - Travel Advances. The duplicate copy of the SF-1038 (signature in column 13 - cash payment received) is used as a supporting document (sub-voucher on the reimbursement voucher).

1992

d. Responsibilities

1. Cashier

(a) The Office of Financial Management (OFM) shall maintain the original SF-1038 for each employee obtaining an advance of funds for travel and record all transactions affecting the advance on the reverse side of the SF-1038.

(b) When the travel advance is settled, the SF-1038 must be filed by fiscal year settled in alphabetical order by employee name, travel authorization number sequence, and appropriation number. These files must be retained for three fiscal years for audit purposes.

2. Controller. The Controller must review and certify the validity of each outstanding travel advance monthly by initialing and dating each unsettled SF-1038. For each advance * not settled within the time frame as described in paragraph 4, the Controller shall initiate collection procedures as outlined in P.S. 2000.2, Chapter 10586. *

3. Chief Executive Officer. The Chief Executive Officer shall ensure that prompt recovery is made. If other collection efforts fail, deductions from any monies due the traveler from the United States or by any other legal means available shall * be used (GAO Title 7, Section 25.6). Refer to P.S. 2000.2, Chapter 10586, paragraph f., for instructions on how to collect outstanding travel advances. *

4. Traveler - settlement of advances. The traveler has the responsibility for settlement immediately upon completion of travel. Routine travel shall be settled no later than five days after travel has been completed. Permanent change-of-duty travel must be settled within ten days upon occupancy of permanent quarters. Settlement of the entire advance shall be made without regard to possible future real estate expenses since no advance of funds is authorized for this purposes.

If real estate transactions are involved and are not settled at the time the voucher is to be filed, the traveler must file a partial settlement for all other expenses covered by the advance. Settlement for any outstanding real estate expense shall be claimed later on a separate voucher.

e. Unused Portion of Travel Advance. The unused portion of the travel advance is due and payable at the time the employee submits a claim (signs Travel Voucher) for reimbursement of travel expenses. The traveler shall be informed of the amount due the Government and payment shall be requested by OFM.

f. Reserved.

g. Reserved.

h. Appropriation Chargeable and Accountability. Normally, travel advances will be charged to the appropriation from which reimbursement will be made. If advances are made from more than one appropriation (i.e. S&E, B&F, or Trust Fund), a separate travel advance account shall be established for each appropriation from which the advance is made. When the advance has been approved and effected, an entry shall be made in the Financial Management System (FMS) using an 04 transaction as follows:

180.0 - Travel Advances (by appropriation)	Dr.
110.3 - Net Disbursements	Cr.

* i. Settlement of Travel Vouchers. Upon completion of a trip, the traveler shall prepare and submit a Travel Voucher to the Office of Financial Management (OFM). Assistance from the OFM may be requested, but the traveler has the ultimate responsibility to prepare and submit the voucher for reimbursement of travel expenses. Travelers must submit their vouchers within five working days after completion of any trip. If a voucher is not submitted within that time frame, the Controller shall take appropriate action as outlined in the Program Statement on Financial Management-Debt Management.

In accordance with the standard set by the Attorney General, the OFM shall submit travel vouchers to Treasury to be paid within five working days of receipt of valid travel vouchers. A voucher is considered paid on the date shown on the check or date the Electronic Funds Transfer (EFT) is made. EFT is the preferred method of payment. To monitor performance against this standard, each location must submit a quarterly report stating the number of travel vouchers received each month and the number paid each month within the five-day standard. Each location shall submit its reports to the appropriate regional office, who will consolidate them and submit its response to the Accounting Policies and Procedures Section, Central Office, by the 15th day of the month following the end of each quarter. The report shall be submitted using Exhibit C. **Locations that have implemented the FMIS travel module shall not report this information to their respective Regions for consolidation. The Finance Branch shall extract their data from the accounting system.** *

Usually, travel vouchers submitted for reimbursement are either higher or lower than the amount of the advance. Therefore, the voucher should be categorized as being:

- less than the advance or
- equal to or greater than the advance and handled as follows:

1. If the voucher amount is less than the travel advance, the traveler must submit a check or cash for the difference between the voucher and the amount advanced along with the voucher. To effect accounting, prepare:

- (a) an 04 transaction to reverse the voucher amount,
- (b) an 04 transaction for the collection of the difference, and
- (c) an 02 transaction for the amount of the voucher.

Example: Advance \$100.00
 Voucher 75.00

Transaction	Purpose	Accounts	Amount
a) 04	Gross Voucher Amount	Dr. 110.3, Cr. 180.0	\$75.00
b) 04	Collection	Dr. 110.3, Cr. 180.0	25.00
c) 02	Voucher Amount	19 digit coding	75.00

2. If the voucher amount is equal to or greater than the travel advance, to effect accounting prepare:

- (a) an 04 transaction to reverse travel advance amount and
- (b) an 02 transaction for the full amount of the voucher.

Example: Advance \$100.00
 Voucher 150.00

Transaction	Purpose	Accounts	Amount
a) 04	Travel Advance Total	Dr. 110.3, Cr.180.0	\$100.00
b) 02	Gross Voucher Amount	19 digit coding	150.00

The rest of this page is blank intentionally.

Timely Payment Of Travel Vouchers

Location:			
Quarter:			
FY:			
Month	Number of Travel Vouchers Received	Number of Travel Vouchers Paid Within 5 Days	Percent of Vouchers Paid Timely
Total			

Submitted By:

Date:

- j. Payment of Travel Vouchers. The cashier may reimburse the employee by draft, U.S. Treasury Check, or cash. Cash payments shall be held to a minimum. In instances where the amount to be reimbursed is \$500.00 or less, the cashier may reimburse the employee in cash. Transactions exceeding \$500.00 shall be made by draft or U.S. Treasury Check. Draft payments shall not exceed \$1500.00. Transactions of \$500.00 or less and paid by cash shall be given a sub-voucher number and processed for reimbursement on the cashier's next replenishment voucher. When travel vouchers are paid on, a replenishment voucher, the SF-1012 shall be photo copied and filed alphabetically with travel vouchers scheduled separately. Schedule and sub-voucher numbers must be shown on the photo copied SF-1012. The supporting documentation to the SF-1012 need not be photocopied.
- k. Advances to Employees for Change of Duty Travel. In all cases, travel advances shall be made by the receiving institution. The transferring institution shall prepare a SF-1038 and forward it to the receiving institution.

In emergencies, the transferring institution may advise the receiving institution by telephone of the amount of the advance to be made to the employee and state that the application for advance has been properly prepared, signed by the traveler, and mailed to the receiving institution. The receiving institution shall then prepare an advance payable to the employee and submit it to the RFC for payment. By the time the payment is actually made, the executed SF-1038 should be received by the receiving institution to support the advance. It is the responsibility of the receiving institution to ensure that prompt action is taken to obtain the advance for the transferring employee.

Institutions shall be guided by the requirements of Standardized Government Travel Regulations (FPMR 101-7), latest revision, in authorizing advances.

1. Employees Transferring with an Outstanding Advance. If an employee with an outstanding travel advance is transferred to another institution, the accountability for the travel advance must be transferred to the gaining institution.

The losing institution shall send an SF-1080 billing (supported by a copy of the front and back of the SF-1038) to the gaining institution.

Upon receipt of the billing document, the gaining institution shall schedule a check for the amount of the travel advance to be mailed to the losing institution. The schedule amount shall be entered into FMS using an 04 transaction (debit 180.0/credit 110.3). An SF-1038 shall be prepared (in duplicate) and annotated with the fact that the travel advance has been transferred in. The SF-1038, supported by a copy of both the SF-1080 billing and the

SF-1038 (which were forwarded by the losing institution), should be filed with the open travel advance cards. The duplicate copy of the SF-1038 (which was prepared by the gaining institution) along with the original SF-1080 billing, shall be used as supporting documentation for the payment voucher.

Upon receipt and deposit of the check by the losing institution, `an 04 transaction (debit 110.3/credit 180.0) shall be entered into the FMS.

The deposit transaction shall be posted to the SF-1038 with an explanatory note indicating that the advance was transferred. The SF-1038 shall be filed with the closed travel advance cards.

The institution to which the travel advance was transferred shall take immediate action, as required in paragraphs f and g of this chapter, to collect the travel advance from the employee.

- m. Continuous Travel Advances. A "continuous travel advance" (formerly called blanket travel advance) shall be issued in an amount equal to the estimated travel and transportation expenses for one month. The SF-1038 must be supported by a "continuous travel authorization" document prepared as prescribed below. Each continuous travel advance shall turnover at least once each month to justify retention of the advance. In other words, if a traveler has a \$300.00 continuous advance, the traveler must settle trip(s) amounting to \$300.00 for the month the advance is outstanding.

Continuous travel advances shall be analyzed at the end of each month to determine if the turnover rate or use is adequate to support the retention or if the repayment of the continuous travel advances required.

The Chief, Office of Financial Management, and Comptrollers of each region shall receive by the 20th of the month, following the end of the quarter, reports reflecting the use of all outstanding continuous travel advances prepared by the accounting staff within their respective facilities during the prior quarter. (See Exhibit B)

A "continuous" travel authorization shall be prepared and assigned a travel authorization number. This authorization number will be the source document number entered into the Financial Management System (FSM) for all travel transactions including the continuous travel advance. The continuous travel authorization only authorizes continuous advance; therefore, no obligation shall be established from a continuous travel authorization. Under the 04 type transaction establishing the continuous advance, document type 10 and the authorization number will be used in the first reference field BP-121(BP-Acctg-124).

1. A traveler who has a continuous travel advance supported by a continuous travel authorization must have individual trips supported by a separate travel authorization numbered in the normal travel authorization sequence. This individual travel authorization shall reference the continuous travel advance number in the upper right hand corner of the

travel authorization above the space for the authorization number.

The individual authorization shall be entered into the FMS using document type 02 and the continuous travel advance number using an 02 type transaction to establish an accounts payable in the month the trips is to begin. The individual authorizations will then be filed with the open obligations in accordance with current policy.

2. A new continuous Advance of Fund Application and Account (SF-1038) and a new continuous Travel Authorization (BP-Admin-64) shall be signed and issued at the beginning of each fiscal year and assigned a new continuous advance number from the sequence of numbers issued during the current fiscal year.
 3. The first 100 travel authorization numbers at the Central Office, first 50 at regional office, and first 10 at institutions for the fiscal year shall be reserved for continuous travel advances and supporting continuous travel authorizations.
- n. Each traveler must have a separate travel authorization. (No more than one person shall travel using a single travel authorization number.)
- o. Travel Advances Outstanding at the End of the Fiscal Year. Where travel advances are carried over from one fiscal year to the next, the total balance of all such advances must be transferred from the expired fiscal year appropriation account to the current fiscal year. Such transfers shall be effected as soon as possible after September 30 of each year. The transfer documents must be supported by detailed data on each outstanding advance included.

To facilitate this, the FMS will automatically transfer the balance from the expired fiscal year to the subsequent fiscal year as follows:

Fiscal year ended from which the travel advances are being transferred out-

110.3 - Net Disbursements	Dr.	
180.0 - Travel Advances		Cr.

Current fiscal year to which the travel advances are being transferred into-

180.0 - Travel Advances	Dr.	
110.3 - Net Disbursements		Cr.

To effect the transfer, the accounting supervisor shall prepare a JV and report it on the SF-224. The amounts will be reflected as collection to the fiscal year the advance was transferred out of (prior fiscal year) and a disbursement to the fiscal year the advance was transferred into (current fiscal year).

MEMORANDUM

P.S. 2000.2
Chapter 10630
Exhibit A
15 OCT 1986

SAMPLE

DATE: (Date)

REPLY TO
ATTN OF: (Name) , Warden
(Institution and ALC)

SUBJECT: Right to Offset through Payroll Deduction

TO: Peter Jones, Assistant Director
Justice Employee Data Service

In accordance with 4 CFR §102.3 and 5 USC §5705, I hereby request a payroll deduction of \$50.00 per pay period to a total of \$200.00 from the salary of John Doe , SS# 999-99-9999. The payroll deduction is necessary for the liquidation of the outstanding unused portion of a travel advance issued to the employee.

When the total amount of the deductions reaches \$ 200.00, please complete and certify the attached SF-1081 and forward a copy to this office (Attn: Controller).

Thank you for your assistance in this matter.

Attachment

SAMPLE

P.S. 2000.2

CH

10630

OPEN TRAVEL ADVANCES - CONTINUOUS

Exhibit B

AS OF SEPTEMBER 30, 1984

15 OCT

1985

PAST 3 MONTHS
VOUCHERS SUBMITTED

TA

PER CENT USED

#	NAME	AMOUNT	JUL '84	AUG '84	SEP '84
038	Arnold, Phil	500.00	337.24	306.46	178.98
	55%				
029	Carlson, Norman	200.00	383.36	105.55	54.52
	91%				
047	Haugh, Charles	1,000.00	581.16	741.95	998.88
	77%				
008	Ingram, Gilbert	500.00	213.60	670.73	435.84
	88%				
034	Minor, John	350.00	-0-	378.63	390.70
	73%				
015	Powell, Jimmy G.	500.00	388.24	195.84	818.23
	93%				
035	Riggs, Charles	500.00	-0-	727.85	579.62
	87%				
037	Turner, Cecil	500.00	378.75	278.99	248.57
	67%				
048	Toler, Haywood	500.00	667.06	277.47	1,029.61
	132%				
005	Watson, Leonard	300.00	New	-0-	723.75
	0%				

SUB TOTAL 4,850.00 3,023.24 3,683.47 5,458.70
120%

PERCENT USED 63% 81% 120%

LMR

014	Brown, Ronald	500.00	305.77	123.11	516.35
	63%				
028	Foley, James	500.00	935.74	824.37	183.12
	130%				
022	Swick, Carl	500.00	339.53	-0-	-0-
	23%				
026	Wilansky, Robert	500.00	784.56	221.77	-0-
	67%				

SUB-TOTAL 2,000.00 2,365.60 1,169.25 699.47
71%

PER-CENT USED 118% 58% 35%

Audit Team

045	Bishop, A. Lee	1,500.00	1,109.28	1,978.77	-0-
	69%				
039	Henderson, George	1,500.00	1,674.86	- 0-	1,690.18
	75%				
004	Powers, John G.	1,500.00	1,158.87	1,925.60	- 0-

69%	001 Pursell, Frank	1,000.00	264.57	442.63	953.17
55%					
	SUB-TOTAL	5,500.00	4,207.58	4,347.00	2,643.35
68%					
	PER-CENT USED		77%	79%	48%
	O.I.				
	Henry, Mark	500.00		New	New
036	Kane, Patrick	500.00	659.56	40.30	506.88
80%					
012	Meeker, James	750.00	668.69	388.88	199.56
56%					
	SUB-TOTAL	1,750.00	1,328.25	429.18	706.44
66%					
	PER-CENT USED		106%	34%	57%
	XID				
041	Harrel, James	500.00	-0-	-0-	-0-
0%					
	Jeffreys, Richard	500.00	-0-	-0-	-0-
0%					
	Stendahl, Gary	500.00	172.62	-0-	222.22
26%					
	SUB-TOTAL	1,500.00	172.62	-0-	222.22
9%					
	PER-CENT USED		12%	0%	15%

PROGRAM STATEMENT 2000.02 - ACCOUNTING MANAGEMENT MANUAL

CHAPTER 10600 - CASH ACCOUNTING

Chapter 10640 - Draft Payment System

a. Purpose. The purpose of this chapter is to set forth the policies and procedures for the Department of Justice (DOJ)/Mellon Bank Third Party Draft Payment System (Mellon Draft System). These procedures conform to the requirements set forth by the Department of Treasury and DOJ.

b. General Information. A third party draft system is an alternative payment mechanism, prescribed by the Department of Treasury (Treasury), for imprest fund-type transactions. As an imprest fund-type transaction, draft payments are not subject to the Prompt Payment Act. The system involves the issuance of a paper draft drawn on a third party (the bank) and forwarded to a payee in order to make payment in full for purchased goods or services. A third party draft is a negotiable instrument which does not expend funds from Treasury when issued, but rather when payment is made for drafts cleared through the third party contractor. Mellon Bank, as the third party contractor, is the financial institution upon which the draft is drawn under the current DOJ contract. Funds paid to the payee identified on the draft are provided by Mellon Bank. Treasury funds are disbursed, and charges against BOP appropriations are effected only when payment is made to Mellon Bank by the Bureau of Prisons (BOP), Accounting Operations, Central Office, for properly honored drafts.

c. Explanation of Terms.

1. Draft Account Officer. The Chief, Finance Branch, is designated the Draft Account Officer for the BOP. The Draft Account Officer is responsible for administering the Mellon Draft System. In addition, the Draft Account Officer identifies draft sites and designates Draft Disbursing Officers and Draft Clerks.

2. Draft Account Manager. The Draft Account Manager is designated by the Draft Account Officer. The Draft Account Manager manages the day-to-day operations of the Mellon Draft System. This person is responsible for various duties including, but not limited to, processing stop payment requests, ensuring that invoices from Mellon Bank are processed, and making payments to Mellon Bank. The Draft Account Manager is the contact person for any assistance you may need concerning the Mellon Draft System. The Draft Account Manager is located in the Accounting Operations Section, Finance Branch, and may be contacted at:

(202) 307-3053 or the FMIS MAILBOX (ID BOPAMGR).

3. Draft Site. Each accounting station issuing drafts is a separate draft site.

4. Draft Disbursing Officer. All Certifying Officers are considered Draft Disbursing Officers. The Comptroller at each Regional Office and the Controller at each facility are designated primary Draft Disbursing Officers. All other Certifying Officers are designated secondary Draft Disbursing Officers. An individual may not be designated as both a Draft Disbursing Officer and a Draft Clerk. Draft Disbursing Officers are authorized to sign drafts.

5. Draft Approving Official. Draft Approving Officials are responsible for attesting to the legality, propriety, and accuracy of the voucher supporting the draft payment. Draft Approving Officials are designated by the primary Draft Disbursing Officer at each draft site as explained in paragraph d.5. The Draft Approving Official and the Draft Disbursing Officer may be the same person.

6. Draft Clerk. Draft Clerks are those persons who prepare drafts and make entries into the Financial Management Information System (FMIS) Draft Payment Module. When Draft Clerks are no longer functioning in this capacity, the Draft Account Manager shall be notified within five working days via the FMIS MAILBOX (ID BOPAMGR).

7. FMIS Draft Payment Module. This is the system used by the Draft Clerk when issuing and printing drafts and for generating reports.

d. Procedures.

1. Authorized Use of Drafts. In accordance with the Treasury Financial Manual, 4-3040.70, draft payments are considered an extension of the imprest fund. Drafts may be issued for cash transactions. Drafts are a cash management tool and shall be used to reduce the imprest fund balances and assist in better management of the imprest fund. **DRAFTS SHALL NOT BE USED AS A REPLACEMENT FOR UNITED STATES TREASURY CHECKS.**

(a) Drafts **may** be used for:

- travel advances;
- temporary duty travel vouchers;
- clothing allowances;
- periodical subscriptions, including inmate periodicals (when authorized by FAR, JAR, and BPAP);

- inmate releases;
- pre-paid tuition;
- registration fees;
- travelers checks fees;
- bank service charges;
- payments made on behalf of inmates through the inmate deposit fund.

*

(b) Drafts **may not** be used for:

- payments subject to the Prompt Payment Act;
- routine payments to vendors;
- payments to contract employees.

2. Dollar Amount of Drafts. Drafts shall not exceed \$2500. Multiple drafts **shall not** be written to circumvent this limitation. *

3. Mellon Draft System User Identifier (ID) and Password. Each Draft Clerk must have a unique Mellon Draft System user identifier (ID) and password. Primary Draft Disbursing Officers may obtain ID's and passwords for Draft Clerks at their payment sites by submitting requests via the FMIS MAILBOX (ID BOPAMGR) to the Draft Account Manager.

Shared ID's and passwords are not permitted. All Draft Clerks shall protect their passwords and shall not disclose them to anyone. The Draft Account Manager must be notified immediately of any compromises in passwords.

Primary Draft Disbursing Officers may obtain a "Manager's" ID and password in the same manner used to obtain Draft Clerk ID's and passwords. The "Manager's" ID always ends with the letter "M" and is used to access and print Mellon Draft System reports. The "Manager's" ID may be shared by all Draft Disbursing Officers at each draft site. It may not be shared with Draft Disbursing Officers at other draft sites or with Draft Clerks. **Only one "Manager's" ID will be assigned to each draft site.**

4. Ordering Blank Draft Stock. As new draft sites are activated, the Draft Account Manager will order an initial supply of blank drafts. The initial shipment of blank drafts and all subsequent shipments will be received by the primary Draft Disbursing Officer as prescribed in paragraph d.6.(a). Accountability and control of the drafts are prescribed in paragraph d.6.

Additional stock must be ordered by the primary Draft Disbursing Officer through the Draft Account Manager via the FMIS MAILBOX (ID BOPAMGR). The following information must be included with the request for additional draft stock:

- Institution name;
- Mailing address (This address will be printed on the face of the drafts. If the address is a Post Office Box Number, a street address also must be provided.);
- Commercial phone number;
- Draft number of the last draft on hand;
- Amount of drafts ordered.

Additional stock is to be requested when the stock level falls below a two-month supply. Each order must be for a two-month supply or 250 drafts, whichever is greater, and must be in increments of 250. At no time shall the amount of drafts on hand exceed a two-month supply plus the number of drafts received in the last order (approximately a four-month supply).

The drafts are pre-printed with draft numbers preceded by the location code assigned by the Central Office to the specific draft site. Upon receipt of the drafts, the primary Draft Disbursing Officer must verify the correct location code, beginning draft number, and other information as shown on the drafts.

Any reorder information received with the drafts and the packing slip and/or receiving report with the inclusive draft numbers of the drafts received must be forwarded immediately to the Draft Account Manager. Each order will contain a copy of a blank draft with the starting number of the next supply of drafts. This shall be forwarded to the Draft Account Manager along with the other order documentation and will be used by the Draft Account Manager when reordering drafts.

Each draft site has its own location code; therefore, drafts cannot be exchanged between sites.

5. Request to Add/Delete Draft Disbursing Officers and Draft Approving Officials. Three Mellon Bank Cash Management Account Signature Cards (signature cards (Exhibit 1)) must be prepared when designating Draft Disbursing Officers and Draft Approving Officials. The signature cards may be obtained from the Draft Account Manager or your Regional Office.

Up to four Draft Disbursing Officers/Draft Approving Officials may be designated on the same signature card. If individuals are designated as Approving Officials and not Draft Disbursing Officers, the Special Instructions section of the signature card must be annotated with "Approving Official Only." If this is not indicated on the signature card, the individual is designated as both a Draft Disbursing Officer and a Draft Approving Official.

One card shall be retained by the primary Draft Disbursing Officer and the other two shall be forwarded to the Draft Account Manager. The Draft Account Manager shall keep one card and forward one to Mellon Bank.

The Draft Account Manager shall be notified of any deleted or revoked Draft Disbursing Officers/Draft Approving Officials via the FMIS MAILBOX (ID BOPAMGR) within five working days of the effective date of revocation. In addition, to delete a Draft Disbursing Officer/Draft Approving Official, the primary Draft Disbursing Officer must complete the Special Instructions section of three signature cards with the name to be deleted and the effective date. One card shall be retained by the primary Draft Disbursing Officer and the other two shall be forwarded to the Draft Account Officer/Draft Account Manager. The Draft Account Manager shall keep one card and forward one to Mellon Bank.

Deletions and additions may be requested on the same signature cards. **The primary Draft Disbursing Officer's signature is required in the Special Instructions section of the signature card when adding or deleting Draft Disbursing Officers/Draft Approving Officials.**

6. Accountability and Control of Draft Inventory. The primary Draft Disbursing Officer is responsible for the accountability and control of draft inventory at each draft site.

(a) Receipt of Draft Inventory. Each time draft stock is received, the primary Draft Disbursing Officer shall verify that the correct location code is shown on the drafts, the amount of drafts received is correct, and the draft numbers listed on the packing slip are correct (see paragraph d.4.). The supply of drafts shall be stored in a fireproof container and safeguarded from unauthorized access and/or theft.

(b) Verification of Draft Inventory. A verification of the draft inventory shall be performed at least once each quarter simultaneously with the unannounced cash verification. The verification will be performed using the Mellon Draft Verification form provided on Exhibit 2.

The Mellon Draft Verification shall be attached to the BP-102, Verification of Cashier's Cash. In accordance with the Department of Justice guidelines, the verification of Mellon Drafts should not, if possible, be performed by an Approving Official, a Draft Clerk, or a Draft Disbursing Officer.

7. Draft Reports.

(a) Daily Draft Register Validation Report. Each time drafts are issued, the Draft Clerk must print a copy of the Draft Register Validation Report through the FMIS Draft Payment Module showing all the drafts issued during that session. The Draft Clerk shall retain these reports on file, by month. The Accounting Supervisor shall review the Draft Register Validation Report files maintained by each Draft Clerk at least once each month to ensure the files are being maintained properly. The reviews shall be evidenced by the Accounting Supervisor's signature and date of reviews on the files.

(b) Monthly Draft Report. The primary Draft Disbursing Officer will maintain a numerical list of all drafts issued by utilizing the Monthly Draft Report which is generated through the FMIS Draft Payment Module. The Monthly Draft Report is a numerical listing of all drafts issued for a particular month through the FMIS Draft Payment Module by all Draft Clerks. The report can be generated at any time so the primary Draft Disbursing Officer's list of drafts issued is current at all times.

As soon as possible at the beginning of each month, the Draft Disbursing Officer or designee will generate a Monthly Draft Report. The primary Draft Disbursing Officer will review the report to determine if drafts were issued in numerical sequence. Any missing numbers shall be explained on the report. This report shall be signed by the primary Draft Disbursing Officer as certification that the above steps have been completed. The original of the certified report shall be maintained by the primary Draft Disbursing Officer. A copy of the certified Monthly Draft Report will be included with the proof-check (see paragraph d.13.). Another copy of the certified Monthly Draft Report will be filed with the numerical copies of the drafts that are maintained in accordance with paragraph d.8.(c).

(c) Other Reports. Other reports, such as a Cleared by Appropriation Report, are available through the FMIS Draft Payment Module. These will provide the primary Draft Disbursing Officer with information relative to draft activity and control. For assistance in extracting additional reports, contact the Accounting Operations Section, Finance Branch, Central Office.

8. Issuing Drafts.

(a) Voucher Audit. Draft payment vouchers are to be processed in the same manner as vouchers for Treasury checks and/or imprest fund payments. An invoice (or other authorized request for payment) is vouchered and audited according to procedures prescribed in P.S. 2000.2, Chapter 10715. The voucher is reviewed and approved for the draft payment by a Draft Approving Official (see paragraph c.5). The Draft Approving Officials should stamp each voucher "APPROVED FOR THIRD PARTY DRAFT PAYMENT," and subscribe their signatures next to the stamps. The Draft Approving Official and the Draft Disbursing Officer may be the same person.

(b) Draft Preparation. Draft Clerks log onto the FMIS Draft Module via a personal computer and an appropriate printer. Draft Clerks are issued a FMIS Draft Payment Module Users Manual detailing their responsibilities as they relate to the FMIS Draft Payment Module. The FMIS Draft Payment Module prompts Draft Clerks for information needed to process drafts. **Drafts shall be issued via the FMIS Draft Module and shall not be typed or written.**

(c) Draft Certification and Distribution. The voucher and processed draft shall be forwarded to the Draft Disbursing Officer for review and certification. The Draft Disbursing Officer shall sign the draft after verifying that all copies of the draft are intact and no alterations have been made. All drafts issued should contain a complete address for the payee. The institution address may be used for drafts that are to be picked up in the Office of Financial Management.

Draft Clerks may not distribute drafts. Once signed, the original draft shall not be handled by anyone other than the Draft Disbursing Officer. The Draft Disbursing Officer should mail/distribute the original draft to the payee. If the Draft Disbursing Officer does not personally distribute the drafts, the following procedures shall be followed.

- The Draft Disbursing Officer shall write the name of the payee on a distribution envelope, place the draft in the envelope, and seal it.
- The sealed envelope may be given to a Cashier or someone else designated by the Controller to distribute drafts. The designee distributing the drafts cannot be a draft clerk, except for drafts for inmate releases (see below). The Cashier or designee shall hand-deliver the envelope to the payee.
- The payee shall open the envelope, sign and date the draft distribution log, and record the draft number and amount.

- A Cashier who is also a draft clerk may distribute inmate release drafts. The above procedures shall be followed except the inmate is not required to sign the draft distribution log. The inmate acknowledges receipt of the draft by signing the BP-112, Prisoner's Personal Funds and Gratuities Voucher.
- For after-hours inmate releases, the above procedures shall be followed except the Cashier shall turn the envelope containing the draft to the Correctional/Discharging Officer who shall open the envelope and verify receipt of the draft by signing the yellow copy of the BP-112.

The first copy of the draft is retained by the Accounting Supervisor in a numerical file, by month. A copy of the certified Monthly Draft Report listing all drafts issued during the month shall also be placed in the numerical draft file as required by paragraph d.7.(b). This serves as verification that drafts are being issued in sequential order and are issued with the knowledge of the primary Draft Disbursing Officer. The second copy of the draft is attached to the voucher and returned to the Draft Clerk.

The voucher must be mutilated and annotated with the date paid and the draft number in accordance with P.S. 2000.2, Chapter 10715, c.4.

9. Voiding Drafts. If errors are detected in the printed draft prior to signature and issuance to the payee, the draft must be voided. To void a draft, stamp or write "VOID NON-NEGOTIABLE" on the front of the original draft and all copies over the space provided for the Certifying Officer's signature. The original voided draft and all copies shall be filed in the numerical file together with the copies of issued drafts described in paragraph d.8.(c).

The original draft must be in your possession or you cannot void the draft. All voided drafts must be properly voided in the FMIS Draft Payment Module to ensure proper accountability of drafts. The procedures for voiding drafts in FMIS are provided in the FMIS Draft Payment Module Users Manual. If a draft has been issued to the payee and there is a need to cancel the draft, a stop payment must be requested in accordance with the instructions in paragraph d.10.

10. Lost or Stolen Drafts. Lost or stolen drafts must be reported immediately to the Draft Account Manager via the FMIS MAILBOX (ID BOPAMGR) and a stop payment must be requested. The request must include the following information:

- Draft number;
- Draft amount;
- Date issued;
- Draft payee;
- Reason for stop payment;
- ID which issued draft.

Upon receipt of the request, the Draft Account Manager will initiate the stop payment. Once the stop payment is issued, usually within two working days, the institution requesting the stop payment shall verify the status of the draft using the FMIS Draft Payment Module. If a stop payment has not been processed, the Accounting Supervisor or the Draft Clerk shall contact the Draft Account Manager to find out why a stop payment has not been issued.

It is critical that a stop payment be requested as soon as the need becomes apparent. A stop payment cannot be issued once the draft has cleared.

(a) Requesting Copies of Drafts. To obtain a copy of the front and back of a negotiated draft, the primary Draft Disbursing Officer or designee must send a request to the Draft Account Manager via the FMIS MAILBOX (ID BOPAMGR). The request must include the following information:

- Draft number;
- Draft amount;
- Date issued;
- Draft payee;
- Draft clear date;
- Name of contact person at the draft site.

The Draft Account Manager will forward the copy to the requestor or contact person as quickly as possible.

(b) Payee's Claim of Draft Non-receipt. A draft payee who claims non-receipt of a draft that has cleared must complete an Affidavit of Unauthorized Endorsement (Affidavit). The Affidavit may be obtained from the Draft Account Manager.

The Draft Disbursing Officer or Draft Clerk should fill out the Affidavit and forward it to the payee for signature. The payee's signature must be notarized and the Affidavit must possess the raised seal of the Notary Public.

If a Notary Public is not available, the signature must be witnessed by a United States Consulate and the Affidavit must possess the raised seal of the Consulate.

The completed Affidavit should be sent to the Draft Account Manager who will forward it to Mellon Bank for disposition. The Draft Account Manager will notify the draft site once the Affidavit is settled.

11. Mismatched Drafts. Drafts that are presented to Mellon Bank for payment must contain information identical to information in the FMIS Draft Payment Module. The FMIS Draft Payment Module will automatically identify drafts presented to Mellon that do not match and then generate a daily Mismatch Report. This Mismatch Report is transmitted to the Draft Account Manager. The Draft Account Manager will contact the institution when necessary for assistance in identifying the cause for any mismatched draft. The Draft Account Manager is responsible for making any changes in the FMIS Draft Payment Module necessary to clear mismatched drafts.

12. Accounting Entries at the Draft Site. All FMS accounting entries relating to draft payments are entered into the FMIS Draft Payment Module at the time the draft is generated. Manual entries using the Batch Transmission System (BTS) are not required.

NOTE: Drafts issued shall not be posted on the institution's SF-224, Statement of Transactions. The SF-224 entries are made by the Accounting Operations Section, Finance Branch, when payment is made to Mellon Bank for cleared drafts.

(a) Incorrect Appropriations. A draft shall not be issued for amounts applied to more than one appropriation. Also, once a draft has been issued through the FMIS Draft Payment Module, the appropriation cannot be changed through FMIS. The correction must be made in FMS using 02 transactions for obligations, and 04 transactions for travel advances and disbursements for inmate funds.

Example 1. To correct a draft payment of \$200 entered in the FMIS Draft Payment Module in the X3 Appropriation that should have been entered in the S&E Appropriation, requires the following 02 transactions:

02 Transactions:

Column 1

X3 3 334 400 YZ6 2522	-200.00
22 P 334 400 000 2522	200.00

Example 2. To correct a draft payment for a travel advance entered in the FMIS Draft Payment Module in the X4 Appropriation that should have been entered in the S&E Appropriation, the following 04 transactions are necessary:

04 Transactions:	Appropriation	Dr.	Cr.
	X4	110.3	180.0
	S&E	180.0	110.3

Example 3. To correct a draft payment entered in 15X6875 that should have been entered in 15X6085, make the following 04 transactions:

04 Transactions:	Appropriation	Dr.	Cr.
	6875	110.3	450.1
	6085	450.1	110.3

A Journal Voucher shall be prepared and posted to the SF-224 each time the entries are made.

(b) Batch Corrections. The "Z" series of batch numbers is designated for correcting entries to the Mellon Draft System which require a new FMIS batch number. Draft payment sites shall use numbers 001Z - 999Z for each Fiscal Year and maintain a numerical log to record the batches used.

When correcting a line item in a batch, the batch number already assigned to that batch must be used. If it is necessary to delete a line and re-enter it, use the "Z" series of batch numbers as explained above. Institution batch numbers shall never be used to correct batches generated through the FMIS Draft Payment Module.

13. Proof-check Entries. At the beginning of each month (at a minimum), the Draft Disbursing Officer or designee shall generate, using the FMIS Draft Payment Module, the Unclear Aging Report. This report shows all drafts issued which have not cleared Mellon Bank. The total amount from the Unclear Aging Report should equal the amount in General Ledger Account 116.0, Draft Payments in Transit.

The Monthly Draft Report (see paragraph d.7.(b)) shows the amount to be listed in Appendix 3 of the proof-check, Draft Control Register section.

14. Accounting Entries at the Central Office. Each day the FMIS Draft Payment Module automatically generates 04 transactions to transfer the dollar amount of drafts that cleared Mellon Bank from 116.0, Draft Payments in Transit, to 110.9, Draft Disbursements. The 100.66A, Detail Support for Draft Payment System Report, lists these entries by date and amount.

15. Drafts Issued to UNICOR. Drafts may be issued to UNICOR for imprest fund transactions listed in paragraph d.1. Each draft issued shall be recorded in the Bureau of Prisons Suspense, 15X6875.10. To accomplish this, an 04 Transaction must be done:

139.4	Accounts Receivable, UNICOR Draft Payments	Dr.
116.0	Draft Payments in Transit	Cr.

At the end of the month, UNICOR shall be billed via OPAC for the amount of drafts issued. The following 04 transaction shall be done in 15X6875.10 to reverse the Accounts Receivable:

110.3	Net Disbursements	Dr.
139.4	Accounts Receivable, UNICOR Draft Payments	Cr.

e. Draft Compliance Reviews. Draft Compliance Reviews must be conducted once each fiscal year at each draft site. In accordance with Department of Justice requirements, the reviews will determine if draft sites are complying with rules governing authorized use, preparation, and control of drafts.

The Regional Comptroller is responsible for ensuring that all annual Draft Compliance Reviews are conducted for payment sites within his/her respective region. The reviews must be conducted by staff not assigned to the draft site. The Chief, Finance Branch, shall ensure appropriate reviews are conducted for the Regional Offices and all other draft sites.

Any Financial Management Program Reviews conducted by the Program Review Division will satisfy the requirements of the Annual Draft Compliance Review. The Draft Compliance Reports for those locations using the Financial Management Program Review, in lieu of separate Draft Compliance Reviews, will be prepared as required in paragraph e.3.

1. Preparation for the Draft Compliance Review. In preparation for each Draft Compliance Review, the Regional Comptroller will notify the Chief Executive Officer of the dates, members of the review team, and any documentation required to be available. The Controller, at the time of the review, will be required to submit to the review team the names of all Draft Disbursing Officers, Approving Officials, and Draft Clerks. The Regional Comptroller will notify the Chief, Finance Branch, of the scheduled review and request the following advance material:

- (1) List of all Draft Clerks, Approving Officials, and Draft Disbursing Officers on file with the Draft Account Manager;
- (2) List of draft numbers assigned to the draft site;
- (3) Report of Drafts over \$1,750 by Location and Payee;
- (4) Report of Drafts in Draft Number Sequence by Location and Payee;
- (5) Report of Potential Duplicate Drafts by Location;
- (6) Copy of the last Draft Compliance Review.

2. Draft Compliance Review Steps. The following steps shall be completed during each Draft Compliance Review:

- (1) Review the procedures for assigning and using user ID's and passwords. Verify that the Draft Clerks have individual user ID's and passwords which are unique and have not been shared or compromised (paragraph d.3.). Is the Draft Account Manager notified immediately of compromised passwords (if any)?
- (2) Is the Draft Account Manager notified within five working days of any deleted or revoked Draft Clerks, Draft Disbursing Officers or Draft Approving Officials as prescribed in paragraphs c.6. and d.5.?
- (3) Verify that the list of Draft Clerks, Draft Approving Officials, and Draft Disbursing Officers on file with the Draft Account Manager matches the current list at the draft site;
- (4) Review the security of the area where unused drafts are maintained. Drafts shall be stored as described in paragraph d.6.(a);
- (5) Conduct a Mellon Draft Verification. Compare the range of draft numbers to those supplied by the Draft Account Manager, Central Office;
- (6) Determine if quarterly Mellon draft verifications were conducted in conjunction with the quarterly unannounced cash verification;

- (7) Ensure the primary Draft Disbursing Officer is maintaining a numerical log of all drafts issued as required by paragraph d.7.(b);
- (8) Review the Monthly Draft Reports to determine if the following requirements were satisfied:
 - The Monthly Draft Report was generated by the primary Draft Disbursing Officer at the beginning of each month for the previous month;
 - The primary Draft Disbursing Officer is certifying that the Monthly Draft Report was reviewed for numerical sequence and missing draft numbers;
 - The primary Draft Disbursing Officer is maintaining the original certified Monthly Draft Report;
 - A copy of the certified Monthly Draft Report is on file in the numerical draft file and the in the monthly proof-check.
- (9) Review a sampling of draft payment vouchers to determine if the following requirements were satisfied:
 - Drafts were issued only for authorized uses as prescribed in paragraph d.1.;
 - There was evidence of receipt of goods and/or services ordered in draft vouchers;
 - The signatures of the Draft Approving Officials match the signature cards;
 - The voucher supporting documentation is in accordance with P. S. 2000.2, Chapter 10715;
 - Vouchers were mutilated as described in paragraph d.8.(c);
 - Drafts were not issued in excess of the \$2,500 limitation, and multiple drafts were not issued to circumvent this limitation;
 - Drafts issued via the FMIS Draft Module were not typed or hand-written;
 - Draft amount corresponds to the amount certified for payment;
 - Draft Disbursing Officer's signature on issued drafts matches signature on file with Draft Account Officer;

- First copy of the draft is filed numerically; the second copy is filed with the supporting voucher. Voided drafts with all copies attached are filed in the monthly numerical file.
- (10) Review the Draft Register Validation Reports to determine if the following requirements were satisfied:
- Draft Clerks are generating the report for each session and for the month;
 - Draft Clerks are filing the reports as required;
 - Accounting Supervisor is reviewing at least monthly the report files maintained by the Draft Clerks.

3. Draft Compliance Review Reports. A Compliance Review Report shall be prepared by the team leader each time a Draft Compliance Review is conducted. For institutions using the Financial Management Program Review, the Regional Comptroller shall review the final Program Review Report and obtain from Program Review a copy of all work papers pertaining to the review of drafts and draft vouchers. The Regional Office shall prepare a Compliance Review Report utilizing the information supplied by the Program Review Division. The report shall contain the following:

- An executive summary;
- A discussion of the scope of the review, including steps taken during the course of the review;
- Findings, corrective actions, and recommendations;

Each completed Draft Compliance Review Report shall be forwarded to the Chief, Finance Branch, within six weeks after the review. After thorough evaluation, each report shall be forwarded to the Director, Finance Staff, Justice Management Division, Department of Justice.

At the end of each fiscal year, each Comptroller shall identify draft sites in the Region that were not reviewed that year. A report shall be submitted to the Chief, Finance Branch, listing the sites that were not reviewed, the reasons they were not reviewed, and the anticipated dates the reviews will be performed.

Cash Management Account Signature Card
Title of Account

Mellon Bank

Bureau of Prisons FCI, Gotham Gotham, PA 20139
Account Number Organization Code Effective Date

9114776 | 567 | 6/1/91
Signature Signature

Name Name
Sally A. Tech John R. Doe
Signature Signature

Name Name

Special Instructions Name of Signature Required 1

Please delete Nancy Q. Smith effective 6/1/91

Ronald A. Soap , Controller
Name Signature

BUREAU OF PRISONS
WASHINGTON, D.C.

PROGRAM STATEMENT 2000.2 - ACCOUNTING MANAGEMENT MANUAL

CHAPTER 10700 - DISBURSEMENTS

CHAPTER	TITLE
10705	Abbreviations Used in Chapter 10700
10710	Purpose and Requirements of Disbursement Procedures
10715	Control Over Disbursements
10720	Authorized Advance Disbursements
10725	Exceptions Taken By The General Accounting Office
10730	Disbursement Voucher Procedures
10735	Special Disbursement Requirements
10740	Disbursement Procedures for Transportation Charges
10745	Disbursement Procedures for General Services Administration (GSA) Vouchers
10750	Expenditure Transactions Between Appropriation, Fund, and Receipt Accounts
10755	Undelivered, Cancelled, and Stop Payment on Checks
10760	Reporting of Disbursements
10765	Regional Finance Centers
10770	Prompt Payment Act
* 10775	On-Line Payment and Collection System *

PROGRAM STATEMENT 2000.2 - ACCOUNTING MANAGEMENT MANUAL

CHAPTER 10700 - DISBURSEMENTS

CHAPTER 10705 - ABBREVIATIONS USED IN CHAPTER 10700

a. ABBREVIATIONS

	B&F	Building and Facilities Appropriation	
*	BCA	Budget Clearing Account	*
	BOP	Bureau of Prisons	
	CD	Certificate of Deposit	
	CFR	Code of Federal Regulations	
	DT	Deposit Ticket	
	COLL	Collections	
	DISB	Disbursements	
	FMS	Financial Management System	
	FPMR	Federal Property Management Regulations	
	FAR	Federal Acquisition Regulations	
	GAO	General Accounting Office	
	GBL	Government Bill of Lading	
*	GOALS	Government On-Line Accounting Link System	*
	GSA	General Services Administration	
	GTR	U.S. Government Transportation Request	
	JV	Journal Voucher	
	MOR	Miscellaneous Obligation Record	
*	OPAC	On-Line Payment and Collection System	*
	PO	Purchase Order	
	RFC	Regional Finance Center	
	S&E	Salaries and Expenses Appropriation	
	SOT	Statement of Transactions	
*	TFM	Treasury Financial Manual	*
	TFRM	Treasury Fiscal Requirements Manual	
	TFS	Treasury Fiscal Service	
	USC	United States Code	

PROGRAM STATEMENT 2000.2 - ACCOUNTING MANAGEMENT MANUAL

CHAPTER 10700 - DISBURSEMENTS

CHAPTER 10710 - PURPOSE AND REQUIREMENTS OF DISBURSEMENT PROCEDURES

a. Purpose. This chapter sets forth the procedures that must be followed by each institution of the Bureau of Prisons in the preparation, pre-audit and certification of all disbursement vouchers except payroll vouchers (discussed in Chapter 10800) and petty cash vouchers (discussed in Chapter 10600).

b. Objective of Maintaining Disbursement Procedures. Effective systematic procedures must be maintained in order to provide adequate internal control over cash resources.

c. Requirements for Each Disbursement. Each disbursement that is made by an institution of the Bureau must satisfy each of the following requirements:

1. Legal. Each disbursement must be for an authorized and lawful payment or for refund of an excess amount previously collected by an institution.
2. Use of prescribed forms. Every disbursement, whether in cash or by checks drawn on the Treasury of the United States or designated depositories, must be recorded and processed on forms prescribed by the Department of Treasury or GAO.

The Department of Treasury has responsibility for all disbursement forms, both general and specific types. GAO has responsibility for forms dealing with transportation and the reimbursement of travel expenses. Refer to GAO Policies and Procedures Manual for Guidance of Federal Agencies, Title 5, Section 22.1.)

3. Documentation of disbursements. Each disbursement shall be supported by basic payment documents, such as an invoice, bill or statement of account, indicating sufficient information to adequately account for the disbursement and enable GAO to audit the transaction and make settlement with the certifying officer as required by law. Such information must include, as a minimum: (Refer to the GAO Manual for Guidance of Federal Agencies. Title 7, Section 18.2.#

(a) Itemization of or reference to the items purchased or services rendered; the number of units purchased; the unit prices of items purchased, where appropriate, and the total amount of the billing.

(b) Reference to any contracts or agreements.

(c) The nineteen digit accounting classification code of the Bureau.

PROGRAM STATEMENT 2000.2 - ACCOUNTING MANAGEMENT MANUAL

CHAPTER 10700 - DISBURSEMENTS

CHAPTER 10715 - CONTROL OVER DISBURSEMENTS

a. Purpose. This chapter prescribes the procedures that shall be followed at each institution to ,maintain adequate control over disbursements.

b. Objectives. The principal objectives of control over disbursements are to ensure that all disbursements are legal, proper, correct, accurately recorded, and reported in a timely and efficient manner.

c. Maintaining Control Over Disbursements. Each institution shall maintain internal control over disbursements through the following procedures:

1. Segregation of duties. Duties or operations relating to disbursements shall be performed only by authorized personnel and must be segregated to the maximum extent possible. Duties should be segregated with respect to:
 - (a) Examining invoices.
 - (b) Preparing vouchers.
 - (c) Keeping time records.
 - (d) Maintaining voucher registers or similar documents.
 - (e) Certifying disbursement vouchers.
2. Pre-audit of disbursement vouchers. Effective control over disbursements requires the pre-audit (examination) and approval of vouchers and supporting documents before the voucher-schedules are certified for payment.

If at all possible. the person preparing the voucher should not perform the pre-audit. The pre-audit shall be performed by a civilian employee and each "Voucher Data Form" shall bear their initials. The pre-audit of a disbursement voucher shall be made to determine:

- (a) Whether the required administrative authorizations for the procurement and approval for payment were obtained.
- (b) Whether receipt of the goods or services has been evidenced by an appropriate civilian employee.
- (c) Whether the payment is permitted by law and is in accordance with the terms of the applicable agreement.
- (d) Whether the amount of the payment and the name of the payee are correct.

- (e) Whether the payment will be a duplication of a prior payment.
- (f) Whether the goods received or the services performed were in accordance with the agreement.
- (g) Whether the quantities, prices and amounts are accurate and in accordance with the agreement.
- (h) Whether all cash, trade, quantity or other discounts have been taken and, if not, whether the reason was shown on the appropriate document.
- (i) Whether all applicable deductions were made and credited to the proper account in the correct amount.
- (j) Whether the appropriation or fund from which the payment will be made is available for that purpose.
- (k) Whether proper forms of documentation were used.
- (l) Whether special certificates, if required, were furnished.

3. Disbursements to be made by checks. All disbursements, except those authorized to be made in cash, shall be made by checks drawn by authorized officers on the Treasury of the United States.

Each check drawn must be in accordance with the payment information certified on the SF-1166.

4. Preventing duplicate payments. Each invoice and all other supporting documents must be stamped (mutilated) with the word "PAID" and the date of payment by an employee. Also, the invoice must bear the number of the voucher-schedule under which the invoice was submitted for payment. Documents such as transportation requests (GTRs), however, should be marked in such a way as to avoid extreme mutilation.

Each institution must be particularly alert to the possibility of duplicating payments whenever one or more of the following situations exist:

- (a) Payments have been delayed for extended periods of time after due date and duplicate copies of invoices are received from vendors as follow-up claims.
- (b) Invoices or bills may have been submitted by the vendors to more than one location for payment.
- (c) Adjusted invoices are received after payments have been made.

5. Approving and certifying payment documents. In Section 18.4, Title 7 of the GAO Manual for Guidance of Federal Agencies, GAO has prescribed that each voucher, voucher-schedule, invoice or bill (SF-1012, Travel Voucher, SF-1038, Advance of Funds Application and Account, BP-112, Voucher for Prisoners Personal Funds and Cash Gratuity, SF-1129, Reimbursement Voucher, and any other voucher document that has a space provided for Certifying Officer's signature) used in lieu of a prescribed voucher must be approved for payment by the proper Administrative Officer who is aware of the facts stated therein and must be certified by an authorized Certifying Officer as provided in Section 82c and 82f of Title 31 of the United States Code. When one person is authorized to both approve and certify a voucher, that person is required to sign the voucher only as the Certifying Officer.

* (a) Designation of Certifying Officers. As set forth in 28 CFR 0.159, the Director of the Bureau of Prisons is authorized to designate employees to certify vouchers. The authority to designate Certifying Officers has been redelegated to the following officials in accordance with the following procedures:

Deputy Assistant Director, Administration Division
Chief, Office of Finance
Senior Deputy Regional Directors
Deputy Regional Directors
Regional Comptrollers.

(1) Certifying Officers shall be designated in the following manner and in accordance with TFM 4-2575.30. 7 GAO 20.5 requires disbursing operations to be segregated from other financial management functions such as purchasing of goods and services, examining and pre-auditing of vouchers, and receiving goods and services. Consequently, a person designated as Accounting Technician, Warehouseperson, or Contracting Officer shall not be designated as a Certifying Officer. Where financial management staff is limited, it may not be possible to avoid duplicate designations. However, every alternative should be explored and documented for a more suitable arrangement of duties and responsibilities. *

(2) Institutions shall prepare their request for designation of Certifying Officers in accordance with TFM 4-2040.30.

(3) There is no formal notification for designation of Certifying Officers. The effective date specified by institutions in their transmittal letters will be followed. Designated Certifying Officers may function as of that date.

* (4) For changing a Certifying Officer in an institution, a request shall be made in the same manner as above and sent to the Regional Office for the authorized official's signature (see Exhibit A). *

(b) Basic responsibilities for Certifying Officers. The act entitled, "To Fix the Responsibilities of Disbursing and Certifying Officers and for Other Purposes," approved December 29, 1941, as amended, 31 USC 82c and 82f, provides that an Officer or employee certifying a voucher for payment shall:

(1) Be held responsible for the existence and correctness of the facts recited in the certificate or otherwise stated on the voucher or its supporting papers for the legality of the proposed payment under the appropriation or fund involved and for the correctness of the computations therein.

(2) Be held accountable for and required to make good to the United States the amount of any illegal, improper or incorrect payment resulting from any false, inaccurate or misleading certificate made by them as well as for any payment prohibited by law or which did not represent a legal obligation under the appropriation or fund involved. (Refer to the GAO Manual for the Guidance of Federal Agencies, Title 3, Section 54.1.)

The Bureau requires that all administrative changes and corrections made on any payment document must be initialed by the Certifying Officer.

(c) Comptroller General Decisions. The Comptroller General (CG) is required to render advance decisions at the request of Disbursing Officers, Certifying Officers (31 USC 82d) and heads of agencies (31 USC 74) in advance of payment.

DOJ Order 2110.29B, requires that requests for CG decisions be made through the Department. Consequently, ALL requests for advance CG decisions shall be submitted to the Central Office to the attention of the Chief, Office of Finance, through the appropriate Regional Office. (Requests from UNICOR shall be forwarded directly to the UNICOR Controller, Central Office, for processing.) The Regional Director, Comptroller or other regional official shall forward his/her comments and/or recommendations with the original request.

The Central Office will process each request in one of the following methods:

- (1) Requests involving payments of more than \$25.

Each request will be transmitted to the Assistant Attorney General for Administration in accordance with DOJ Order 2110.29B.

- (2) Requests involving payments of \$25 or less.

In CG Decision B-161457, dated July 14, 1976, the CG stated that disbursing and Certifying Officers requesting decisions for items of \$25 or less may hereafter rely upon written advice from an agency official designated by the Assistant Attorney General for Administration under the provisions of 28 CFR 0.76(h) and redelegated to the Heads of Bureaus by DOJ Order 2110.29B. Further redelegation has not been authorized, so requests will be processed for the signature of the BOP Director/Commissioner of Federal Prison Industries, Inc.

6. Recording of disbursements. Disbursements must be recorded promptly in the proper accounts of record and reported in accordance with Treasury Department regulations.

Upon receipt of the copy of the SF-1166 with supporting payment documents attached, the Accounting Supervisor shall promptly prepare an 02 transaction code for entry into the computerized Financial Management System (FMS) to record the disbursement and, as appropriate, to reduce undelivered orders or accounts payable if previously established.

7. Controlling payment documents. Payment documents must be safeguarded to prevent alteration or other mishandling. Accordingly, after examination and initialing by the employee designated as responsible for the examination of vouchers prior to certification, the SF-1166 shall never be handled by an inmate or anyone other than an employee.

All incoming mail received from the Regional Disbursing Office (except mail especially addressed to remain unopened, i.e., payroll, reimbursement checks, and other checks) must be opened by only one designated employee.

All copies of "accomplished" SF-1166's received from the Regional Disbursing Office must be delivered by civilian personnel only to the Accounting Supervisor who is thereafter responsible for control and safe retention in a locked file of all "accomplished" (paid) copies of the SF-1166.

8. Reconciliation. The copy of the SF-1166, with the supporting documents attached, and the 02 transaction entries made into the computerized system must be compared and reconciled to the accomplished copy of the SF-1166 upon its receipt from the

Regional Disbursing Office of the Department of the Treasury and to the Statement of Transactions (SF-224). Any discrepancies shall be resolved and corrected.

9. Maintaining records on file. Records or files of vouchers or voucher schedules sent to the Disbursing Office for payment must be maintained by the institution and made available to GAO for audit and settlement purposes upon request.

Basic payment documents shall be retained in the administrative files to support each voucher schedule.

The accomplished SF-1166 shall be filed numerically in separate files maintained for each month in a locked, fire-proof file.

10. Periodic internal reviews. At least once each month the Accounting Supervisor shall examine the voucher preparation (accounts payable) file to ascertain that bills payable have been processed, that no discounts have been lost, and that sound business practices are otherwise being followed. A review of the entire file is not mandatory. The review should be sufficient to ensure the integrity and adequacy of the file.

Periodic reviews of disbursing operations must be made at each institution under the direction of the Controller to ascertain whether the prescribed requirements are being observed.

SAMPLE

* Regional Disbursing Officer
Division of Disbursement

Dear :

The purpose of this letter is to request that (full name) be made a Certifying Officer for the Bureau of Prisons, (institution) , (location) , (institution's ALC) , effective (date) .

(full name) will replace (full name) , whose authority as Certifying Officer at (location) may be revoked effective (date) . The SF-210's are attached.

If you have any questions, please contact (contact person's full name, position, and telephone number) .

Sincerely,

Deputy Assistant Director,
Administration Division

(Chief, Office of Finance;
Senior Deputy Regional
Director; Deputy Regional

Director; Regional Comp-
troller)

Attachment

Instructions:

When submitting this letter to the Regional Office for signature, please enclose four signature cards (SF-210) executed at the institution, per samples furnished you. *

PROGRAM STATEMENT 2000.2 - ACCOUNTING MANAGEMENT MANUAL

CHAPTER 10700 - DISBURSEMENTS

CHAPTER 10720 - AUTHORIZED ADVANCED DISBURSEMENTS

a. This chapter lists the items for which advance payments are authorized.

b. Authority. 31 U.S.C. 530 authorizes the advance payment for certain goods and services.

c. Items Authorized for Advance Disbursements. Subscriptions or other charges for newspapers, magazines, periodicals, tuition, registration, and other publications for official use may be paid in advance from the current year appropriation. No other advance payments are authorized.

d. Documentation. Advance payments shall be documented in such a manner as to ensure their propriety. Purchase orders (PO) prepared for the acquisition of goods or services shall indicate, in the body of the PO, the need for advance payment and the amount of advance payment required. The receiving copy of the PO shall be made a part of the voucher upon receipt. Additionally, in the case of periodicals, a copy of the invoice or notice of renewal shall also be placed in the file. In cases of advance payment for tuition or registration fees, a copy of the training authorization (SF-182) shall support the payment.

PROGRAM STATEMENT 2000.2 - ACCOUNTING MANAGEMENT MANUAL

CHAPTER 10700 - DISBURSEMENTS

CHAPTER 10725 - EXCEPTIONS TAKEN BY THE GENERAL ACCOUNTING OFFICE

a. Purpose. This chapter presents an outline of the procedures that must be followed in the event that the GAO audits take exception to the accounts of certifying and disbursing officers. The specific procedures that the GAO has prescribed in Title 3 see 57.1 of its Manual for the Guidance of Federal Agencies must be followed at all institutions, the regional offices and the Central Office.

b. Notice of Exception. GAO uses Form No. 1100 for notifying certifying and disbursing officers of exceptions taken in the audit of agency accounts. Space is provided in the lower part of the form for reply to GAO for "excepted" items which can be satisfactorily explained or for report of corrections made.

c. Filing Notices of Exception or Inquiries Regarding Voucher Transactions. Upon issuance by GAO of a Notice of Exception or an informal inquiry relative to the propriety of a voucher transaction, the institution possessing the original voucher is responsible for securely attaching a copy of the Notice of Exception or informal inquiry and all replies or correspondence to the original basic voucher. This documentation must remain permanently attached when the voucher is refiled in its proper place in the account for subsequent transmittal to a Federal Records Center for permanent filing. (See Title 8 of GAO Manual for the Guidance of Federal Agencies.)

d. Prompt Response Required. The replies to exceptions must be given prompt consideration and must be stated in the space provided on the GAO Form 1100. The original with reply stated thereon, after being administratively verified, must be signed by the responsible certifying or disbursing officer and returned promptly to the audit activity which issued the exception.

e. Replies by Successors. In the event the respective certifying or disbursing officer is no longer available, the current certifying or disbursing office for the administrative office involved must furnish, signed by them, the administrative reply to the exception if it can be provided on the basis of the information or data on file. In the event it is necessary to issue revised exception, the successor should also provide the responsible officer's current address in the reply to the original of the Notice of Exception which should then be returned promptly to GAO.

PROGRAM STATEMENT 2000.2 - ACCOUNTING MANAGEMENT MANUAL

CHAPTER 10700 - DISBURSEMENT

CHAPTER 10730 - DISBURSEMENT VOUCHER PROCEDURES

a. Purpose. The purpose of this chapter is to establish procedures to be followed at each accounting station of the Bureau of Prisons in processing disbursements which are to be paid using a voucher-schedule SF-1166 or other disbursement methods prescribed by the Department of the Treasury.

b. Documents Used as Basic Vouchers.. Except. for disbursements involving charges for transportation services, the policy of the Bureau of Prisons is to use an invoice or bill and supporting documents as a basic disbursement voucher in lieu of the basic voucher form prescribe by the Department of the Treasury (refer to General Accounting Office (GAO) Manual for the Guidance of Federal Agencies, Title 7, Section 18.3).

Basic payment documents shall reflect sufficient information to adequately account for the disbursement, to enable GAO to audit the transactions, and to make settlements with the certifying officers as required by law. Such information must include, at a minimum.

1. Itemization of, or reference to, the items purchase or services rendered; the number of units purchase; the unit prices of items purchase, where appropriate; and the total amount of the invoice, bill, etc.;

2. Reference to any contracts or agreements;

3. The Bureau's 19-digit accounting classification code.

c. Basic Payment Documents Support.. Each disbursement shall be supported by the following documents:

1. Original invoice, original bill(s), or statement of accounting showing sufficient information to adequately account for the disbursement;

2. Photocopy of purchase order (PO) on: each multiple payment and voucher copy of PO attached to final payment;

3. Receiving report. or properly signed "supplies and services received" stamp (see paragraph e.4);

4. Charge account and cash disbursement shall be supported by a copy of the Request for Purchase, BP-101.

d. Classification of Basic Payment Documents. Each basic disbursement document must be sorted into a classification for payment processing .as follows:

1. Transportation vouchers.
2. Vouchers payable in foreign currency.
3. Travel expense vouchers.
4. Cash Reimbursement vouchers.
5. "No Check" vouchers.
6. All other supply and service vouchers.

Transportation vouchers require special processing as prescribed in Chapter 10740 of this manual.

* Temporary duty travel expense vouchers and all other supply or services disbursements shall be processed for payment utilizing a SF-1166, draft, cash, or the On-Line Payment and# Collection System (OPAC)

Cash reimbursement vouchers shall be processed using a SF-1166. *

e. Disbursement Procedures for Processing the SF-1166. All basic supporting documents are processed and all SF-1166's are prepared under the supervision of an accounting technician.

1. Voucher preparation file. Voucher preparation files are maintained alphabetically by vendor name. Each vendor shall have a folder established in which to file copies of purchase orders, contracts, agreements, and other supporting documents pending receipt of invoices, bills, and receipt documentation. Folders also shall be established for each travel authorization and commercial carrier (GTR's and GBL's). The following shall be used as guide for establishing files for vendors with unusual names.

Vendor.'s name beginning with alphabet, file under last names:

A.B. Trick- file under "T"
T.T. Jones Moving - file under "J"

Vendor's name beginning with number, file under last names:

3G Tape Company- file under "T"
66 Express Company- file under "E"

Vendor's name beginning with "The", file under names of vendor:

The Fabric Store - file under "F"
The J.C. Penney Company -file under "p"

2. Basic payment documents and the multiple-payment register.

(a) Basic payment documents. All invoice or bills, except for transportation, must be considered basic payment document to which must be attached a signed receiving report, or where appropriate a "Services and Supplies Received" certification and the appropriate voucher clerk's copy of the purchase order. If multiple payments are involved, the voucher copy of the purchase order must be attached to the final voucher processed. Any payments made prior to final payment must have a photocopy of the purchase order attached. Reference to contracts or agreements must be made on the invoice by stating the contract number and date. If the contract or agreement is not numbered, the purchase order number must be shown on the invoice.

(b) Multiple Payment Register. A multiple payment register shall be accomplished for each numbered contract identifying each payment by date paid and total contract amount paid to date. When the final payment has been accomplished, the multiple payment register for numbered contracts shall be provided to the contracting officer for review and filing in the contract file.

The multiple payment register may also be used to record multiple payments for purchase orders. If this option is used, the register shall be attached to the numerical file copy of the purchase order after the final payment has been accomplished.

* 3. Assignment of Voucher Numbers. Refer to the Treasury Payment Module Program Statement for information regarding assignment of voucher numbers. *

4. Certification required in the absence of a Receiving Report. Each invoice or bill for goods or services not evidenced by & receiving report (BP-ACCT-14) must be stamped and signed by the cost center manager or their designee receiving the goods or services as follows:

"I certify that the goods or services which are presented for payment on this invoice have been received."

Signature and Title

Date

5. Administrative deductions. Administrative deductions shall be made on the face of the invoices indicating the amount of the deduction and the reason for the deduction. A copy of the invoice shall be annotated and of the invoice, after such deduction and before time discount deduction, must be shown on the "Voucher Data Form" affixed to each basic voucher. The certifying officer shall initial all administrative deductions on the invoice.

* 6. Cash discounts. Refer to the Prompt Payment Program

Statement for information explaining how and when to take discounts.

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Entries to accounts payable and/or undelivered orders shall be recorded net of discounts when such discounts are shown on purchase orders, contracts, etc. However, discounts not taken because the Treasury borrowing than the discount will not be considered lost discounts. taken will be included in the price of the commodity or

7. Lost or destroyed invoices. If an original invoice has been lost or destroyed a duplicate must be obtained. A full explanation of the circumstances of the loss or destruction of the original invoice and a statement that steps have been taken to prevent duplication of the payment must be added to or attached to the duplicate invoice before it can be processed for payment. Steps taken to prevent duplication shall include but not be limited to:

(a) Review of the paid document file for the invoice.

(b) Review of the entire open documents listing for the invoice.

(c) Review accounting reports (100.37) and Miscellaneous Obligation Record (MOR) for possible liquidation.

8. Payments for multiple bills or invoices. To minimize the number of vouchers prepared and checks issued by disbursing officers, payments for multiple invoices or bills for supplies furnished or services rendered should be consolidated into a single payment, provided that:

(a) Payment is to a single office or place of business of the vendor;

(b) Payment is for a single institution of the Bureau;

(c) The consolidated payment is agreeable to the vendor, and

(d) No loss of discount or interest penalty to the Government will result.

9. List each disbursement. The voucher preparation clerk organizes the basic payment documents and lists each disbursement on an SF-1166.

10. Identification for bills payable by check. In an effort to reduce costs and promote efficiency, Treasury has requested that agencies not transmit enclosures with SF-1166s. In order to assure proper identification of these checks, one of the following procedures shall be followed upon completion of the vouchers:

(a) Use tear-off slips or similar form provided by payee (labeled as "mail with remittance") or a photocopy of the invoice. Mail to the vendor accompanied by a letter stating these invoices are being paid and a check will be forthcoming from the U.S. Treasury for the total amount.

(b) List pertinent data (invoice number, statement of account number or bill number) on the SF-1166. The following illustration of the body of the SF#1166 indicates how this is accomplished.

Payee No. Check	Address Voucher	Amount	
John Doe Johnstown DD 20737 Invoice No.30735	Any Address *Inv.No.30733 Bill No. 78	100.00	1- 0101-2

#o

The asterisk (*) at the beginning of the field tells the computer not to place those lines in the address of the payee but rather at the bottom of the check.

Note: Vendors should be notified in writing that this method is being used and furnished with the name of a BOP employee to contact for any questions that may arise.

11. Assigning a schedule number. Each installation of the Bureau of Prisons shall assign a schedule number to each SF-1166 which is being processed for payment. The numbers must run consecutively for each fiscal year. A separate series of numbers prefixed by the letter "T" must be used for SF-1166s that cover transportation vouchers. A separate series of schedule numbers shall also be assigned for all 15X60B5 (Trust Fund) schedules.

12. Voucher Data Form. A Voucher Data Form shall be affixed to each basic payment document for all disbursements.

Since accounting processing capabilities and procedures differ at some institutions, the voucher Data Form (Acct-136) may be completed as follows:

Key from Voucher Data Form. This requires that all accounting data necessary for input into FMS be recorded on the form.

Key from Miscellaneous Obligation Record (MOR). All the necessary account data required for input into FMS is already recorded on the form and only the appropriation, cost center codes, and the expenditure amount is required on the Voucher Data Form.

13. Preparing the SF-1166. In preparing the SF-1166, the following must receive careful attention:

(a) The Regional Finance Center of the Department of the Treasury draws checks directly from information recorded on the SF-1166. Consequently, the information indicated in the name and address space must be restricted to the information which is to be shown on the face of the check. Long addresses should be avoided unless necessary for postal identification.

(b) The amount for which the check is to be drawn must be indicated in the amount column in the same line as the name of the payee. The total of the amount column on the "face" or summary sheet of the SF-1166 must include all items listed on continuation sheets and must agree with the total of amounts classified by appropriation or fund in the appropriation summary block of the form.

(c) The total amount chargeable to each appropriation or fund shown in the summary block of the SF-1166 on the same line as the fund account symbol.

The information should be shown in the summary block in the following manner:

Appropriation	Amount
15 1060	\$1,020.00
15X1003	250.00
15X8408	400.00
	\$1,670.00

(d) To strengthen control and safeguard against possible misuse and improper handling, the original SF-1166, after examination and initialing by a civilian employee responsible for voucher audit prior to certification, never shall be handled by other than a civilian employee and shall be mailed personally by the certifying officer.

14. Distribution of the SF-1166. The distribution of the SF-1166 and supporting documents is as follows:

(a) The certifying officer shall stamp the date that the SF-1166 is mailed on all copies of the SF-1166 remaining at the institution.

* (b) The certifying officer is responsible for placing, sealing in a pre-addressed envelope, and forwarding in the mail the original SF-1166 to the Regional Finance Center. For schedules involving enclosures, wire transfers, or foreign currency, the original and one copy of the SF-1166 are required. *

(c) One copy with the supporting documents attached is forwarded to the accounting office for processing.

(d) One copy of the SF-1166 is to be filed numerically. (See Chapter 10715.c.9.)

15. Establishing a "cut-off" date. A "cut-off" date for processing SF-1166's must be established by each institution to permit the Regional Finance Center. (RFC) to make payment during the current month. After the cut-off date, the accounting technician prepares the SF-1166's which are dated the first workday of the following month. Such SF-1166's can be forwarded to the RFC as soon as it has been determined that their schedules will not reach the RFC until on or after the first of the following month. In no case shall a SF-1166 be submitted for payment to the RFC after the institution cut-off date. These SF-

1166's shall be flagged "Pay Next Month" and sent to the RFC at the beginning of the following month.

Voucher schedules prepared after cut-off shall not be entered into the FMS until the first day of the following month.

- * 16. Treasury checks for less than \$1.00. To eliminate Treasury checks for less than \$1.00, utilize cash, charge accounts, or the On-line Payment and Collection System (OPAC) where appropriate.
17. Release vouchers. Release gratuity payments to prisoners shall be on Form BP-112, Voucher for Prisoners Personal Funds and Cash Gratuities. Such payment must be stated on voucher with the inmates' personal funds paid to the inmate upon release. In no case shall the amount of the gratuity exceed \$500.00 for any one inmate (18 U.S.C. 3624).

The Office of Financial Management shall be furnished the original (white copy) of BP-189's (Release and Gratuity Information) a minimum of the days prior to inmates' releases. The BP-189's shall indicate the amount of gratuity to be given inmates at release. The inmates' release forms shall be attached to the BP-112's to support the payments. The BP-189's shall remain attached to the BP-112's and ultimately becomes, a part of the Replenishment Vouchers. *

f. Payments to Contract Facilities (Community Correctional Centers, Local Jails, State Adult Correctional Facilities, State Juvenile Facilities. The community corrections manager (CCM) is responsible for submitting a Standard Form 1034, Public Voucher for Purchases and Services Other Than Personal, to cover services provided by contract facilities. The SF-1034 must be prepared as illustrated in Exhibit A. The CCM must verify that the amounts reported are correct for payment and must certify that services which are presented for payment have been. This is done by signing in the appropriate box on the SF-1034.

The CCM shall forward the completed SF-1034 to the community corrections regional administrator (CCRA) for review or to the accounting station's Office of Financial Management for payment as pre-determined by the CCRA. A copy of the SF-1034 and all basic payment and supporting documents shall be retained by the CCM in accordance with the General Records Schedules. The accounting station's Office of Financial Management shall file the Paid SF-1034 in accordance with P.S. 2000.02, Chapter 10730(g).

g. Filing of vouchers. After the schedule has been certified and mailed, the SF-1166 (herein referred to as file copy), with supporting documents, will be forwarded to the accounting supervisor for entry into FMS. Once the entries have been made, the vouchers shall be filed in alphabetical order by fiscal year of payment, then by vendor. Copies of the SF-1166 may be discarded at this time, except for one copy which shall be maintained by the accounting supervisor who shall be maintained copies of SF-1166s in transit pending receipt of a "PAID" copy of the schedule from the RFC.

The paid vouchers shall be filed alphabetically with a file folder being established for each vendor with the name of the vendor indicated on the file folder tab. The file shall be segregated to group transportation vouchers, travel vouchers (by employee name), replenishment vouchers (chronologically and the file maintained in the cashiering office), and "all others". The same filing scheme shall be used as described for the voucher preparation file (Reference P.S. 2000.02, CH 10730.e.1.). Institutions with satellites shall maintain separate sets of files for each satellite.

PROGRAM STATEMENT 2000.2 - ACCOUNTING MANAGEMENT MANUAL

CHAPTER 10700 - DISBURSEMENTS

CHAPTER 10735 - SPECIAL DISBURSEMENT REQUIREMENTS

a. Purpose. This chapter sets forth the special requirements that are necessary for several specific types of disbursements because of the nature of the disbursements and the provisions of specific laws.

b. Special Requirements. Following are each of the specific types of disbursements that occur at institutions of the Bureau of Prisons' the related special requirements that must be satisfied and the procedures that must be followed at each institution. (Refer to the General Accounting Office Manual for the Guidance of Federal Agencies, title 7, Section 21.)

1. Long distance telephone service

(a) Specific requirement

(1) Title 31 (Money and Finance) (United States Code) 6BOa provides that:

"No part of any appropriation for any executive department, establishment, or agency shall be used for the payment of long distance telephone toll charges except for the transaction of public business which the interests of the Government require to be so transacted, and all such payments shall be supported by a certification by the head of the department, establishment or agency concerned or such subordinates as specially designated to the effect that the use of the telephone in such instances was necessary in the interest of the Government."

(2) Section 679 of Title 31 of the United States Code prohibits payments for telephone installations in private residences except as otherwise provided by law.

(b) Required procedures

(1) Controllers must certify all long distance telephone toll payments. Excluded, however, are charges for telephone calls billed as message Government-owned within a metropolitan exchange for the use of trigovernmental reimbursements or leased facilities.

Any disbursement voucher, regardless of type, that includes toll charges for long distance calls must contain the following signed certification:

"Pursuant to Section 4 of the act approved May 10, 1989 (53 Stat.738), I certify that the use of the telephone for the official long distance calls listed herein was necessary in the interest of the Government.

(2) The chief executive officer of each institution is responsible for establishing controls over the use of telephones to adequately ensure that long distance telephone calls are made only when they are the most economical and practical means of communication available for the transaction of Government business. Such controls should also ensure that commercial telephone facilities are used only when Government-owned or leased facilities are not available or when commercial telephone facilities are more economical than Government-owned or leased facilities.

Every effort should be made to restrict the use of long distance telephone calls to essential official business #nd to ensure the correctness of the statement in the administrative certificate on the voucher that the long distance toll calls covered by the voucher were necessary and in the interest of the Government.

Where unofficial long distance calls have been made, it is the responsibility of the controller to:

a) request the telephone company to permit a reasonable time for investigation and collection action;

b) recover from the individual(s) the amount of such charges and pay the telephone company (mere notification to the telephone company of the individual's name and location does not discharge this responsibility although the telephone company will cooperate in investigating the call);

c) refer to the chief executive officer the names of all individual(s) making unauthorized calls for determination of appropriate disciplinary action, and

d) refer to a telephone company representative all calls remaining in dispute after the above procedures have been carried out with a written statement that "Invest does not substantiate either payment pursuant to 31 USA 6 or further collection efforts by the Bureau."

2. Contract field printing

(a) Specific requirement. Section 21.9, Title 7, GAO Manual for the Guidance of Federal Agencies prescribes that the responsible officer under whose authority contract field printing was purchased must certify that such work was procured in accordance with the applicable Government Printing and Binding Regulations of the Joint Committee on Printing. DOJ Order 2510.9, Section 4, and BOP Program Statement 4400.1, are also referenced for restrictions on obtaining printing services.

(b) Required procedures. The following statement of certification must be attached to all payment documents involving contract field printing:

"I hereby certify, as responsible officer, that the contract field printing covered by this voucher was procured in accordance with the applicable Government Printing and Binding Regulations of the Joint Committee on Printing."

This certificate must be signed by the chief executive officer or the delegated representative under whose authority the field printing is procured.

PROGRAM STATEMENT 2000.2 - ACCOUNTING MANAGEMENT MANUAL

CHAPTER 10700 - DISBURSEMENTS

CHAPTER 10740 - DISBURSEMENT PROCEDURES FOR TRANSPORTATION
CHARGES

a. Purpose. This chapter sets forth generalized procedures that must be followed by each institution for payment of passenger transportation services by or for persons authorized to travel on official business for the Bureau of Prisons and for freight or express transportation services by rail, highway, water or air furnished for the account of the Bureau of Prisons. Unless otherwise stated in this chapter, the regulations and procedures discussed in prior chapters shall be followed.

b. Specific Requirements. In Title 5 (Transportation) of the GAO Manual for the Guidance of Federal Agencies, GAO has prescribed specific information and guidance to Federal agencies with respect to freight and passenger transportation services. These procedures must be followed at each facility of the Bureau.

c. Information and General Procedures. The following are generalized procedures that are presented for "passenger transportation" and "freight transportation."

1. Passenger transportation

(a) Carrier billing for passenger transportation

Carriers prepare original bills for passenger transportation services furnished to an institution on Standard Form 1113 (SF-1113), Public Voucher for Transportation Charges, including one memorandum copy, and present these for payment as directed on the U.S. Government Transportation Request, Standard Form 1169 (SF-1169).

(b) Information presented on the SF-1113

The SF-1113 must show the complete serial number of each billed transportation request and opposite there to the applicable charges. In preparing the SF-1113, the carrier must properly execute the "payee's certificate." A facsimile signature of the certifying officer for the carrier may be used or, for carriers that prepare bills mechanically, a machine-typed officer's name and title may be substituted for the facsimile signature provided that the facsimile signature or machine-typed officer's name and title is initialed by a duly authorized clerk.

The carrier must properly execute the tear-off slip. A copy of the SF-1113 may not be substituted for the tear-off slip.

2. Freight or express transportation

(a) Billing for freight or express transportation charges

Carriers use the SF-1113 including one memorandum copy, SF-1113a as the standard forms on which to bill charges for freight or express transportation furnished under the regulations of Title 5 of the GAO Manual. Institutions must use the SF-1103, U.S. Government Bill of Lading, to procure freight Transportation services.

Information on the SF-1113

The arrangement of the voucher form requires the listing of the complete serial number and amount of each sub-voucher (bill of lading, etc.) but does not provide for descriptive details of the service rendered. The carrier must properly execute the "Payee's Certificate." A facsimile signature of the certifying officer for the carrier may be used or, for carriers which prepare bills mechanically, a machine-typed officer's name and title may be substituted for such facsimile signature. Provided that the facsimile signature or machine-typed officer's name and title is initialed by a duly authorized clerk. In preparation of the SF-1113, the carrier must properly execute the tear-off slip. A copy may not be substituted for the tear-off slip.

(c) Identification with original documents Copies of each GTR (SF-1169) and Bill of Lading (SF-1103) maintained by institutions must be matched with the originals and attached respectively to the SF-1171, Public Voucher for Transportation of Passengers, or SF-1113, Public Voucher for Transportation Charges.

(d) Deductions and adjustments All deductions and adjustments must be shown on the stub attached to the bottom of the SF-1171 and/or SF-1113.

(e) Assignment of basic voucher numbers Basic transportation vouchers, SF-1113 and SF-1171, must be assigned individual voucher numbers and the voucher number of each must be listed separately in the identification column of the Voucher and Schedule of Payments (SF-1166). Such voucher numbers must be prefixed by the letter "T".

Check list

A check list must be established to include, but not be limited to, the following items which must be verified in preparing and processing transportation vouchers for payment.

- (1) Is the SF-1171 or SF-1113 properly signed?
- (2) Are totals correctly computed?
- (3) Are rates shown?
- (4) Are wharfage, tolls, etc., stated as separate items?
- (5) Are receipts for payments to other companies attached where necessary?
- (6) Does the SF-1113 include only amounts properly chargeable to the institution concerned?
- (7) Is the original U.S. Government Bill of Lading or U.S. Government Transportation Request attached?
- (8) Is the consignee's "Certificate of Delivery" properly executed on the bill of lading?
- (9) Are transportation requests properly executed and valid?
- (10) Is the appropriation correctly indicated?

(g) Processing basic vouchers for payment

- (1) Preparing the voucher-schedule

Separate SF-1166s must be used for scheduling basic payment vouchers covering passenger transportation and freight or express transportation. Each basic voucher (SF-1113) must be listed on the SF-1166 with all information required for check issuance purposes. After the preaudit by a civilian employee and certification by the authorized certifying officer, the original of the SF-1166 and the necessary copies are to be transmitted to the Regional Disbursing Office.

- (2) Assignment of schedule numbers

A separate series of schedule numbers prefixed by the letter "T" must be used for all SF-1166s that cover transportation vouchers. The assigned numbers must run consecutively for each fiscal year beginning with the number 1.

- (3) Distribution of the SF-1166 .

The SF-1166 voucher schedules that cover transportation services must be prepared in an original and four copies. The original and two copies are forwarded to the Regional Disbursing Office for payment processing. One copy and the basic vouchers with attachments are promptly forwarded to the accounting supervisor for preparation of an "Obligation Transactions"

form (#P-Acct#-125) and entry of the appropriate 02 transaction code into the computerized FMS to record the disbursement. One copy is retained by the accounting technician in a numerical file. The Regional Finance Center of the Department of Treasury issues the checks, places the payment information on the original and copies of the SF-1166, retains the original as support of its statement of accountability and returns two copies to the institution from which received. One copy of the paid SF-1166 is retained by the accounting supervisor as accounting document support to the Statement of Transactions. The second paid copy of the SF-1166 with the related basic transportation voucher copies are to be forwarded, along with the original GTRs and GBLs, to transportation auditors of the General Services Administration.

(h) Submission of transportation vouchers and supporting documents to the General Services Administration (GSA)

(1) Each month after the Statement of Transactions has been accomplished, basic documents (original GTRs and GBLs) covering payments to carriers for transportation services, supported by accomplished (marked "PAID") carbon copies of related SF-1166 must be forwarded promptly to the transportation auditors of GSA.

(2) The accomplished carbon copy of the SF-1166 must be placed on top of and securely attached to the related basic vouchers. The basic vouchers and related schedules are not to be stapled or otherwise attached by a permanent fastening device, but may be kept together by the use of cord or tape.

(3) Each shipment of transportation vouchers will include, in package number one, a Transmittal of Transportation Schedules and Related Basic documents (SF-1166). If a receipted copy of the SF-1166 is desired, the original and one copy of the form together with an addressed return envelope must be furnished. The SF-1186 must be executed and submitted for each monthly accounting period. If no disbursements for transportation services were made in an accounting period, the form must be completed accordingly and mailed to the address shown below.

(4) Packages must be addressed on the cover or container as follows:

FROM: Name and address of transmitting office
Period of Account
Disbursing symbol number
Package number of

TO: General Services Administration - FZATR
Chester A. Arthur Building
Washington, D.C. 20406

(5) To facilitate the handling of voucher shipments, the shipping cartons used for transmission to GSA must not exceed 15 inches in length, 12 inches in width and 10 inches in depth. (These are the dimensions specified in Federal Supply Service Item 8115-290-3379 for the shipment of document to Federal Records Centers.)

(i) Refund procedures for an unused or a partially used Government Transportation Request (GTR)

(1) Tickets obtained on GTRs (SF-1169), but not used, must be returned to the controller. Unused tickets, exchange orders, etc., and portions thereof must be processed to carriers for refund by means of a Redemption of Unused Tickets (SF-1170). A separate SF-1170 must be used for each GTR, though more than one ticket or adjustment transaction may be listed on that form.

(2) The SF-1170 must be processed as follows:

(a) All copies must be properly and completely executed as to the required detail. If unused tickets or portions thereof are not involved, the essential facts on which the refund claim is based must be included.

(b) The original and the duplicate copy must be forwarded to the carrier with unused tickets or portions thereof.

(c) The triplicate copy must be forwarded to the accounting supervisor who shall prepare an "Obligation Transaction" form (BP-ACCT-125), which indicates in the "Collection or Expenditure Amount" columns the followed by a "minus" sign and must enter a 31 transaction code into the computerized accounting system to establish an appropriate accounts receivable - refund. The accounting code for the refund shall be the same as used to obtain the ticket.

(d) The quadruplicate copy must be maintained on file by the employee who prepares the SF-1170.

(3) Upon receipt of the refund and the original SF-1170, the original and quadruplicate copy must be annotated in the remarks column with the deposit ticket number and date, Regional Disbursing Office symbol and name. The original SF-1170 together with any advice received from the carrier as to the basis of the refund must be included with the next transfer of transportation vouchers to GSA.

- (4) voluntary refunds made by carriers for a difference in class of service furnished to travelers or for a transportation service not furnished must be reported to GSA. This report must be made by the institution on an original SF-1170 and must show essential information in the designated spaces, including the amount of the refund.

- (j) Voluntary refunds by carriers for excess amounts billed and paid for freight or express services

Voluntary refunds made by carriers to cover excess amounts billed and paid for freight or express services furnished must be reported by the institution to the Transportation Division of GSA. Each report must include: (1) a reference to each involved bill of lading and the amount refunded on each; (2) a citation of the related collection by reference to the involved Deposit Ticket number, date of payment and the disbursing office symbol number, and (3) the name of the carrier and the carrier's bill number.

In cases when refunds are due the government, evidence of the collection of the refund must be forwarded immediately to the accounting supervisor who must prepare a BP-ACCT-125 and enter a 31 transaction code to reverse the account receivable - refund which was established initially. (The 31 transaction code must show a positive amount in the "Collection or Expenditure Amount" column to effect a reversal.) Also, the accounting supervisor must prepare a BP-ACCT-125 which shows a minus sign following the amount of the refund actually collected in the "Collection or Expenditure Amount" column and must enter an 02 transaction code into the computerized system.

- (k) Penalty Payments Made by Carriers for Oversold Flights. Penalty payments made by carriers for oversold reservations are distinguishable from refunds for excess cost or unused tickets. Under certain provisions of airline carriers tariffs, the carriers are required to make penalty payments to the traveler when it cancels confirmed reserve space.

- (1) Involuntarily Vacating Seat. When an employee involuntarily vacates a reserved seat, then any penalty payment received from the airline accrues to the government and not the employee. [See 41 Comptroller General 806 (1962).]
2. Voluntarily Vacating Seat. An employee, who voluntarily vacates this seat on an overbooked flight is entitled to retain any penalty payment received from the carrier, reduced by any additional expense incurred by the government. [See 59 Comptroller General 203 (1980).]

PROGRAM STATEMENT 2000.2 - ACCOUNTING MANAGEMENT MANUAL

CHAPTER 10700 - DISBURSEMENTS

CHAPTER 10745 - DISBURSEMENT PROCEDURE FOR GENERAL SERVICES
ADMINISTRATION (GSA) VOUCHERS

a. Purpose. This chapter sets forth the procedures that must be followed in processing GSA vouchers.

b. Prompt Payment Required. All GSA invoices or billings, including those representing partial shipments of agency orders, must be paid promptly in order to aid GSA in its management of the General Supply Fund operations and to meet requirements of law.

c. Verification of Receipt of Goods and Services. The billing systems of GSA provide, except when the billing document states to the contrary, for forwarding billing documents to other government agencies for reimbursement only after there is evidence of actual receipt by or shipment to the billed agency.

Since reimbursements requested are between Government agencies, such a billing must be treated as constructive evidence of receipt and, therefore, sufficient to establish liability and to make payment accordingly. When reimbursement is made without evidence of actual receipt, institutions must maintain memorandum records to record in-transit movements. A copy of all such records must be attached to the basic voucher and must be replaced by a receiving report, BP-ACCT-14, when the items are actually received.

d. Procedures for Processing Payments. GSA processes their bills for payment through the use of the Simplified Intragovernmental Billing and Collection System (SIBAC).

e. SIBAC. SIBAC (Simplified Intragovernmental Billing and Collections) was introduced to the Government in January 1972. Its original purpose was to simplify the billing process on orders placed with the General Services Administration. The SIBAC Agency (GSA or others authorized) charges an agency location code (15100001) for goods or services that GSA or another agency has provided during a month. The customer agency (BOP facilities) near the end of that month, or the early part of the subsequent month, will receive notification of those paid SIBAC charges. Upon receipt of notification of SIBAC charges, the accounting technician will verify the bill, voucher the SIBAC billing with basic supporting documents, and prepare the proper 02 transactions for entry into the Financial Management System.

f. Adjustments of Amounts Billed/Paid. Adjustments and reports of billings or payments are not required and should not be requested or made by billed agencies whenever the difference involved, resulting from over and under deliveries or over and under charges, represents an amount of \$50.00 per line item of the bill. This is not to be construed as eliminating billings and payments for requisitioned items of \$50.00 or less. Upon discovery that the charges are incorrect by \$50.01 or more per line item, instructions in 1 TFRM 6-5070 shall be followed for correction procedures. (See 41 CFR 101-26.8 for instructions.)

NOTE: The dollar limitation for requesting or obtaining billing adjustments does not alter the requirement for the preparation and submission of a discrepancy report for erroneous shipments (other than for substitute items).

PROGRAM STATEMENT 2000.2 - ACCOUNTING MANAGEMENT MANUAL

CHAPTER 10700 - DISBURSEMENTS

CHAPTER 10750 - EXPENDITURE TRANSACTIONS BETWEEN APPROPRIATION,
FUND, AND RECEIPT ACCOUNTS

a. Purpose. This chapter prescribes the procedures for effecting transactions between two or more different appropriations, funds, and receipt accounts classified as expenditure transactions.

b. General. The term "expenditure transactions" means the withdrawal from one account and the credit to another account when both sides of the transaction will be recorded in the control accounts of the Department of the Treasury as an expenditure and repayment or receipt. Two different procedures for processing expenditure transactions are: (1) a basic procedure for effecting withdrawals and credits without sending negotiable checks to the agency receiving credit, and (2) a procedure for those transactions where payment by check is required.

c. Types of Expenditure Transactions. In Part 11, Chapter 2500 of the Treasury Fiscal Requirements Manual, the types of expenditure transactions are described as follows:

1. Payments for Reimbursable Goods and Services. These are payments made by one account as a reimbursement to another account for goods and services that have been furnished on a reimbursable basis. It is recommended in Part II, Chapter 2500 of the TFRM that, to the greatest extent practical, reimbursements for goods be made promptly after delivery on the basis of invoices rather than by advance payments.

2. Advance Payments Required by Law. These are transactions required by specific law, whereby a determined amount is to be transferred and merged with a specific account of another Federal agency. Goods and services shall be furnished for the benefit of the account from which transferred in carrying out the general purpose of that appropriation.

3. Advance Payments to Certain Revolving and Working Capital Funds. These are transactions authorized by law whereby certain revolving and working capital funds are permitted to request payment for goods and services in advance of delivery. Such advances represent a liability of the revolving or working capital fund pending delivery of the goods and services.

4. Advance Payments to Management Funds. Management fund accounts, other than consolidated working funds, are authorized by specific laws to receive advances from appropriations to facilitate accounting for and administration of intragovernmental activities. These accounts are classified either as annual or no-year accounts, depending on the circumstances.

5. Advance Payments to Consolidated Working Funds. Advances for goods and services to be furnished by the performing Federal agency with the use of its own facilities, within the same fiscal year, may be made to basic "consolidated working fund" accounts of the performing agency under the authority of Section 601 of the Economy Act, 31 U.S.C. 686. This method of financing the reimbursement for goods and service furnished by one Federal agency to another should be used only in those instances where arrangements for current billings and reimbursements would be impractical. When any portion of an amount advanced or paid is to be returned to the management fund or consolidated working fund account from which advanced or paid, the agency which received the advance or payment may initiate the return as a reversal of the original transaction. The expenditure document should be noted to show the specific advance or Payment being returned. Where the appropriate fund to be credited with the return is in doubt. the agency making the return may request the other Federal agency to supply the appropriate account symbol or to bill for the refund.

d. Forms Prescribed for Expenditure Transactions. As set forth in Part II, Chapter 2500 of the TFRM, the forms described below are to be used for transactions between appropriation, fund and receipt accounts.

1. Standard Form No. 1080, "Voucher for Transfers Between Appropriations and/or Funds". This form is designed for use as a billing document and basic voucher when settlements between fund accounts are to be made by delivery of checks to the billing office. The SF-1080 may also be used to furnish the details of transactions billed on the SF-1081 if supporting documentation of the billing is required. Such billing forms will contain information as to where the check in payment is to be sent and the symbol of the appropriation or fund to be credited.

2. Stock Form No. 1017G, "Journal Voucher". Expenditure transactions and adjustments entirely within an accounting station are processed on the SF-1017-G, "Journal Voucher" (JV). Accounting stations shall not use the SF-1081 to effect expenditure withdrawals and credits or adjustments between appropriation, fund and receipt accounts when the transactions affect only the accounts of a single accounting station. Instead, these transactions will be documented on SF-1017-G. The expenditure withdrawals and credits or adjustments covered by SF-1017-G must be included in the SF-224 furnished to the Department of the Treasury. The JV form is not to be sent to the Department of the Treasury.

3. Standard Form 1081, "Voucher and Schedule of Withdrawals and Credits". This form will be used for interagency expenditure transactions. Any facility rendering goods or services (billing agency) submits an original and two copies of the form to the agency or facility receiving the goods or services (customer agency). Upon receipt, the customer agency does the following: verify accuracy of amount billed; sign and return one copy of the SF-1081 to the billing agency. The customer agency also reports

both transactions on the SF-224 as follows:

Customer Agency	10.00
Billinn Agency	<10.00>

PROGRAM STATEMENT 2000.2 - ACCOUNTING MANAGEMENT MANUAL

CHAPTER 10700 - DISBURSEMENTS

CHAPTER 10755 - UNDELIVERED, CANCELLED, AND STOP PAYMENT ON CHECKS

- a. Purpose. This chapter prescribes the procedures that must be followed when a check is undeliverable, cancelled or has a stop payment placed on it.
- b. Undelivered Checks are defined as any checks not delivered to the payee for any reason and which have been returned to the disbursing office.
- c. Cancellation is defined as the process of rendering a check non-negotiable and repaying its proceeds to an appropriation or fund account. Checks are to be cancelled if the proceeds of the check in whole or in part do not belong with the payee or if the check cannot be delivered to the payee.

1. Checks Returned to Treasury Disbursing Centers. Miscellaneous payment checks (including salary and foreign payments) will be automatically cancelled within 24 hours of receipt. A schedule showing total amount of checks cancelled and date of cancellation will be accompanied by photocopies of the cancelled check and forwarded to the agency (institution) initiating the SF-1166 for payment. The photocopies of the checks will facilitate the identification of the payments within various departments of the agency. The agency (accounting office) will be responsible for crediting the correct appropriation or fund. (See TFRM Bulletin No. B2-14, Transmittal Letter 357.)

2. Payroll Checks. Individual institutions shall not issue check cancellations for payroll checks.

The Department of Justice Payroll Center will issue all payroll check cancellations and will give credit through payroll processing procedures. Payroll checks that are to be cancelled must be accompanied by a memo explaining the reason for requesting cancellation and should be mailed to:

Chief
Justice Employee Data Service (JEDS)
Department of Justice Payroll
633 Indiana Avenue, N.W.
Washington, D. C. 20530

3. Other Checks which come into the hands of the institution, which are not to be paid to the payee as drawn because of death or other claim requiring settlement action by GAO, and checks drawn to cashiers which are not used, shall not be cancelled on SF-1098, but shall be handled in accordance with applicable laws and regulations. These funds will be scheduled

for deposit and credited to the appropriation or fund account originally charged.

4. Checks requiring cancellation will fall under one of the following categories:

(a) Available Check is one which is in the possession of the administration agency or disbursing office. Cancellation by the administrative agency is effected by means of an SF-1098. Returned checks in the possession of the disbursing office are cancelled by the automatic check cancelling procedures discussed in c.l. of this chapter.

(b) Unavailable Check is one which is not in the possession of the administrative agency or disbursing office. Agencies will prepare a revised SF-1184 "Unavailable Check Cancellation" for all actions involving unavailable U.S. Treasury checks, including instances where:

(1) the payee initiates a claim for the proceeds of the check which he or she has not received or has been lost, stolen, mutilated or destroyed ("non-receipt claim");

(2) the administrative agency determines that the payee is not entitled to the proceeds of a check not in the possession of either the administrative agency or the disbursing activity ("nonentitlement"), or

(3) where photocopies and payment status information are needed for administrative purposes.

The SF-1184 must be typed and will be signed by an authorized officer at the administrative agency and sent, after detaching the "Agency Copy", to the disbursing activity.

d. Stop payment on checks refers to action to prevent payment of a check or to retrieve paid checks from storage for examination in forgery and manipulation cases.

e. Treasury Reference. The Treasury references for questions pertaining to Undelivered and Cancelled Checks or Stop Payment of Checks is TFRM, Bulletin No. 83-28 (Transmittal Letter No. 415). Effective January 1, 1984, procedures for check cancellation outlined in Bulletin No. 83-28 replace (become) those procedures in I TFRM 4-7000.

f. Claims on Account of Non-Receipt, Loss, Theft, Destruction, Mutilation, or Forgery of Treasury Checks. Claims by payees that a Treasury check was not received, stolen, mutilated, etc., shall be handled through the appropriate Treasury Disbursing Office in accordance with Volume 1, TFRM 4-7050.

PROGRAM STATEMENT 2000.2 - ACCOUNTING MANAGEMENT MANUAL

CHAPTER 10700 - DISBURSEMENTS

CHAPTER 10760 - REPORTING OF DISBURSEMENTS

a. Purpose. Chapter 10760 sets forth the procedures that shall be followed for preparation, submission and reconciliation of the SF-224, the external report required by Treasury on the status of collections and disbursements for a month. For clarification, agency, in this chapter, is defined as any institution, regional office or the Central Office of the Bureau of Prisons.

b. Preparation of SF-224. As with any report, the SF-224 is an accumulation of data gathered for a specific period of time (reporting month). To properly report this data, several reports are utilized and intermingled. The following are the tools required for the preparation of the SF-224:

1. Schedules processed for the month. As stated earlier, each schedule processed is transmitted to Treasury with copies retained on file. Each copy shall be recorded on a SF-224 worksheet by appropriation under disbursements (including prior month adjustment). Entries will be recorded as positive amounts. Also included will be cancelled checks processed for the month. Cancelled checks shall be listed as a negative amount.

2. Deposit Tickets (DT) shall be listed separately on another worksheet. Listed by total, each DT will be broken down by appropriation. Also included will be undeposited collections and any prior month adjustments (discussed later). Debit vouchers will be listed as negative amounts.

3. Any Journal Vouchers (JV's) prepared that affect cash. These would be any transactions transferring charges from one appropriation to another or JV's prepared to explain a cash transaction for one month extended in another month.

4. All other transactions determined to be a reconciliation of prior month transactions.

c. Procedures.

1. Prepare a DT worksheet listing by account all Deposit Tickets processed for the month, undeposited collections and any prior month adjustments.

2. Prepare a 224 worksheet in the following manner.
 - (a) List by account total dollar amount of schedules processed for the month.
 - (b) Post prior month adjustments to applicable accounts.
 - (c) Post to each account any journal voucher affecting cash.
 - (d) Sub-total - add lines (a), (b), and (c).
 - (e) Post to each account total collections from Deposit Ticket worksheet.
 - (f) Grand total - subtract line (e) from (d) for each account.

d. Report totals on SF-224.

1. Amounts will be reported in accordance with TFM 2-3300, Appendix 1. The listing below reflects all account symbols, in sequential order, used by the Bureau of Prisons (column 1) and the column (2 or 3) in which the amount should be reported in Section I.

SECTION I - SF-224

Appropriation, Fund or Receipt Account (1)	Receipts and Revolving Fund Replacements (2)	Net Disbursements (3)
15_1060 Current Yr S&E		Coll & Disb 110.3, 115.0
15_1060 1st Prior Yr S&E		Coll & Disb 110.3, 115.0
15_1060 2nd Prior Yr S&E		Coll & Disb 110.3, 115.0
15_1060 3rd Prior Yr S&E		Coll & Disb 110.3 115.0
15_1060 4th Prior Yr S&E		Coll & Disb 110.3, 115.0
15_1060 5th Prior Yr S&E		Coll & Disb 110.3, 115.0
15M1060 All other Prior Yrs S&E (will not be used after 9/30/93)		Coll & Disb 110.3, 115.0
15X1060 S&E X2		Coll & Disb 110.3, 115.0
15X8408 Trust Fund	Coll 110.2 115.0	Disb 110.3
15X1004 NIC		Coll & Disb 110.3, 115.0
15X6875(10) Suspense		Coll & Disb 110.3, 115.0
15X6275(10) State Taxes		Coll & Disb 110.3, 115.0
20X6133 Unclaimed Monies	Coll 110.7	Coll & Disb 110.3, 115.0

SECTION I - SF-224 (cont'd)

Appropriation, Fund or Receipt Account (1)	Receipts and Revolving Fund Replacements (2)	Net Disbursements (3)
15X6085 Deposit Fund		Coll & Disb 110.3, 115.0
15X1003 B&F		Coll & Disb 110.3, 115.0
15F3875(10) Budget Clearing (Fed. Taxes; Medicare)	Coll 110.7, 115.0	Disb 110.3
15F3878(10) Deposits in Transit Differences	Coll 110.7	Disb 110.3
15F3879(10) Undistributed & Letter of Credit Differences	Coll 110.7	Disb 110.3
15F3880(10) Unavailable Check Cancellations & Overpayments	Coll 110.7	Disb 110.3
153220 Misc Receipts	Coll 780.0, 115.0	
20X1807 Refund of Monies		Disb 110.3, 115.0
151435 Misc Interest	Coll 780.0, 115.0	
151299 Gifts to U.S.	Coll 780.0, 115.0	
151099 Fines Penalties	Coll 780.0, 115.0	
151060 Forfeiture Money	Coll 780.0, 115.0	

2. Totals for Section II. Amounts in Section II are classified by disbursements and collections. Line amounts in Section II are reported as follows:

Line 1 Disbursements from the current month, first prior month and second prior month from 224 worksheet.

Line 2 Collection for the month - from the 224 worksheet.

Line 3 Net Total, Line 1 minus Line 2. Must agree with Line 1 in Section III.

3. Totals for Section III. Amounts in Section III represent total undeposited collections at the end of the month. Line amounts for Section III are reported as follows:

Line 1 Previous month 224 Section III, Line 4.

Line 2 Collection received this month, taken from DT worksheet. Must agree with Section II, Line 2.

Line 3 Deposits - deposits taken from DT worksheet which have been presented or mailed to the bank.

Line 4 Line 1 plus Line 2 minus Line 3 must equal General Ledger Account 115.0, Undeposited Collections.

4. Adjustment Make-up. The following are the circumstances for which prior month adjustments shall be made, the differences they cause, and corrections that have to be made.

(a) Disbursement is accomplished by Treasury in month preceding the agency's reporting month.

Difference: Causes column 1 (agency control amount by Treasury) amount to be greater than column 2 (Statement of Transactions by agency) on Treasury Form TFS-6652 (Statement of Differences).

To Correct: Post on 224 worksheet as a prior month adjustment notating the month. Report on SF-224 in Section I as a disbursement and in Section II, Line 1 for prior month (second box).

(b) Disbursement accomplished by Treasury in month succeeding the agency's reporting month.

Difference: TFS 6652 column 1 will be less than column 2 amount.

To Correct: Post on 224 worksheet under appropriate account as a disbursement in current month and a contra disbursement in prior month. Report in Section II, Line 1 on SF-224 as disbursement current month and a contra disbursement 1st prior month.

(c) Amount reported on SF-224 is greater than or less than amount reported on SF-1166.

Difference: TFS-6652 column 1 amount will be greater than or less than column 2 amount.

To Correct: Include on SF-224 worksheet under prior month adjustments and cite journal voucher number in support of the adjustment.

(d) Disbursement reported under incorrect appropriation.

Difference: Upon preparation of proof-check, incorrect appropriation will be overstated, correct appropriation understated.

To Correct: Prepare JV to support adjustment. Post on SF-224 worksheet under prior month adjustment and reference JV number.

(e) DT's presented or mailed to bank are greater or less than amount reported on SF-224.

Difference: TFS-6652, Column 1 amount will be greater than or less than Column 2 amount.

To Correct: List on DT worksheet under prior month adjustment. Report in Section III (Status of Collection), Line 3, under 1st prior month (second box).

e. Reconciliation. After completion of the SF-224, including adjustments, a proof-check must be prepared. In some instances, differences will be noted between the amount reported to Treasury on the SF-224 and the amount reflected in the General Ledger Cash Accounts (110.3, 110.7, 780.0, and/or 115.0, whichever is applicable).

1. Necessary Tools

(a) Confirmed schedules, confirmed OPAC's received and OPAC's sent.

(b) Deposit Tickets (SF-215) processed for the month.

(c) In balance with errors and out of balance batches (100.26) report final for the month.

(d) Prior in balance with error-out of balance batches (100.27) report final for the month.

(e) Any journal vouchers prepared affecting cash to be reported in the applicable month.

(f) Automated Reports

(1) 100.63 General Ledger (final for the month)

(2) 100.65 Certificate of Deposit

(3) 100.66 SF-224 Detail Support (individual listing of schedule numbers and DT's with applicable batches reported for each).

2. Procedures to Follow

(a) Prepare a worksheet.

(1) List each account horizontally.

(2) List under each account the amount shown on the General Ledger for accounts 110.3, 110.7, 780.0 and/or 115.0, whichever is applicable.

(3) List under each account the amount reported on the manual SF-224 "Statement of Transactions".

(4) Subtract Line 3 from Line 2 to find the reconciling difference.

(b) To locate the differences by schedule and Certificate of Deposit number, compare the amounts posted on the manually prepared SF-224 worksheet to the amount on the automated SF-224 detail support (100.66) report.

(c) Analyze supporting documents for those schedules and Certificates of Deposit that have differences to determine if the batches were:

(1) reported correctly on the schedule;

(2) keyed correctly into the automated accounting system;

(3) in balance with errors or out of balance at the end of the month.

PROGRAM STATEMENT 2000.2 - ACCOUNTING MANAGEMENT MANUAL

CHAPTER 10700 - DISBURSEMENTS

* CHAPTER 10775 - ON-LINE PAYMENT AND COLLECTION SYSTEM

a. Purpose. This chapter establishes procedures to be followed when using the On-Line Payment and Collection System (OPAC).

b. General Information. OPAC is an option of the Government On-Line Accounting Link System (GOALS) to process intra-governmental transactions (payments and collections) through a computer link. Immediately upon entering information into OPAC, the data is transmitted to the Department of the Treasury (Treasury) and the disbursement and collection activity is recorded against the Agency Location Code (ALC) of both the billing and customer agencies.

Any valid ALC can be billed through OPAC. The customer agency does not have to be an OPAC user. Customer agencies not using OPAC will receive their OPAC transactions monthly on microfiche from Treasury. Each location shall promptly forward a copy of the transaction to the customer agency. Forwarding copies of transactions involving inmate funds will be at the discretion of the Controller.

c. Uses of OPAC. OPAC may be used to transfer inmate funds between institutions (Chapter 10975); process collections and disbursements from Bureau of Prisons locations and other Government agencies; and to make payments of court-ordered financial obligations to the Department of Justice under the Inmate Financial Responsibility Program.

The use of OPAC eventually will eliminate the SF-1081, Voucher and Schedule of Withdrawals and Credits; the SF-1080, Voucher for Transfers Between Appropriations and/or Funds; and the Simplified Intra-Governmental Billing and Collection (SIBAC) System.

d. Accessing OPAC. The procedures for accessing OPAC are set forth in the OPAC User's Manual distributed to each ALC by Treasury. To receive an OPAC user's manual, contact Department of Treasury, GOALS Marketing Staff, at (202) 874-8270.

e. Control of OPAC Transactions.

1. Assigning OPAC Numbers to OPACs Sent. Each location shall maintain a log for all OPACs sent. The log's format shall be in accordance with Exhibit A. Both disbursements and collections shall be maintained on the same log. Each trans-action shall be assigned a number beginning with "OS" followed by four numbers beginning

with OS0001 each fiscal year. Institutions may precede the "OS" number with the number or letter designating the Accounting Technician. In those instances the "OS" will be followed by three numbers, still beginning each fiscal year with OS001. All OPACs sent must be reported in Sections I and II of the SF-224.

2. Assigning OPAC Numbers to OPACs Received. A log shall be maintained for all OPACs received. OPACs received are transactions originated at another location and charged or credited to your location. The log's format shall be in accordance with Exhibit B. Both disbursements and collections shall be maintained on the same log. Each transaction shall be assigned a number beginning with "OR" followed by four numbers beginning with OR0001 each fiscal year. Institutions may proceed the "OR" with a number or letter designating the Accounting Technician. In those instances the "OR" will be followed by three numbers, still beginning each fiscal year with OR001. All OPACs received must be reported in Section I of the SF-224. The receipt of funds is considered a credit disbursement" for OPAC purposes and must be reported in Sections I and II of the SF-224.

3. OPACs Involving 15X6085. Logs shall be maintained for OPACs sent and received involving 15X6085, Funds of Federal Prisoners. The formats for these logs shall be in accordance with Exhibits C and D. Both disbursements and collections shall be maintained on the appropriate log. Each transaction shall be assigned a number beginning with "IOS" (Inmate Funds OPACs sent) or "IOR" (Inmate Funds OPACs received), as appropriate, followed by three numbers beginning with IOS001/IOR001 each Fiscal Year. All OPACs involving 15X6085 must be reported in Sections I and II of the SF-224.

f. Processing OPACs. OPAC transactions shall be transmitted by each institution not later than the third work day prior to the end of the month to ensure timely entry into the Financial Management System (FMS) and the Federal Prison Point of Sale System (FPPOS). However, Treasury will still process transactions until the last day of the month. GOALS should be accessed for OPACs charged/credited to an ALC at least once a week. Access may be more frequent depending on each institution's normal volume of transactions. When entered, OPAC data should be reviewed for accuracy. When the information has been verified as correct, the system will automatically assign a document reference number. The OPAC database is updated nightly; therefore, the information cannot be retrieved from OPAC until the day after it was entered into the system.

To ensure all OPAC transactions have been processed, a complete listing of OPAC transactions for the accounting month (i.e. May 1 - 31) should be retrieved after close-out before the

system is purged. Any transactions not picked up by the receiving institution are purged from storage by Treasury on the fifth working day of the next accounting month. Monthly OPAC activity microfiche reports, forwarded to each location by Treasury after the close of each month, may be used to obtain information on purged transactions.

All OPAC transactions must be reported monthly on the SF-224. The assigned OPAC numbers (i.e. OR0001, IOR001, etc.) shall be recorded on the SF-224 worksheet to identify all OPAC transactions processed during the month. Any differences in the reporting month will be listed on the TFS-6652, Statement of Differences, a monthly register of transactions which gives the details of all transactions charged/credited to that ALC. Any corrections to the Statement of Differences shall be made on the next month's SF-224.

g. Certifying OPACs. The OPAC document transaction listing (OPAC document) shall be included in the voucher. The assigned OPAC number shall be annotated on the OPAC document and all supporting documentation (i.e. Purchase Order, Receiving Report, FPPOS listing) must be attached to the OPAC document. The Certifying Officer's signature shall be on the OPAC voucher.

h. Adjustments to OPAC Amounts. Procedures for entering adjustments into OPAC are specified in the OPAC Users Manual. Only the customer agency may make adjustments in OPAC. The billing agency (the originator) cannot make adjustments to bills or payments already entered and accepted into OPAC. Further information concerning OPAC can be found in the Treasury Financial Manual, I TFM 6-10000.

i. Filing OPAC Documents. OPAC disbursement vouchers shall be filed alphabetically with a file folder established for each vendor (i.e. GSA, UNICOR, etc.,) in accordance with Chapter 10730, paragraph g. OPAC disbursement vouchers involving inmate monies shall be filed numerically in the Cashier's Office or in any other secure office inaccessible to inmates. A copy of the OPAC collection document shall be forwarded to the Accounting Supervisor.

**OPACs SENT
FY**

OPAC NUMBER	DATE	DOC REF NUMBER	DISB/ COLL	LOCATION	AMOUNT
OS0001	12/20/92	XXXXXXXX	Coll.	Anywhere	\$100.00
OS0002	12/20/92	XXXXXXXX	Disb.	Anywhere	\$900.00
OS0003	12/22/92	XXXXXXXX	Disb.	Anywhere	\$845.60

**OPACs RECEIVED
FY**

OPAC NUMBER	DATE	DOC REF NUMBER	DISB/ COLL	LOCATION	AMOUNT
OR0001	12/20/92	XXXXXXXX	Coll.	Anywhere	\$300.00
OR0002	12/20/92	XXXXXXXX	Disb.	Anywhere	\$754.90
OR0003	12/22/92	XXXXXXXX	Disb.	Anywhere	\$844.60

**OPACs SENT - INMATE FUNDS, 15X6085
FY**

OPAC NUMBER	DATE	DOC REF NUMBER	DISB/ COLL	LOCATION	AMOUNT
IOS001	10/20/92	XXXXXXXX	Disb.	Anywhere	\$ 25.00
IOS002	10/20/92	XXXXXXXX	Disb.	Anywhere	\$ 60.00
IOS003	10/21/92	XXXXXXXX	Coll	Anywhere	\$162.89

OPACs RECEIVED - INMATE FUNDS, 15X6085
FY

OPAC NUMBER	DATE	DOC REF NUMBER	DISB/ COLL	LOCATION	AMOUNT
IOR001	10/2/92	XXXXXXXX	Disb.	Anywhere	\$ 66.50 *

PROGRAM STATEMENT 2000.2-ACCOUNTING MANAGEMENT MANUAL

CHAPTER 10800-PAYROLL ACCOUNTING

CHAPTER	TITLE
10810	Employees Moving Expenses and Related State and Federal Income Taxes Withheld.
10815	Payroll Accruals
10824	Disbursements from Appropriations for Services Provided by Employees Normally Paid from Another Appropriation.
* 10825	Duplicate Salary Payments *
10836	Federal Information Returns, Forms 1096 & 1099
10840	Payroll Checks

PROGRAM STATEMENT 200.02 - ACCOUNTING MANAGEMENT MANUAL

CHAPTER 10800 - PAYROLL ACCOUNTING

CHAPTER 10815 - PAYROLL ACCRUALS

- a. Purpose. This chapter sets forth procedures for the recording of payroll accruals in the Bureau of Prisons' computerized accounting system.
- b. Explanation. At the end of each month employees have earned salary which they have not received; therefore, accruals must be established in order to account for this cost in the proper accounting period. Payroll accruals are automatically entered in the FMS through the Department of Justice Payroll System. The accrual information is based on the last pay period disbursed as indicated on the Accounting Station Posting Media (ASPM). Because the accruals are based on historical information, adjustments may be necessary for known personnel action changes which are not reflected on the most recent ASPM.
- c. Procedures.
 1. The Department of Justice Centralized Payroll System computes payroll accruals under two conditions depending upon the length of time required for accrual.
 - (a) For accruals of less than one pay period.

The accrual is based on the last pay period paid in the current month multiplied by the accrual factor. This is accomplished for all sub-objects except 1145, Holiday. (If a holiday is in this period, the accounting office must enter the accrual manually).
 - (b) For accrual of more than one pay period.

The accrual is based on the first pay period paid in the month following the accrual month. The amount accrued is based on the actual amount paid multiplied by the accrual factor. This is accomplished for all sub-objects except 1145, Holiday. (If a holiday is in this period, the accounting office must check the 100.23 Payroll Accrual Report to ensure that the accrual has been automatically entered. If the holiday has not been included, the accounting office shall enter the accrual manually.)
 2. The controller at each institution has the authority and Managerial responsibility for ensuring that any major changes during an accrual period are recorded in the system. These include increases or decreases in staff, overtime, or the accrual of a holiday.

3. Information for payroll accruals must be entered into the system under an 03 transaction code. An "Obligation Transaction" form (BP-Acctg-125) must be prepared to show the following:

(a) Appropriation - The correct appropriation code:

- (1) X3 for employee payroll expenses to be paid from the Buildings and Facilities Appropriation.
- (2) 2 for employee payroll expenses to be paid from the Salaries and Expenses Appropriation.
- (3) X4 for employee payroll expenses to be paid from the Trust fund Appropriation (Commissary).

(b) Budget Activity - the correct code for those employees who worked during the accrual period.

(c) Cost Center - The correct code for those employees who worked during the accrual period.

(d) PMS - any valid PMS code or codes upon which the accountant decides.

(e) Project - The correct code under which those employees worked for the accrual period.

(f) Sub-Object - Any valid 1100 and 1200 series sub-object code or codes upon which the controller decides.

(g) Intra-Government

"N" for the 1100 sub-object series

"Y" for the 1200 sub-object series

(h) Purchase Order or the other reference consists of six (6) digits as follows:

The first two digits are always "81". (Type 81).

The next two digits always are zeros.

The last two digits are for the month (numeric) for which the accruals are being entered.

Examples: For May, 81-0006; September, 81-0009.

PROGRAM STATEMENT 2000.2 - ACCOUNTING MANAGEMENT MANUAL
CHAPTER 10800 - PAYROLL ACCOUNTING

CHAPTER 10824 - DISBURSEMENTS FROM AN APPROPRIATION FOR SERVICES
PROVIDED BY EMPLOYEES NORMALLY PAID FROM OTHER
APPROPRIATIONS

a. Purpose. Chapter 10824 sets forth procedures for establishing obligations and making disbursements from an appropriation for employees of the Federal Prison System who have provided some special service, but are paid from another appropriation.

b. General. In certain cases, employees who are paid from one appropriation perform services that should be charged to another appropriation. In order to ensure that the correct appropriation is charged, the following rules shall apply.

1. Services performed by employee within the same agency accounting station.

For employees who perform services for other offices where funding will be paid by appropriations under the station, the nineteen digit code of the appropriation receiving the services shall be listed in the accounting classification section of the Time and Attendance Report (T&A - Form DOJ-296).

2. Services performed by employees of different agency accounting station.

Services performed by employees from a different agency accounting station (other than UNICOR) shall be paid from the appropriation where normally paid. To make payment for these services, the accountant for the appropriation rendering the service must prepare a SF-1080 from UNICOR by executing a SF-1166 for the billed amount.

NOTE: All object class 1100 transactions must be entered into the Financial Management System (FMS) as a Non-Government (N) transaction.

PROGRAM STATEMENT 2000.2 - ACCOUNTING MANAGEMENT MANUAL
CHAPTER 10800 - PAYROLL ACCOUNTING
CHAPTER 10825 - DUPLICATE SALARY PAYMENTS

a. Purpose. To set forth the procedures for establishing and collecting the accounts receivable when both an original and a recertified salary check have been negotiated.

b. Definitions. For purposes of this chapter, the following definitions apply:

1. Recertification - the approval of a second salary payment to an employee who has not received a salary check or whose salary check has been lost, stolen, or mutilated.

2. Recertified Payment - a replacement salary check which bears a different serial number than that of the original salary check.

c. General. Salary checks that have not been received by the Designated Agent or the employee may be recertified for payment. If the employee receives both the original check and the recertified check, one of the checks must be returned immediately to the Justice Employee Data Service (JEDS). The employee may not negotiate both the original and the recertified check.

d. Negotiation of the Original and Recertified Payment. In the event that both the original and the recertified salary check have been negotiated, JEDS charges the duplicate payment to the Central Office on an SF-1080 for the amount of the duplicate payment to the Central Office on an SF-1081.

1. Central Office Responsibility: Upon notification from JEDS of the duplicate salary payment, the Chief, Fiscal Services, shall ensure that an 02 transaction is prepared and entered into FMS to record the expenditure. An accounts receivable (31 transaction) shall be prepared and entered into FMS to bill the appropriate institution. An SF-1080 for the amount of the duplicate payment shall be prepared and forwarded to the institution.

2. Institution Responsibility: Upon receipt of the SF-1080 bill for the duplicate salary payment, the accounting supervisor shall ensure that a refund to the Central Office is prepared on a Voucher and Schedule of Payments, SF-1166. To accomplish this, an 02 transaction shall be prepared and entered into FMS charging the applicable appropriation, cost center, and decision unit. An accounts receivable shall be established to offset this obligation. The employee shall be notified in writing of the duplicate salary payment and request for repayment.

3. Collection Efforts. Collection efforts shall be initiated at the institution. If the employee did not negotiate either the original or the recertified check, or both, the procedures set forth in the Treasury Fiscal Requirements Manual (TFRM), Chapter 4-7080.25, shall be followed. The employee is relieved of the obligation to reimburse the Government until the investigation

surrounding the claim (as explained in TFRM 4-7080.25) is completed.

PROGRAM-STATEMENT 2000.2 - ACCOUNTING MANAGEMENT MANUAL
CHAPTER 10800 - PAYROLL ACCOUNTING
CHAPTER 10836 - FEDERAL INFORMATION RETURNS, FORM 1096 AND FORM
1099

a. Purpose. The purpose of Chapter 10836 is to set forth the procedures for complying with Internal Revenue Service (IRS) regulations requiring information returns to be filed on certain payments made to persons during the calendar year.

b. General Requirement. The Internal Revenue Service regulations require that when federal agencies make reportable payments to a person (vendor) during a calendar year, an accurate report must be filed with the IRS. The report must include the name, address, and taxpayer identification number (TIN) of the recipient, and the total amount of the payments made during the calendar year.

c. Procedures.

1. Vendor for Whom a Report is Required to be Filed. In accordance with 26C.F.R. 1.604-1, individual contractors (doctors, teachers, organists, etc.) who are paid \$600.00 or more during the calendar year shall be reported to the IRS. A report is not required for vendors whose total payments amount to less than \$600.00 during the calendar year.

NOTE: The manner by which services are obtained (purchase order, contract, or other prescribed means) shall not determine whether a report is filed. Instead, the total amount paid during the calendar year is the determining factor.

2. Prescribed Reporting Form for Information Returns. The reports to the IRS shall be made on Form 1099 - MISC, Statement of Miscellaneous Income, and shall be summarized on Form 1096, Annual Summary and Transmittal of U.S. Information Returns.

3. Taxpayer Identification Numbers (TIN). The TIN is required to be included on the Form 1099 to enable proper identification of the vendor to the IRS. The TIN may be obtained from contract or from the Personnel Office. IRS Form W-9, Payer's Request for Taxpayer Identification Number, shall be used to obtain the TIN if it cannot be obtained by other means.

4. Backup Withholding Requirements. Persons who fail to furnish a TIN by form W-9 or by other means shall be subject to backup withholding in an amount equal to 20 percent of each reportable payment as determined in (a) and (b) below.

(a) New Vendor. Backup withholding at a rate of 20 percent shall be deducted from each payment when the total year-to-date payments equal or exceed \$600.00.

- (b) Prior Year Vendor. If Form 1099 was prepared and submitted to the IRS in the preceeding calendar year and a TIN was not included on the form, backup withholding at a rate of 20 percent shall be deducted from each payment made to the vendor until the vendor furnishes a TIN.
- (c) Accounting for Amounts Withheld. All amounts deducted from invoices as backup withholding shall be deposited into the Suspense Account 15X6875 (10).
- (d) Reports of Amounts Withheld. Backup withholding amounts shall be reported quarterly to the IRS on Form 941, Employer's Quarterly Federal Tax Return. The transfer of these funds to the IRS shall be made in accordance with the instructions contained on IRS Form 941.

5. Amounts to be Reported on Form 1099.

(a) Payees who Have Furnished a TIN. For each vendor subject to Form 1099 reporting requirements, the reportable amount is the aggregate of all payments made during a calendar year, provided the aggregate amount of payments made during a calendar year is \$600.00 or more. A Form 1099 is not required for vendors subject to Form 1099 requirements when the aggregate amount of the payments made during a calendar year is less than \$600.00.

(b) Persons Who Have Not Furnished a TIN. for each vendor subject to both Form 1099 and Backup Withholding, the reportable amount is the aggregate amount of all payments made to the vendor during the calendar year without regard to the \$600.00 threshold amount. In addition, the amount of all backup withholding shall be reported.

6. Reporting Deadlines.

(a) IRS form 1099 - MISC, Statement for Recipient of Miscellaneous Income. Forms 1099 - MISC must be provided to vendors by January 31, each year.

(b) IRS form 1096, Annual summary and Transmittal of U.S. Information Returns. Form 1096, plus the supporting Form 1099 - MISC, must be filed with the IRS by the last day of February each year.

(c) IRS Form 941, Employer's Quarterly Federal Tax Return. Form 941 must be filed with the IRS by the last day of the month following the end of the quarter.

7. Retention of Forms. IRS Forms 1099, 1096, and 941 shall be retained for a minimum of five years.

8. Multiple Payment Register. a multiple payment register shall be maintained for each contractor in accordance with Program Statement 2000.2, Chapter 1073-, e.2.(b).

BUREAU OF PRISONS

WASHINGTON, D.C.

PROGRAM STATEMENT 2000.2 - ACCOUNTING MANAGEMENT MANUAL

CHAPTER 10900 - PROPERTY ACCOUNTING

CHAPTER	TITLE
10905	Definitions of Property Accounting
10910	Accounting for Personal Property
10915	Control of Property Through Accounting
10920 Property	Accounting for Depreciation of Personal
10925	Accounting for Real Property
10930 Property	Accounting for Depreciation of Real

PROGRAM STATEMENT 2000.2 - ACCOUNTING MANAGEMENT MANUAL
CHAPTER 10900 - PROPERTY ACCOUNTING

CHAPTER 10905 - DEFINITIONS OF PROPERTY ACCOUNTING

a. Purpose. The purpose of the 10900 series is to set forth the procedures that must be followed at each institution in accounting for all property held by the Bureau of Prisons.

The fact that substantial amounts of public funds are invested in property creates a need to use accounting techniques to assist in procuring, managing, safeguarding and utilizing all property in the most efficient and effective manner. Accurate and reliable financial records reconciling to quantitative information on property is necessary and must be maintained for the proper accounting and control of property.

b. Definitions and Explanations. Assets are property owned by the Bureau of Prisons which have monetary value.

Fixed assets are assets of a long-term character that are relatively permanent in nature and are intended to be held or used over a number of years. Example of fixed assets are land, building, machinery, furniture and other such equipment.

The term "capitalization" or "capitalized" refers to the specific method of accounting for fixed assets. Generally, the purposes of records of recording an acquisition value in a fixed asset account is to have control over the asset and to and to increase the investment account so that the value of the particular asset is not treated as an expense or cost, or so that the value of the asset may be treated as an expense or cost in some future period or periods. When an asset is capitalized, the value of the individual asset is recorded in an appropriately titled control account in the fixed asset section of the general ledger and, thereby, increases the equity or investment account. The value of the asset remains in the fixed asset account during the entire period it is owned.

With the exception of land, each fixed asset has a limited useful life, that is, the asset is or use only over a limited number of years or accounting periods. Under the accrual basis of accounting, the acquisition cost of the asset, however, is properly chargeable as an expense or cost in the accounting periods in which the assets is used. The accounting process for this gradual conversion of fixed assets into expense is called depreciation.

Depreciation is based on estimates; therefore, it is desirable to retain the acquisition cost of the asset undisturbed in the fixed asset account and to record the amount that has been charged as depreciation costs in a separate account. The customary accounting practice is to credit the depreciation costs as a reduction in value to an account entitled, "Accumulated Depreciation" which is that portion of the original cost of an asset that has already been charge off as an operating expense or cost. In this way, both the original cost and the amount of

depreciation costs accumulated over the years can be determined from the general ledger.

- c. Classification of Property. (See P.S. 4400.1, chapter 1310.)
- d. Control of Property. Property owned by the Bureau of Prisons is controlled through Financial Management accounting and the SENTRY Property Management System (SPMS).

1. Control of Capitalized Property. Upon acquisition through purchase, donation or transfer, each item of capitalized property, whether it is an item of real property or personal property, is recorded in an appropriate account in the fixed asset section of the general ledger and increases the "Investment of the Government". The value of the item remains in the fixed asset account during the period that it is owned. In addition, appropriate subsidiary records to support each capitalized general ledger asset account are maintained to provide a detailed identification of each item of property that is summarized in the general ledger asset account.

Each year, an independent physical inventory of capitalized property is taken and reconciled to the official accounting records. Each adjustment is posted to an appropriate "gain" or "loss" account in the general ledger.

2. Control of Certain Non-Capitalized Personal Property. Certain types of non-capitalized, personal property are highly desired and, therefore, subject to theft. These items are classified as "Controlled Non-Capitalized Personal Property". such items must not be capitalized, i.e., for these items must be maintained through the SPMS.

PROGRAM STATEMENT 2000.2 - ACCOUNTING MANAGEMENT MANUAL
CHAPTER 10900 - PROPERTY ACCOUNTING
CHAPTER 10910 - ACCOUNTING FOR PERSONAL PROPERTY

a. Purpose. The purpose of Chapter 10910 is to prescribe the procedures to follow in accounting for items of capitalized personal property.

b. Capitalized Personal Property. Following are the characteristics of capitalized personal property:

1. "Major equipment" is a term that has been used throughout the Bureau instead of "capitalized personal property," which are two terms commonly used in governmental accounting. Therefore, major equipment is capitalized personal property.

2. Each item of capitalized personal property (major equipment) must meet all of the following criteria or conditions:

(a) The item must have an acquisition cost or a donated or appraised value of \$1,000.00 or more.

(b) The item must not be real property or be an item permanently affixed to real property. For example, plumbing fixtures, large generators or motors, walk-in refrigerating units and other such individual items which cost \$1,000.00 or more and in effect, become part of a building, are real property and are not personal property.

KEYBOARD() 3. EaNESTFORM(<000.2 - ACCOUNTING MANAGEMENT MANUAL
CHAPTER 10900 - PROPERTY ACCOUNTING

CHAPTER 10925 - ACCOUNTING FOR REAL PROPERTY

a. Purpose. The purpose of Chapter 10925 is to prescribe procedures to follow in accounting for real property owned by the Bureau of Prisons.

b. Definitions and Explanations. Real property consists of certain fixed assets which have monetary value and are owned by the Bureau of Prisons.

Real property fixed assets are assets of a long-term character that are relatively permanent in nature and are intended to be held or used over a number of years. (See P.S. 4400.2, Chapter 19, for further definition and classification of real property.)

c. Real Property General Ledger Accounts. Upon acquisition, all real property is classified and recorded into the following general ledger accounts, as appropriate:

- 210.0 - Land
- 211.1 - Building

- 211.2 - Capital Improvements, Buildings
- 212.1 - Other Structures and Facilities
- 212.2 - Capital Improvements, Other Structures
and Facilities
- 213.1 - Capital Leasehold Improvements

d. Real Property Records.

*

1. Subsidiary records to support general ledger summary accounts 210.0, 211.0 and 212.0 must be maintained on Real Property Records in accordance with P.S. 4400.2, Chapter 19. *

2. These subsidiary records must be in agreement with the controlling general ledger accounts at all times and must be verified at the end of each month. At a minimum, adding machine tapes must be prepared and show the general ledger account title and number, date and initials of the property officer and must be retained by the Accounting Supervisor for audit purposes.

PROGRAM STATEMENT 2000.02 - ACCOUNTING MANAGEMENT MANUAL

CHAPTER 10950 - DEPOSIT FUND ACCOUNTING

CHAPTER 10965 - RECEIPT OF FUNDS

a. Purpose. This establishes procedures for the collection, receipt, and accountability of all monies for credit to the Inmate Deposit Fund Account.

b. Responsibility. Under the supervision of the Budget and Accounting Officer, the Accounting Supervisor has the overall responsibility for the Deposit Fund operation. The Accounting Supervisor shall maintain all documents, review all accounts, and supervise all duties assigned to the accounting operation.

c. Receipt Documentation. All inmate funds received in an institution, except through the mailroom, shall be receipted on

* a Temporary Receipt (BP-197). The accountability for these forms * shall be the responsibility of the Accounting Technician/Cashier. A register of these receipt books shall be maintained and the stock stored in the Cashier's Office either in the safe or in a securely locked cabinet. When a book is issued, the register shall indicate the date of issue and shall be signed by the receiving employee. When the book is returned, the date will be indicated on the register. The employee receiving the book shall be held accountable for all receipt forms issued.

Completed books are to be stored for a period of five years in the same manner as unused books. The accounting section will establish a register of the individual receipt numbers. As the yellow copies, including "voids," are received with the schedule of collections, they will be checked off the register. It shall be the responsibility of the accounting section to make certain that all receipts, including "voids," are accounted for. After posting to the inmate account, the form shall be filed by the accounting section.

* d. Funds Received through the Mailroom. Funds received * through the mailroom for deposit to the Inmate Deposit Fund Account do not require the preparation of a BP-197. An FPPOS generated receipt is provided for funds received through the mailroom.

* e. Forms Received Other Than Through the Mailroom. Receiving * and Discharge (R&D) and the visiting room shall be issued a supply of pre-numbered Receipt Books, Temporary Receipt (BP-197).

* 1. Collections from Inmates upon Arrival During Normal Duty * Hours. Collections from inmates upon arrival shall be entered on the BP-197. The BP-197 shall be completed and signed by the Receiving Officer. The original receipt shall be given to the inmate. The first carbon (yellow or pink), along with the funds,

shall be hand-carried to the Mailroom Officer for inclusion in the daily collections. After verifying the funds, the Mailroom Officer shall further acknowledge receipt by initialing the second carbon copy (blue) of the receipt which will remain in the receipt book as a permanent record of the transaction.

2. Funds Received by the Visiting Room Officer. In those Institutions where funds may be received by the Visiting Room Officer for deposit to the Inmate Deposit Fund Account, the funds shall be accounted for as detail in paragraph e.1. above, except that the visitor (remitter) shall be given the original receipt.

3. Funds Received after Duty Hours. In order to provide adequate accounting of funds when received after duty hours, the receipt procedures as outlined above shall be followed except the yellow copy of the receipt and the money shall be sealed in a plain envelope and placed in the night depository, which is normally located in the control room. An Institution Supplement shall be prepared detailing the operation of the night depository.

(a) Depository Procedures. The depository shall be located in a secured area and shall be constructed in such a manner as to prevent access to the funds through the outside deposit slot. The depository shall consist of a double locking device in which funds may be deposited by appropriate officers. Two separate locking devices are required for complete depository accountability and security. Each Accounting Technician/Cashier and alternate cashier shall maintain a key to one lock on their personal key ring along with his/her cash drawer keys. Under no circumstances shall these keys be turned into the control room. A duplicate of the Accounting Technicians'/Cashiers' key to the depository shall be kept in the same manner as the duplicate key to each cash box (refer to Chapter 10610 of this Manual, and the Correctional Services Manual). The other key required to open the depository shall be maintained on the Mailroom Officer's key ring which would normally be returned to the control room daily.

(b) Deposits. The Receiving and Discharge Officers or Visiting Room Officers shall total their daily receipts and verify the cash collected. The money and the first carbon of the BP-197 shall be placed in an envelope. The envelope shall be sealed and the Officer shall write the amount contained therein and sign his/her name across the seal. The envelope with contents shall then be placed in the depository. Only funds belonging to inmates shall be placed in the depository. The depository shall not be used for any other purpose, except unprocessed collections, discussed in Section f. of this chapter.

(c) Pick up of Funds. Near the beginning of each workday, the Mailroom Officer, accompanied by the Accounting Technician/Cashier, will open the depository. The Mailroom

Officer, in the presence of the Accounting Technician/Cashier, shall remove all envelopes from the depository. All envelopes labeled "Unprocessed Collections" or similar language shall not be opened until the Mailroom Officer returns to the mailroom. Refer to Section f. of this Chapter for mailroom processing instructions.

*

The Mailroom Officer, in the presence of the Accounting Technician/Cashier, shall open the remaining envelopes and verify the contents by counting the funds and comparing the amounts with the enclosed receipts. As each envelope is opened and the contents verified, the Mailroom Officer shall initial the blue copy of the corresponding BP-197, accepting responsibility for the funds. The Mailroom Officer retains the funds for processing through FPPOS along with funds received through the mail.

f. Inmate Funds Received Through the Mailroom. All funds received by the Mailroom Officer, including remittance through the mail and other funds as provided above, will be processed through FPPOS. The Mailroom Officer will exercise exceptional care when recording and registering inmate funds received. It is the Mailroom Officer's **personal** responsibility to accurately identify the collections for posting to the correct inmate account. The minimum criteria being the committed's name and register number. In instances of questionable identification, the funds shall be returned to the sender as outlined in the Mail Management Manual.

The yellow copy of the receipt shall be sent to the inmate with any accompanying correspondence when the collection is received by mail. For funds turned in from other offices, the receipt will be sent to the inmate in a sealed envelope. The original copy of the receipt will be retained with the funds for pick up by the Accounting Technician/Cashier.

* The Mailroom Officer may place funds received that cannot be processed the same day as received in the night depository for processing on the next business day. The following procedures shall be followed:

- The Mailroom Officer must place all unprocessed mailroom collections in a secured pouch or envelope labeled "Unprocessed Collections."
- The mailroom staff is responsible for all unprocessed collections placed in the night depository until the Accounting Technician/Cashier receives and receipts the funds during the regular mailroom collection.

*

g. Funds Received by Accounting Technician/Cashier. The Accounting Technician/Cashier must verify that the information keyed by the Mailroom Officer is the same as the information on the negotiable instrument or other document used to post. Once this is accomplished, the Accounting Technician/Cashier shall release the funds in FPPOS which will automatically post the funds to the inmates' accounts. Each daily collection shall be given a "Daily Collection" number by the Accounting Technician/Cashier beginning with number 001 on October 1st of each fiscal year.

A Cash Receipt (BP-114) shall be prepared by the Accounting Technician/Cashier and the original given to the Mailroom Officer who shall retain it in a secure file for at least one year for audit purposes. The accounting copy of the BP-114, the original copy of the inmate receipt, and the "Held Transaction Release" report shall be provided to the Accounting Section to support posting to the control account in FPPOS and entries into the accounting system.

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h. Insurance, Trust, and All Other Similar Settlement Checks. Endorsement and deposit of insurance, trust, and all other similar checks are generally considered as acceptance of settlement. Accordingly, whenever such negotiable instruments are received, they shall be held in the mailroom and the Unit/Case Manager notified. These checks shall not be routinely processed through FPPOS or posted to the inmate's account. If thereafter the inmate desires to accept settlement, the check shall be endorsed by the inmate (instead of the Accounting Technician/Cashier). The check shall then be processed in the usual manner (see Chapter 10967, paragraph d., of this Manual, for Joint-Payee checks).

PROGRAM STATEMENT 2000.02 - ACCOUNTING MANAGEMENT MANUAL

CHAPTER 10950 - DEPOSIT FUND ACCOUNTING

CHAPTER 10967 - CHECKS AND OTHER NEGOTIABLE INSTRUMENTS

a. Purpose. To provide guidance and procedures for handling checks and other negotiable instruments for deposit to the Inmate Deposit Fund.

b. Negotiable Instruments Subject to Collection. Pursuant to Treasury Financial Manual, Part 5, Chapter 2000, Section 2010, "Checks received by Government officers are accepted subject to collection..."

* All domestic personal checks and non-domestic and foreign negotiable instruments shall be placed on hold. Domestic personal checks and Western Union Moneygrams shall be held 15 days. Non-domestic and foreign negotiable instruments shall be held from 30 to 60 days at the Accounting Technician's/Cashier's * discretion. The holding period shall begin the day ISM enters the instrument into the Federal Prison Point of Sale (FPPOS) System. At the end of the hold period, the funds will be released and made available to the inmate.

Negotiable instruments with **expired validity dates** shall not be accepted.

The following items **shall not** be held and funds shall be made available immediately:

- U.S. postal money orders
- U.S. Treasury checks
- U.S. Government-issued drafts
- State, county, and municipal checks
- * • Checks from privately contracted correctional facilities *
- Cashiers' Checks
- Domestic money orders
- **Postal** money orders issued by Anguilla, Antigua and Barbuda, Bahamas, Barbados, Belize, British Virgin Islands, Cornado, Dominica, Grenada, Montserrat, St. Christopher, Nevis, St Lucia, and St. Vincent and the Grenadines
- Canadian postal money orders - if they are addressed to a payee within the United States and the amount is expressed in United States currency.

On any collection which is held, the funds shall be posted directly to the inmate account using the appropriate Deposit Fund Function on the FPPOS System. The use of the proper function will automatically post these funds to the "Outstanding Checks" field on the inmate account, and will remain there until released by the Accounting Technician/Cashier. The function releasing such held collections shall be performed daily.

c. Foreign Funds

1. Personal Property. When foreign funds are received upon commitment or through the mail the amount is not enough to warrant special exchange procedures or is too small for bank acceptance, then the funds may be considered and handled as personal property. Generally, foreign funds with a conversion value of less than five U.S. dollars shall not be converted.

2. Conversion Procedure. When determined that foreign funds shall be converted into United States currency, the following steps shall be taken:

(a) Funds in an inmate's possession, at the time of commitment, shall be receipted on a temporary SF-1165 by the Receiving Officer and be promptly delivered to the Accounting Technician/Cashier. The Accounting Technician/Cashier shall be responsible for converting the foreign funds into United States currency (see PS 2000.02, Chapter 10615).

(b) Funds received through the mail shall be delivered to the designated Accounting Technician/Cashier. The Accounting Technician/Cashier shall give the Mailroom Officer a temporary SF-1165 as evidence of receipt.

(c) These funds **shall not** be processed through FPPOS prior to the time of conversion into United States currency.

(d) Upon conversion, the funds shall be scheduled for credit to the inmate's account through the mailroom in the same manner as other inmate receipts.

(e) The Accounting Technician/Cashier shall maintain the documentation of the conversion rate used at the time the funds are exchanged. A copy of the documentation shall be provided to the inmate.

3. Deposits. All inmate funds shall be deposited in accordance with PS 2000.02, Chapter 10620. Procedures and their sources are as follows:

(a) The Accounting Technician/Cashier shall deposit all collections of inmate funds into the Inmate Deposit Fund (15X6085).

(b) Each collection shall be made in the same manner as other collections detailed in this chapter.

(c) Sources of earnings include UNICOR wages, Trust Fund earnings, and performance pay.

(d) These funds shall be posted to the inmate account in the same manner as prescribed in Chapter 10960, paragraph g.

* (e) Endorsement - The Accounting Technician/ Cashier is authorized to endorse all negotiable instruments. This is only for the purpose of depositing the checks or money orders in the United States Treasury to the personal credit of the inmates. Refer to paragraph d. of this chapter for joint-payee procedures.

*

(f) BP-407/BP-REC-109 (Acknowledgements of Inmate) contains a "Power of Attorney" and is the Bureau of Prisons authority to endorse inmate checks or other negotiable instruments for deposit to the Inmate Deposit Fund Account. If an inmate refuses to sign the BP-407/BP-REC-109, checks or other negotiable instruments shall not be recorded, but shall be forwarded to an address designated by the inmate. Any cash in the inmate's possession on commitment or subsequently received from any source shall be recorded in the Inmate Deposit Fund Account, as well as a list in the mailroom, shall note that only cash transactions may be received for the inmate(s). *

(g) Endorsed or mutilated checks shall not be included on a schedule of canceled checks. The Regional Disbursing Officer (RDO) must examine the facts relating to each endorsed check that has been returned after negotiation by the payee. This is required in order to protect the rights of the endorser who may be holder in due course. Also, the RDO must examine the facts relating to mutilated checks and such checks and such checks must be in their possession in order to issue new ones to the payee or claimants. Consequently, a separate schedule shall be prepared for all endorsed or mutilated checks showing the number and amount on each and indicating the action to be taken. In each case, the RDO will give the administrative office a disposition of each undeliver-able check returned. Following receipt of the returned check notice, remailing, cancellation, or deposit in the United States Treasury shall be authorized as indicated.

d. Joint-Payee Checks. Joint-payee checks received shall not be credited to an inmate's account or retained in the institution to preclude liability for endorsement. Whenever a joint-payee check is received, it shall be recorded in a "Joint-Payee Check Register." This register shall include: (1) date received; (2) date of check; (3) amount of check; (4) drawer's bank symbols; (5) name of drawer; (6) names of joint-payees; and (7) disposition. The Mailroom Officer shall be responsible for maintenance of the register and security of the check.

Upon receipt of a joint-payee check, the Unit/Case Manager shall be notified and every effort made to send the check out of the institution within 48 hours. The Unit/Case Manager shall contact the inmate to determine the disposition to be made of the check. The inmate shall be advised that the check cannot be processed or retained in the institution and that any arrangement desired for disposition of the proceeds of the check is to be made by the inmate with the other joint-payee through correspondence. The Accounting Technician/ Cashier is not bonded for any liability arising from the negotiation of joint-payee checks. Also, in order to protect the inmate's interest in the check under negotiable instruments laws, all such joint-payee checks must be either forwarded to the other joint-payee or returned to the payor.

An appropriate letter of transmittal shall be prepared with copies for the Mailroom Officer (to support the disposition entry), the inmate, and the inmate's central file.

1. The following letter format shall be followed to return or forward the check to the other joint-payee (a) where the inmate has placed their endorsement on the check which was originally received by the inmate, or was in the inmate's possession at the time of commitment, or the check was sent in by the other joint-payee and (b) where the inmate refuses to endorse the check sent in by the other joint-payee. "Enclosed is check dated _____ in the amount of \$ _____ payable to (show name of joint payees exactly as written on check) issued by (show name of payor). (a) (show name of inmate) has placed his/her endorsement of the enclosed check, and it is forwarded to you for further handling. Any proceeds of this check returned for his/her use should be in the form of a money order, cashier check, certified check, etc., but do not return the attached check, as it cannot be negotiated. (b) (show name of inmate) has refused to endorse the enclosed check, and it is forwarded to you as it cannot be retained at this institution." NOTE: Use either (a) or (b) of sample format, whichever is applicable.

2. The following letter format shall be followed to return the check to the payor where (a) the inmate has it in his/her possession at time of commitment or received it directly from the payor and the inmate refuses to endorse the check for forwarding to the other joint-payee, or (b) the inmate has endorsed the check which was forwarded to the other joint-payee who returns the check unendorsed. "Enclosed is your check dated _____

in the amount o \$_____ made payable to (show exactly as written on check). (Name of joint-payee refusing to endorse the check) has refused to endorse this check. As we cannot retain or negotiate the check, it is returned. Any correspondence pertinent to this matter should be directed to the joint-payee involved."

Distinction should be made between joint-payee checks which require the endorsement of only one of the payees for negotiability and those which require the endorsement of all indicated joint-payees. For example, checks written payable to "John or Mary Doe" and "John and/or mary Doe" check shall be handled in the same manner as any other check after the inmate has placed his/her endorsement on the check. Checks written to be negotiable and will be handled as join-payee checks as outlined above.

*e. Returned checks. If a check that has been posted to an inmate account is returned by the U.S. Treasury on a debit voucher for insufficient funds (NSF), the amount of the returned check shall be removed from the inmate account immediately. If a negative balance is created, immediate action shall be taken as required by Chapter 10960. The original NSF check shall be filed with the debit voucher and a copy forwarded to the inmate. *

PROGRAM STATEMENT 2000.2 - ACCOUNTING MANAGEMENT MANUAL
CHAPTER 10950 - DEPOSIT FUND ACCOUNTING
CHAPTER 10970 - QUESTIONABLE OR "EVIDENCE" FUNDS

a. Purpose. To set forth the procedures for handling inmate funds with questionable ownership or required as evidence in a case.

b. On Admission. If, at the time of admission, information is furnished by the Deputy U.S. Marshal, or has otherwise been received, regarding some question with respect to funds received with the inmates, one of two courses of action shall be followed:

1. If the funds are required as evidence in a case, the funds shall not be accepted. The funds shall be returned to the Deputy U.S. Marshal with a cover letter referring to Marshal's Bulletin No. 35 as follows:

"15. Prisoner Funds - Use of Evidence - Funds desired for use as evidence in court, which are part of the effects of prisoners being committed to Federal penal and correctional institutions, should not be taken to the institution for safekeeping when the prisoner is committed. All inmate funds received in an institution are required to be deposited identities as evidence. Therefore, monies which may be required to be the regularly employed practice for segregation and safekeeping of court evidence."

2. If a claim exist on the funds other than as evidence, such as by reason of theft, embezzlement, etc., the funds shall be received in the usual manner. The receipt issued shall bear the provision "Unavailable Pending Determination of Legal Ownership." The funds shall be placed in the suspense account pending such determination. Steps shall be taken determination in order that funds may be removed from the suspense account and properly credited or disposition made.

c. After Admission. Where funds, before losing their identity by deposit, have been received and information is on hand that the funds are required as evidence and were not returned to the Deputy U.S. Marshal at the time of admission per the above, they shall not be accepted or deposited, but shall be returned to the U.S. Attorney with a complete statement of the information available and reference to the U.S. Attorney's Bulletin vol. 1, No. 4, page 14 (same rule as in the Marshals' Bulletin). If a receipt has been furnished of the return letter of transmittal furnished by the Office of Financial Management.

d. After Deposit. Ownership claims, as distinguished from creditor"s claims, shall cause the amount of the funds in question to be impounded pending court settlement. Such cases shall be referred to the Central Office, Office of General Counsel, for consideration to have the Department of Justice, through its legal division, file "Bill of Interpleader" to obtain final court determination of ownership.

PROGRAM STATEMENT 2000.2 - ACCOUNTING MANAGEMENT MANUAL
CHAPTER 10950 - DEPOSIT FUND ACCOUNTING

CHAPTER 10973 - INMATE EARNINGS

* a. Purpose. The purpose of this chapter is to prescribe the policies and procedures for handling inmate earnings.

b. Inmate Wages. During their period of confinement at a Federal institution, inmates may earn UNICOR wages, Trust Fund wages, or performance pay.

1. UNICOR Wages. Individual receipts shall not be issued to inmates for industrial earning. A monthly statement is furnished to each inmate working directly for UNICOR. Inmates may also ask the Office of Financial management (OFM), using industrial earnings, as well as other transactions affecting their personal accounts.

Inmate industrial payrolls are prepared monthly in triplicate by employees of UNICOR showing each inmate's name and complete register number. A copy of the payroll shall be delivered by close of business on the fourth workday of each month to the accounting section by UNICOR staff. Posting of industrial payrolls to the inmate's account shall be completed within four working days after receipt of accurate payrolls by the OFM. The Accounting Technician shall post the total earnings to each System. When all postings have been completed, the total of the Transaction Input Report shall be verified against the entries on the payroll.

The OFM shall bill UNICOR, via OPAC, promptly upon receipt of the UNICOR payroll. The appropriate 04 Transaction entry shall be made in FMS to record the collection to the Inmate Deposit Fund, 15X6085 (see paragraph b.2.).

2. Performance Pay. The departmental payroll lists shall be prepared and processed in accordance with P.S. 5251.3, Inmate Work and Performance Pay Program. The Payroll lists shall be submitted to the controller by the fifth workday after the end of each pay period.

The Accounting Technician shall post the performance pay to each inmate's account using the FPPOS System within four working days after the receipt of accurate departmental payroll lists. When all postings have been completed, the total of the Transaction Input Report shall be verified against the entries on the departmental payroll listings. An 02 Transaction must be made to record the disbursement from the Salaries and Expenses Appropriation, Budget Activity F, Cost Center 364, Sub-Object 1192. The following 04 Transaction is to be made to record the collection to the inmate Deposit Fund, 15X6085:

110.3 Net Disbursements Dr.

450.1 Dep. Fund - Inmate Monies Cr.

A Journal Voucher (OF 1017) shall be prepared to support these entries.

3. Dual Payments. Inmates may receive Trust Fund wages and performance pay or Trust Fund Wages and UNICOR pay if both are based on an hourly wage and inmates are paid only for hours actually worked. *

PROGRAM STATEMENT 2000.02 - ACCOUNTING MANAGEMENT MANUAL

CHAPTER 10950 - DEPOSIT FUND ACCOUNTING

CHAPTER 10975 - FUNDS WITHDRAWAL

a. Purpose. This chapter establishes procedures for the withdrawal of funds from the Inmate Deposit Fund Account.

b. General. All Requests for Withdrawal of Inmates Personal Funds, BP-199, Inmate Financial Responsibility Withdrawal Request, BP-445, and Inmate Withdrawal Records, BP-201, shall be completed in the presence of a staff member designated for that purpose by the Warden. All requests for funds withdrawals must be either typewritten or printed in ink. The designated staff member shall then hand deliver the appropriate withdrawal form to the approving official.

Approving officials for withdrawals shall be as follows:

- Unit Managers and Supervisors of Education up to \$250.
- Disciplinary Hearing Officers (DHO) for the repayment of willful and malicious damage to Government property following a DHO finding that the inmate committed such a prohibited act, regardless of amount.
- Associate Wardens (Programs), Superintendents of Industries, and Camp Administrators for over \$250.

All approving officials and the accounting office shall take care to ensure that multiple BP-201"s or BP-199"s are not used to exceed the \$250 withdrawal limitation. Withdrawals made under the Inmate Financial Responsibility Program (FRP) are exempt from the \$250 limit. Ordinarily, the Unit Manager will approve the Inmate FRP withdrawal request; however, any other approving official may approve this withdrawal form.

* To prevent possible alteration of the approved withdrawal form, a staff member must hand-deliver it to the Accounting staff, as determined by the Controller, for processing. The form"s * processing shall be done exclusively by accounting section employees. After an inmate"s signature is affixed to the withdrawal form, **at no time and under no circumstances** shall an inmate be permitted to handle or see any information contained thereon, or process or file SF-1166 payment vouchers, draft payment vouchers, or OPAC vouchers for inmate funds withdrawal. If there is any question concerning who delivered the withdrawal form, the Accounting Technician shall return the withdrawal form to the originating office.

The Accounting Technician shall verify compliance with the regulations before processing the withdrawal. The withdrawal forms shall be given only one Deposit Fund voucher number when

several are payable to the same organization. All originals of this form shall be filed in the Deposit Fund voucher file in numerical sequence **except** when cash payment is made by an Accounting Technician. When cash payment is made, the Accounting Technician shall retain the original BP-199 to support the Replenishment Voucher, and file a copy of the form in the Deposit Fund voucher file to maintain numerical sequence.

When inmate funds are scheduled for payment on an SF-1166, a copy of the SF-1166 shall be retained in the voucher file to maintain voucher number sequence. The Accounting Technician shall forward the inmate's copy of the withdrawal form to Unit Management staff for delivery to the inmate.

Form BP-199 shall be used for all withdrawals except:

- Direct Sales
- Special Purpose Orders (Indirect Sales)
- Payment Upon Release
- Transfers Between Institutions
- Payment of Accounts of Deceased Inmates
- Claims to the General Accounting Office
- Deposit of Inmate Funds Whose Whereabouts are Unknown
- Collection Charge for Unpaid Checks
- Incompetents (See paragraph f.5 of this chapter for handling funds of incompetents)
- Correction of an Administrative Posting Error
- Inmate Financial Responsibility Program (See paragraph f.8. of this chapter for procedures).

c. Direct Withdrawals. These include withdrawals requested in favor of individuals or organizations outside the institution such as payments to lawyers and remittances to dependents. This type of withdrawal shall be made in favor of the payee upon receipt of a signed, written inmate request (e.g., BP-445, BP-201, or BP-199). These withdrawals must be approved and processed as specified in paragraph b. of this chapter. If a request involves a policy decision, it should be referred to the Warden for approval. It shall be the Accounting Technician's responsibility to ensure that proper approval and regulatory compliances are achieved before the request is processed.

d. Processing Requests for Withdrawals. Approved withdrawal requests, subject to the availability of funds, shall be assigned a Deposit Fund voucher number and promptly posted to the inmate account. The withdrawal requests shall be processed for payment from the Inmate Deposit Fund (15X6085). All withdrawal forms shall be processed and scheduled at least once a week. If an inmate lacks sufficient funds in his/her account to allow a withdrawal form's processing, the Accounting Technician shall stamp it "Insufficient Funds," note in the margin the amount of funds in the account and return it to Unit Management staff for delivery to the inmate. An exception to this will be when a BP-199 form is payable for reimbursement to the institution for postage of legal mail, telephone calls, copier charges, account card replacement charges, and any other internal charge which is readily collectible. Then, the withdrawal form shall be held and processed when the inmate has sufficient funds on account.

e. Payment Upon Release. Payments to inmates being

released are generally made by one of the following methods:

- . in cash by the Accounting Technician/Cashier,
- . by draft by the Accounting Technician/Cashier,
- . part by cash and the remainder by U. S. Treasury Check,
- . part by cash and the remainder by draft.

The personal funds amount to be paid in cash shall be held to a minimum. Release payment computations shall include all accrued institution earnings, even though payrolls have not been processed and posted to the inmate's funds paid by cash, U.S. Treasury check, or draft shall be withdrawn from the inmate's account in the Federal Prison Point of Sale (FPPOS) System.

1. Cash Payment by the Accounting Technician/Cashier. Payment shall be made from a BP-112, Prisoner's Personal Funds and Gratuities Voucher. Withdrawal from inmate accounts shall be effected prior to the approving official's signature on the voucher. (Payments may not include deferred checks). The voucher shall be numbered in the regular Deposit Fund voucher series which shall be used as a posting reference. The Accounting Technician/Cashier shall assign a sub-voucher number on the voucher form for reimbursement purposes.

(a) Consistent with the Treasury Financial Manual, Cashiers are authorized to make single cash payments not to exceed \$500 of personal funds to sentenced inmates upon release within the conterminous United States.

(b) By letter from the Chief Disbursing Officer, U.S. Treasury, dated may 12, 1977, Bureau of Prisons Cashiers have been granted an exception to the maximum limitation as provided in Section 7 to the Manual of Procedures and Instructions for Cashiers. In accordance with this exception, Cashiers are authorized to make payments as follows:

. . . To provide unlimited cash for the personal funds of individuals being deported as illegal aliens.

. . . To provide unlimited cash for the personal funds of unsentenced inmates upon their release from custody.

(c) As authorized by the U.S. Treasury's Chief Disbursing Officer's March 28, 1979, letter, Bureau of Prisons Cashiers may exceed the limitation imposed in Section 7 of the Manual of Procedures and Instructions for Cashiers as follows:

. . . To provide unlimited cash from the personal funds of individuals authorized emergency furloughs for the purpose of beside visits and/or funeral attendance.

(d) The limits established above represent the maximum amounts allowable for payment by the Cashier. Institutions may

establish lesser amounts for cash payment with the balance being forwarded promptly by check or draft, as appropriate.

2. Payment by Check, SF-1166. Each inmate's payment shall be annotated on an Sf-1166 and sent to the Regional Finance Center (RFC) in sufficient time so the check can be processed and arrive at the inmate's release destination on or before his/her scheduled arrival date. An SF-1166 may also be used for payment of funds credited to an inmate's account after release. Checks must always be issued in the inmate's name so the cashed Treasury Check becomes prima facie evidence of payment.

f. Special Withdrawal Procedures.

1. Escorted Emergency Visits. All costs for these visits are at the inmate's expense except the first eight hours cost of pay each day the inmate is in the accompanying Officer's custody. The first eight hours may be regular time or overtime. A "no expense" Travel Authorization shall be issued and carried by the Officer to support the trip's official nature, as well as support travel duty status on time and attendance records.

The inmate shall complete a BP-199 form for the trip's total estimated cost. The Accounting Technician/Cashier shall sign the form if funds are available in the inmate's account. A Deposit Fund voucher number will be assigned to the approved form and posted to the appropriate inmate account. A photocopy of the withdrawal form shall be retained in the Deposit Fund voucher file. The Accounting Technician/Cashier will make cash payment on the basis of the approved BP-199, secure the inmate's signature evidencing funds receipt, and assign the next sub-voucher number for reimbursement purposes. If funds have not been received in time to permit receipting through the mailroom, the Account Technician/Cashier may post the approved withdrawal, resulting in a temporary negative balance, only after being assured the money is available for that purpose.

The visit's cost shall be stated on the standard Travel Voucher form (SF-1012) and audited as usual. Expenditures by the Officer shall be strictly accounted for as required under the Federal Travel Regulations and Bureau of Prisons program statements. Any advanced funds balance shall be returned to the Accounting Technician/Cashier who shall immediately audit the Travel Voucher and have it certified before forwarding the balance to the Mailroom Officer for receipting. A copy of the voucher minus Privacy Act information shall be furnished to the Mailroom Officer. The Mailroom Officer shall forward this voucher copy together with a receipt for funds credited to the inmate's account to the inmate. The original voucher shall be filed in the inmate's central file.

Any salary amounts due the escorting Officer are to be paid by the institution and properly recorded and reflected in the institution's pay records and employee's W-2. Any amount paid the escorting Officer after the first eight hours of each day will be collected from the inmate, by the Office of Financial

the next sub-voucher number for reimbursement purposes. If funds have not been received in time to permit receipting through the mailroom, the Accounting Technician/Cashier may post the approved withdrawal, resulting in a temporary negative balance, only after being assured the money is available for the purpose.

The visit's cost shall be stated on the standard Travel Voucher Form (SF-1012) and audited as usual. Expenditures by the Officer shall be strictly accounted for as required under the Federal Travel Regulations and Bureau of Prisons program statements. Any advanced funds balance shall be returned to the Accounting Technician/Cashier who shall immediately audit the Travel Voucher and have it certified before forwarding the balance to the Mailroom Officer for receipting. A copy of the voucher minus the Privacy Act information shall be furnished to the Mailroom Officer. The Mailroom Officer shall forward this voucher copy together with a receipt for funds credited to the inmate's account to the inmate. The original voucher shall be filed in the inmate's central file.

Any salary amounts due the escorting Officer are to be paid by the institution and properly recorded and reflected in the institution's pay records and employee's W-2. Any amount paid the escorting Officer after the first eight hours of each day will be collected from the inmate, by the Office of Financial Management, and deposited to the Miscellaneous Receipt Account, 153220. Travel expenses paid on behalf of the escorting Officer by an inmate shall not be reflected in the institution's pay records. It is the employee's responsibility to report such income for tax purposes.

2. Law Books or Legal Citation. The purchase may be authorized when approved according to this chapter's instructions. The inmate may donate purchased books to the institution library, but the institution may decline the offer. In lieu of donation, the inmate may transmit the books at his/her own expense to an authorized correspondent or take the book(s) upon release. Such books may not be passed to other inmates without approval. (See the Program Statement on Legal Activities, Inmate.)

3. Willful and Malicious Damage. Whenever the inmate is willing to execute a withdrawal request as settlement of willful and malicious damage to Government property, a BP-199 form shall be drawn in favor of the Treasurer of the United States. In this event, the request shall be prepared for payment and posted to the inmate's account. A Journal Voucher(s) shall be prepared to account for the transfer of funds to the prescribed miscellaneous receipt account.

In the event an inmate is unwilling to sign the request, funds may not be withdrawn, as this would be contrary to the terms of the Trust. In such cases, the inmate shall be advised of the institution's intention to impound his/her personal funds up to the amount represented by the Government's claim for damage and shall remain on his/her account for the remainder of the inmate's sentence. (See Chapter 10985 of this Program Statement for impoundment procedures.)

* 4. Sent to Foreign Countries. There is no reasonable assurance that checks and third party drafts in favor of payees in certain foreign countries will be negotiable. The Code of Federal Regulations (CFR), Title 31, Part 211, restricts check delivery to certain addresses outside the United States, its territories, and possessions. Upon receiving a request for withdrawal in favor of a payee in a foreign country, the Controller shall review 31 CFR, Part 211, to determine whether the desired withdrawal can be effected. If so, the withdrawal shall be at the Controller's discretion and shall be certified appropriate for payment. If, after reviewing the cited regulation, there is any question concerning payment, the matter shall be referred to the Chief, Finance Branch, Central Office. *

5. Funds of Incompetents.

a. Trust Fund Items. In limited circumstances, withdrawals may be authorized by the Warden or the inmate's representative Case Manager whenever deemed advisable for the inmate's treatment and welfare. A formal approval of the items allowed in individual cases shall be furnished the Accounting Technician.

b. Other. Only the legally appointed guardian has the right to act in personal property matters for an inmate declared incompetent. When it is necessary to withdraw funds, a request on Form BP-199 may be sent, with an explanatory letter, to the guardian for signature on behalf of the incompetent inmate. A certified copy of guardianship appointment shall be furnished when the signed form is returned, unless there is already a certified copy in the inmates' central file. When there is no guardianship record, the matter shall be referred to the Office of Regional Counsel to determine if a guardianship appointment should be made.

6. Out to Court. When an inmate leaves an institution under court order and is not expected to return, the inmate shall be paid the funds balance remaining in his/her personal account. A reasonable amount shall be paid in cash, as recommended by Unit Management staff. The balance will be paid as appropriate. When inmates are released on "writ" and held in state or county correctional institutions for a lengthy period of time, and if large fund balances prohibit

If the inmate's account does not contain sufficient funds when the withdrawal is to be posted, the form's "Returned for Insufficient Funds" block shall be checked. The form immediately is canceled. The Office of Financial Management shall maintain the canceled original form and the copy shall be returned to the Unit Management Staff. The repetitive payment shall resume upon receipt of a new withdrawal form, BP-445.

(c) Methods of Payment. FRP payments may be made by U.S. Treasury check or the On-line Payment and Collection System (OPAC)/FINES. OPAC is used in conjunction with FINES, an option of the Batch Transmission System (BTS). FINES is used to

transmit payment identification data and OPAC is used to make the funds payment. This method shall be used only for Federal prisoners who make payments to the Department of Justice. Data shall be entered into FINES and OPAC on the same day.

U.S. Treasury checks shall be used for payments made on behalf of state prisoners, District of Columbia prisoners, and Federal prisoners who make payments to other than the Department of Justice. All payments made by U.S. Treasury check shall be identified by, at a minimum, the case docket number. Any payment combined for two or more prisoners on one Treasury check requires a transmittal letter (Exhibit A) forwarded to the payee identifying each inmate, number, case docket number, and payment amount.

The FRP coordinator shall be provided a monthly list of all Inmate Financial Responsibility Program payments made during the month.

g. Funds Transfer.

1. For inmates transferred from one institution to another institution, contract facility, state or local correctional institution, or released, the following procedures must be followed when transferring funds for those inmates. If the inmate is being transferred to another Federal institution, the funds shall be transferred, using the On-Line Payment and Collections Systems (OPAC), within five days after notification of the inmate's transfer. If the inmate's funds cannot be transferred using OPAC, then the funds shall be transferred by issuing a U.S. Treasury check within 10 days of notification of the inmate's transfer or release.

(a) Funds of an inmate transferred to another Federal institution shall be transferred using the OPAC. The following procedures shall be followed.

(1) Disbursing Institution.

Step 1: Using the FPPOS System, the Accounting Technician shall obtain the fund balance, excluding deferred items, for each inmate transferred.

Step 2: Using the FPPOS System, the Accounting Technician shall post the withdrawal of funds, excluding deferred items, from each inmate account. The deferred items shall be transferred upon release, becoming available funds, by the FPPOS System.

* Step 3: The Accounting Technician shall assign an OPAC number, using the OPAC document with the Transaction Input Report generated in Step 2. These numbers shall be assigned in accordance with Chapter 10775, paragraph e.*

Step 4: Once the inmate funds have been transferred via OPAC, the OPAC document with the Transaction

Input Report attached shall be reported on the SF-224 and filed in accordance with Chapter 10775, paragraph i.

(2) Collecting Institution.

Step 1: Upon receiving the inmate funds via OPAC, the Accounting Technician shall assign the document an * OPAC number in accordance with Chapter 10775, paragraph e, using the OPACs Received Inmate Funds log.

Step 2: Using the FPPOS System, the Accounting Technician shall post the funds to the appropriate inmate account. The institution's Office of Financial Management will provide a receipt for the inmate.

Step 3: Once the inmate funds have been posted, the OPAC document with the Transaction Input Report generated in Step 2 attached shall be reported on the SF-224 and filed in accordance with Chapter 10775, paragraph i. The receipt of funds through OPAC is considered a "Contra-Disbursement" rather than a "Collection."

(b) Funds of inmates transferred to contract facilities shall be forwarded by issuing U.S. Treasury checks.

(c) Funds of inmates transferred to a state or local correctional institution shall be forwarded by issuing U.S. Treasury checks.

(d) To forward funds to the inmate, use the address listed by the inmate at release.

h. Transfer of Funds Between Inmates.

1. Within Institution. Money may be transferred from the account of one inmate to another when the inmates are close relatives and the Warden approves the transfer of funds in writing. Since the transfer between account does not affect the local Deposit Fund total, after posting the withdrawal request to both accounts, the approved forms shall be numbered in the same series with other Forms BP-199, and retained in the Deposit Fund voucher file.

2. Between Institutions. When the transfer of funds involves inmates in separate institutions, it will be necessary to obtain both Wardens' prior written approval. The donor shall sign the BP-199 form for the amount to be transferred, and when approved, the withdrawal request shall be posted to the inmate's account. The funds shall be transferred via OPAC to the receiving institution for credit to the inmate's account.

**** EXAMPLE ****

PAYEE NAME
STREET ADDRESS
CITY, STATE ZIP CODE

Dear Payee:

This is to inform you that you will be receiving a U.S. Treasury check in approximately 5 days, in the amount of \$XXX.XX, for the following inmates:

Name	Number	Case/Docket No.	Amount
Name	Number	Number	\$XXX.XX
Name	Number	Number	XXX.XX
			Total

Any questions should be directed to Jane Smith, Accounting Technician, on 101-333-3333.

Sincerely,

Joan Jones
Supervisory Operating Accountant

PROGRAM STATEMENT 2000.2 - ACCOUNTING MANAGEMENT MANUAL
CHAPTER 10950 - DEPOSIT FUND ACCOUNT

CHAPTER 10977 - CONFISCATED FUNDS

a. Purpose. To establish procedures for handling unauthorized funds in the possession of inmates.

b. Unauthorized Funds. All unauthorized funds found by an inmate or discovered in the possession of an inmate shall be promptly delivered to the Accounting Technician/Cashier. The Chief Executive Officer, or their authorized representative, shall provide, in writing, a determination as to whether the funds are to be confiscated or credited to an inmate's account.

1. Funds, which have been received and for which the determination as to disposition is pending, shall be deposited to the Suspense Account 15X6875.10. Once the determination has been made the funds shall be disbursed utilizing a Journal Voucher (OF-1017G).

(a) Confiscated funds shall be deposited immediately to Miscellaneous Receipts Account 151060.

(b) Funds to be credited to an inmate's account shall be posted using the Federal Prison Point of Sale (FPPOS) System. A Journal Voucher (OF-1017G), along with the written determination, shall be the source document for this transaction.

2. Any funds found in an institution not attributed to an inmate shall be immediately delivered to the accounting section and deposited to Miscellaneous Receipts Account 151099.

PROGRAM STATEMENT 2000.2 - ACCOUNTING MANAGEMENT MANUAL
CHAPTER 10950 - DEPOSIT FUND ACCOUNTING

CHAPTER 10980 - INMATE SAVINGS PROGRAM

a. Purpose. To establish policy and procedures for inmates to participate in a savings program.

b. General. Inmates should be encouraged to participate in some continuous savings program and regularly set aside a portion of their funds for this purpose. The savings may be in the form of a passbook savings account, certificate of deposit, any money market accounts, or U.S. Savings Bonds.

1. Saving Accounts. Inmates may choose to open and deposit funds to a recognized savings institution. Any passbook, certificate, etc. received as a result of this account, shall be maintained with the inmates central file. Inmates shall not be permitted to withdraw passbooks, certificates, checkbooks, etc. from his/her central file for the purpose of drawing personal checks in favor of other individuals or organizations. However, when approved, an inmate may withdraw savings to be deposited to the inmate's institution Deposit Fund Account. In such instances, the check shall be accepted subject to collection and shall be receipted in the same manner as other negotiable instruments.

2. Savings Bonds. The Unit Management team shall assist the inmate in the purchase of a savings bond which, subject to approval, may be in the name of 1) the purchaser, 2) a dependent, 3) a beneficiary, or 4) the inmate and a dependent as co-owner.

Information on the bond application, together with the withdrawal request, BP-199/BP-CMS-21/24, shall be signed by the inmate and, after approval by the Unit Management team member, submitted to the accounting office. The BP-199/BP-CMS-21/24, executed for the purchase price of the bond, shall be withdrawn from the inmate's account in the same manner as any other withdrawals. The SF-1166 shall be prepared, payable to the "Federal Reserve Bank" or "Treasurer of the United States" (if application is to be submitted to the Treasury Department for issue), for the total purchase price of all bond applications listed on the schedule.

For identification purposes only, the inmates' names, numbers, and purchase prices shall be listed on this schedule. An extra copy of the schedule shall be retained by the Accounting Technician/Cashier in order to compare the check and applications at the time of

submission to the bond issuing office. It should be noted on the schedule that the check is to be returned to the institution. The check and the bond application shall then be sent to the bank or Treasury for issuing of bonds and mailing to designated addresses.

(a) Bond Retention. No provision is made for retention of bonds or issue of "Safekeeping Receipts" at the Federal Reserve Banks or with the U.S. Treasury. Inmates should be encourage to have their bonds sent to individuals outside the institution for safekeeping. When this is not feasible, the bonds shall be retained in the sage by the Accounting Technician/Cashier.

(b) Receipt Notification. A receipt notice entitled "Savings Bonds for Safekeeping", BP-198/BP-CMS-19, shall be prepared in duplicate by the Accounting Technician/Cashier. The original of this form is to be sent to the inmate purchaser and a copy retained in the Cashier's office (as long as the bonds are retained).

* (c) Control Register. The Accounting Technician/ Cashier shall maintain a register for all savings bonds retained in the Cashier's office a BP-105/BP -ACCT-27 form. The register shall be completed as follows: (1) the register shall be entitled "Savings Bonds" immediately preceding "Register of ..." followed by the inmate's name and number, e.g., "Savings Bonds Register of...John Doe 13175-SW; (2) in the "Date" column, enter the date the bond was received; (3) in the "Document No." column, enter the issue date of the bond; (4) in the "Item" column enter the bond's serial number" (5) in the "Amount" column, enter the maturity value of the bond; and (6) in the "Settlement" column, enter the date the bond was redeemed for the inmate or the date the bond was mailed out for safekeeping.

When bond(s) are delivered to an inmate at time of release, certification shall be made at the bottom of each page of the register as follows: "I acknowledge receipt of all savings bonds due me not previously redeemed or transferred out of the institution at my request as reflected by this Register. Date:
, Inmate's Signature: ."

(d) Verification. At least once every three months, the bonds on hand shall be verified with the control register by the Controller or representative.

(e) Monthly JV"s. Based on the receipts and issues as shown on the register, monthly reports shall be prepared and submitted to the Accounting Supervisor for monthly entries to the automated accounting system.

(f) Retained in Envelopes. Bonds shall be retained in individual envelopes for each inmate, reflecting the name and register number. These envelopes shall be disposed of after all bonds have either been redeemed, cashed, mailed out, or given to inmates at the time of their release.

3. Disposition of Control Registers. After all bonds for an inmate have been properly released and the related Financial Management System (FMS) entries made, a file shall be established for the control register sheets and retained in the Office of Financial Management for six years.

4. Redeeming. Savings bonds may be redeemed at the inmate"s request subject to the approval of the Unit/ Case Manager. The Treasury Department has limited authorization to act as certifying officers in connection with payments of such document to: Chief Executive Officers; Assistant Chief Executive Officers; Superintendents; Assistant Superintendents; and Cashiers. For this purpose, at least two officials, preferably the principal and alternate Cashiers at each institution, shall execute an autograph Signature card, Form PD-835, in duplicate. Such cards shall be kept current and on file with the Bureau of the Public Dept. A supply of the above-mentioned signature cards may be obtained from the Bureau of the Public Dept, Treasury Department, Administrative Services Office, 13th & C Streets, S.W., Washington, D.C. 20226, or nearest FRB. Certification on the PD-835 shall be made by the Chief Executive Officer whose name appears on the latest revised listing of those authorized to certify designation of employees for handling of inmates" savings bonds. The Central Office will notify the Bureau of the Public Debt when any change is made in the personnel shown. Certification on the PD-835 can be made only by the individuals listed on the latest revised listing. It is impractical to make designations to the Treasury Department for certification to be made by those in an "acting" capacity. If any pending change is contemplated during the absence of the authorized official, the forms should be executed prior to or held for signature on return from absence. The institution shall prepare a transmittal letter and forward the signature cards directly to the Bureau of the Public Dept, 200 Third Street, Parkersburg, West Virginia 26101, Attention:

Manager, Transactions Branch.

Whenever a change in any

designee occurs, a PD-835 (in duplicate), shall be prepared and the signatures of both forwarded to the Bureau of the Public Debt to destroy the old cards and replace with the new ones, thereby reducing the number of cards on file to only one set in duplicate at any time for each institution. After certification for payment, bonds shall be submitted to the Federal Reserve Bank with a covering transmittal letter for the issuance of a Treasury check in favor of the inmate. Posting to the Register shall be made when bonds are withdrawn for transmittal. The check, upon receipt, shall be credited to the inmate's personal account in the usual manner.

5. In Possession Upon Commitment. If savings bonds are in the possession of an inmate at the time of commitment, a notation shall be made on the reverse side of the BP-197/BP-CMS-14 or BP-193/BP-CMS-2 of the bond numbers and denominations. The bonds shall accompany the personal funds to the Mailroom Officer for delivery to the Accounting Technician/Cashier. If no personal funds are involved, the bonds shall be delivered to the Accounting Technician/Cashier for recording in the manner outlined for bonds received directly from the Federal Reserve Banks. (Any other negotiable instrument shall be handled as personal property-"Valuables."

?P<) 4281 PROVIDES FOR THE ISSUE OF CLOTHING, FURNISHING OF TRANSPORTATION, AND PAYMENT OF GRATUITIES UPON DISCHARGE. PRISONERS RECOMMITTED TO AN INSTITUTION AS PAROLE OR CONDITIONAL RELEASE VIOLATORS SHALL, UPON FINAL RELEASE, AGAIN BE PROVIDED WITH SUITABLE CLOTHING, TRANSPORTATION, AND GRATUITY NOTWITHSTANDING THE FACT THEY WERE FURNISHED CLOTHING, TRANSPORTATION, AND GRATUITY AT THE TIME OF THEIR FORMER RELEASE.

C. TRANSPORTATION REQUESTS - TRANSPORTATION SHALL BE FURNISHED AN INMATE UPON RELEASE, TO THE PLACE OF BONA FIDE RESIDENCE WITHIN THE UNITED STATES, PLACE OF CONVICTION, OR TO SOME OTHER DESTINATION IF APPROVED BY THE CHIEF EXECUTIVE OFFICER.

1. TRANSPORTATION REQUESTS - TRANSPORTATION FURNISHED TO RELEASED INMATES MAY BE PROCURED BY THE AUTHORIZED TRAVEL MANAGEMENT CENTER'S GOVERNMENT TRAVEL SYSTEM (GTS) ACCOUNTS. THE MOST ECONOMICAL MEANS OF TRANSPORTATION, CONSIDERING ALL FACTORS, SHALL BE USED. TRANSPORTATION MAY BE FURNISHED BY RELATIVES. BUS TOKENS OR TAXI FARE SHOULD BE PROCURED AND FURNISHED TO THE INMATE FOR TRAVEL TO THE AIRPORT, TRAIN, OR BUS TERMINALS.

2. CASH PAYMENTS - TRANSPORTATION FURNISHED TO RELEASED INMATES MAY BE PURCHASED OR PAID FOR IN CASH NOT TO EXCEED \$100.00 PLUS TAX AND WITHIN IMPREST FUND CAPABILITY.

- (A) THE NORMAL PROCEDURE SHALL PROVIDE FOR TICKETS IN ADVANCE, CASH MAY BE GIVEN TO PURCHASE TICKETS, IN WHICH CASE THE AMOUNT OF THE PAYMENT SHALL BE ENTERED IN THE "CASH TRANSPORTATION" COLUMN AND INCLUDED IN THE "TOTAL PAID" COLUMN OF BP-112/BP-ACCT-96. ARRANGEMENTS MAY BE MADE WITH THE AUTHORIZED TRAVEL MANAGEMENT CENTER TO HAVE THE TICKET SHALL BE CHARGE TO THE INSTITUTION'S CONTRACTOR-ISSUED CHARGE CARD (GTS) ACCOUNT BY THE AUTHORIZED AGENCY.

*

3. TRANSPORTATION TO PUERTO RICO, ALASKA, AND HAWAII - TRANSPORTATION ALASKA AND HAWAII SHALL BE MADE BY METHOD NO. 1, AND TRANSPORTATION PUERTO RICO MAY BE MADE EITHER BY METHOD NO. 1 OR NO. 2, DEPENDING ON

THE COST AND CIRCUMSTANCES.

(B) METHOD NO. 2 - WHEN DEPARTURE IS TO BE MADE FROM NEW YORK CITY, ARRANGEMENTS SHOULD BE MADE WITH THE CHIEF EXECUTIVE OFFICER OF MCC, NEW YORK, 15 DAYS IN ADVANCE. WHERE POSSIBLE, THE PRISONERS SHOULD BE TRANSFERRED TO MCC, NEW YORK (PREFERABLY BY BUREAU BUS), PRIOR TO THE EXPIRATION OF THE SENTENCE. TRANSPORTATION REQUEST, GRATUITY, DIS-CHARGE CLOTHING, AND FULL INSTRUCTIONS CONCERNING THE RELEASE PLAN SHOULD BE FURNISHED TO MCC, NEW YORK. MCC, NEW YORK SHALL ARRANGE THE TRANSPORTATION AND BILL THE TRANSFERRING INSTITUTION FOR THE COST OF THE FARE. ALL TRANSPORTATION OF RELEASEES TO PUERTO RICO ARRANGED BY MCC, NEW YORK, SHALL BE VIA ONE OF THE COMMERCIAL AIRLINES USING TOURIST ACCOMMODATIONS. *

4. MILITARY - OUTSIDE THE UNITED STATES - THE ARMY SHALL PROVIDE TRANSPORTATION FOR MILITARY PRISONERS RESIDING OUTSIDE THE UNITED STATES, FROM THE PORT OF EMBARKATION IN THE UNITED STATES TO THE PORT OF DEBARKATION OUTSIDE THE UNITED STATES NEAREST THEIR HOMES. THE INMATE RELEASE DATE, THE FOLLOWING INFORMATION SHALL BE SUPPLIED:

(A) ANTICIPATED RELEASE DATE - INDICATION ANY EXTRA GOOD TIME EARNED OR ANTICIPATED.

(B) THE RELEASE DESTINATION - INCLUDE ANY COMMENTS RECEIVED FROM THE PROBATION OFFICER CONCERNED, THE INMATE'S ATTITUDE TOWARDS RETURN, AND THE PLAN OUTLINED FOR RESIDENCE AND EMPLOYMENT (AND ADVISOR WHERE APPLICABLE).

(C) PERSONAL FUNDS - THE AMOUNT OF PERSONAL FUNDS, INCLUDING ANY ACCRUING INDUSTRIAL EARNINGS.

(D) TRAVEL TIME - THE BEST ESTIMATE OF THE TRAVEL TIME TO REACH THE PORT OF EMBARKATION. (RELEASES TO THE WEST WILL BE SAN FRANCISCO AND TO THE EAST WILL BE NEW YORK.)

* D. PAYMENTS UPON RELEASE. THE FOLLOWING PROCEDURES SHALL BE USED TO ESTABLISH RELEASE PAYMENTS.

1. GRATUITIES.

(A) GENERAL - A CASH GRATUITY NOT TO EXCEED \$500.00 MAY BE PAID TO EACH RELEASEE. THE AMOUNT SHALL BE DETERMINED BY UNIT MANAGEMENT, WHICH SHALL FOLLOW THE POLICIES AS OUTLINED BY THE BUREAU AND THE CHIEF EXECUTIVE OFFICER.

(B) RELEASE TO CONTRACT CCC - INMATES ACCEPTED FOR RELEASE TO A CONTRACT CCC WITH INADE-QUATE FUNDS, AS DETERMINED BY UNIT MANAGE-MENT, SHALL BE ELIGIBLE FOR A GRATUITY. THIS GRATUITY SHALL BE PAID ON THE SAME BASIS OF NEED AS ASCERTAINED FOR ALL RELEASEES.

(C) RELEASE TO OTHER CUSTODY - IF AN INMATE IS BEING RELEASED TO A PEACE OFFICER MERELY TO COMPLY WITH SOME FORMALITY OR TECHNICALITY AND IN ALL PROBABILITY WILL BE PROMPTLY RELEASED, THE INMATE SHOULD BE PAID A GRATUITY IF OTHERWISE ELIGIBLE.

(D) GRATUITIES WITHHELD - IF THE GRATUITY IS TO BE WITHHELD AND ISSUED AT A LATER DATE, IT SHALL BE ISSUED ONLY IN ACCORDANCE WITH REGULATIONS PRESCRIBED IN PARAGRAPH "E" OF THIS CHAPTER. ORDINARILY, CASH GRATUITIES ARE NOT APPROVED FOR AN INMATE RELEASED TO THE IMMIGRATION AND NATURALIZATION SERVICE FOR DEPORTATION, BUT IN SPECIAL CASES, SUCH PAYMENTS MAY BE MADE (SEE D.2.(B) OF THIS CHAPTER).

2. PERSONAL FUNDS - ALL INMATES, UPON RELEASE, ARE ENTITLED TO RECEIVE ALL THEIR PERSONAL FUNDS ON DEPOSIT IN THE INMATE DEPOSIT FUND ACCOUNT.

(A) GENERAL - PAYMENTS TO INMATES BEING RELEASED SHOULD BE MADE IN ACCORDANCE WITH THE INSTRUCTIONS IN THE ACCOUNTING MANAGEMENT MANUAL (CHAPTER 10975). THE UNIT MANAGER SHALL ADVISE THE ACCOUNTING TECHNICIAN SUFFI-CIENTLY IN ADVANCE WHEN A CHECK FOR PART OF THE INMATE'S FUNDS IS TO BE SENT TO THE PROBATION OFFICER TO ARRIVE INMATE,S FUNDS IS TO BE SENT TO THE PROBATION OFFICER TO ARRIVE AHEAD OF THE INMATE. THE UNIT MANAGER SHALL ALSO FURNISH THE RECOMMENDED AMOUNTS FOR GRATUITIES TO BE PAID IN CASH SUFFICIENTLY IN ADVANCE OF RELEASE SO THAT THE BP-112/BP-ACCT-96 FORM MAY BE PREPARED AND READY FOR SIGNATURE WHEN THE INMATE IS DISCHARGED. THE INMATE SYSTEM MANAGEMENT OFFICE SHALL FURNISH THE ACCOUNTING TECHNICIAN A LIST OF INMATES TO BE RELEASED.

(B) DEPORTEES - DEPORTEES MAY BE PAID THE FULL AMOUNT OF THEIR PERSONAL FUNDS BY THE CASHIER. SUCH PAYMENTS SHALL BE SUPPORTED BY A STATEMENT ON THE VOUCHER INDICATING THEY ARE DEPORTEES.

THE IMMIGRATION AND NATURALIZATION SERVICE

IS RESPONSIBLE FOR PROVIDING ALIENS RELEASED TO THEIR CUSTODY TRANSPORTATION TO THEIR RESIDENCE. WE WILL ENSURE THAT ALIENS RELEASED TO IMMIGRATION AUTHORITIES HAVE \$10.00 CASH FOR EMERGENCY EXPENSES. UNDER NO CIRCUMSTANCES SHALL AN ALIEN BE GIVEN MORE THAN \$10.00 IN GRATUITY, AND IF THEY HAVE \$10.00 IN PERSONAL FUNDS, NO GRAVUITY SHALL BE GIVEN. THIS DOES NOT APPLY TO ALIENS SERVING 60 DAYS OR LESS IN CONTRACT FACILITIES.

(c) INMATES AWAITING TRIAL - INMATES AWAITING OR HELD DURING TRIAL AND RELEASED SUDDENLY MAY BE PAID IN CASH REGARDLESS OF THE AMOUNT.

3. EXPENSES ON UNESCORTED TRANSFERS - NOMINAL AMOUNTS MAY BE GIVEN TO INMATES FOR MISCELLANEOUS EXPENSES FOR UNESCORTED TRIPS TO CCC'S AND TRANSFERS TO OTHER INSTITUTIONS AND SHOULD BE CHARGED TO THE CURRENT YEAR APPROPRIATION.

E. RELEASE TO OTHER CUSTODY. THE FOLLOWING PROCEDURES SHALL BE FOLLOWED WHEN INMATES ARE RELEASED TO OTHER CUSTODY.

1. CASH GRATUITY AND TRANSPORTATION - A BP-379/BP-REC-13, "CERTIFICATE ENTITLING PRISONER TO GRATUI-TY", SHALL BE USED TO COVER THE ISSUE OF CASH GRATUITY AND TRANSPORTATION TO DEFERRED RELEASES.

(a) APPLICATION BEFORE RELEASE FROM OTHER CUSTODY - WHEN APPLICATION, BP-379/BP-REC-13 FORM FOR CASH GRATUITY AND TRANSPORTATION IS MADE PRIOR TO RELEASE FROM OTHER CUSTODY, AND IF THE INMATE IS ELIGIBLE FOR SUCH GRATUITIES (MAXIMUM FEDERAL SENTENCE HAS NOT EXPIRED), THE DISCHARGING INSTITUTION SHALL SECURE A GOVERNMENT CHECK OR DRAFT DRAWN PAYABLE TO THE INMATE AND TRANSPORTATION TICKET (SECURED LOCALLY) WHICH SHALL BE FORWARDED BY TRANSMITTAL LETTER TO THE INMATE IN CARE OF THE LOCAL CUSTODIAN.

(b) SPECIAL CASES - IN THE CASE OF UNEXPECTED RELEASE FROM OTHER CUSTODY AND WHEN IT IS IMPERATIVE THAT THE PRISONER BE FURNISHED CASH GRATUITY AND TRANSPORTATION IMMEDIATELY, A TELEPHONIC MONEY ORDER SHALL BE USED TO FURNISH THE INMATE WITH GRATUITY AND TRANSPORTATION.

(1) UPON WRITTEN REQUEST FROM LOCAL OR STATE AUTHORITIES OR THE U.S. PROBATION OFFICER, THE INFORMATION SHALL BE VERIFIED BY INMATE

SYSTEMS MANAGEMENT STAFF AND APPROVED BY THE CHIEF EXECUTIVE OFFICER. THE ACCOUNTING TECHNICIAN/CASHIER, WITH THE APPROVED REQUEST AS AUTHORITY, IS AUTHORIZED TO USE IMPREST FUNDS OR DRAFT TO TRANSMIT A TELEGRAPHIC MONEY ORDER COVERING DRAWN IN FAVOR OF THE INMATE AND SENT IN CARE OF THE AUTHORITY MAKING APPLICATION FOR THE INMATE.

(2) THE APPROVED TELEGRAPHIC REQUEST OR COPY OF THE TELEGRAPHIC MONEY ORDER SHALL BE USED TO SUPPORT THE EXPENDITURE.

(3) WHEN THE INMATE OBTAINS THEIR OWN TRANS-PORTATION HOME, NO REIMBURSEMENT IS AUTHO-RIZED.

F. TRANSFERS FOR RELEASE PURPOSES. WHEN THE TRANSFER OF AN INMATE TO ANOTHER INSTITUTION IS BEING MADE FOR RELEASE PURPOSES, THE TRANSFERRING INSTITUTION SHALL BEAR THE EXPENSE OF RELEASE, UNLESS THE INMATE WILL BE IN THE DISCHARGING INSTITUTION FOR A PERIOD OF 90 DAYS OR MORE. THE TRANSFER AUTHORIZATION SHALL BEAR THE NOTATION "TRANSFER FOR RELEASE PURPOSES." ACCOUNTING FOR EXPENSES SHALL BE GOVERNED BY THE FOLLOWING.

1. OTHER EXPENSES - THE TRANSFERRING INSTITUTION SHALL PREPARE A LETTER OF INSTRUCTION, IN DUPLICATE, SIGNED BY THE CHIEF EXECUTIVE OFFICER, WHICH SHALL BE PLACED IN THE INMATE'S TRANSFER FOLDER AND SHALL INCLUDE THE FOLLOWING INFORMATION:

- (A) AMOUNT OF GRATUITY TO BE PAID.
- (B) AMOUNT OF PERSONAL FUNDS IN THE INMATE'S ACCOUNT.
- (C) RELEASE DESTINATION AND AUTHORIZATION TO PROVIDE TRANSPORTATION TO SUCH DESTINATION.

BASED ON THIS INFORMATION, THE TRANSFERRING INSTITUTION SHALL TRANSMIT THE INMATE'S PERSONAL FUNDS TO THE DISCHARGING INSTITUTION BY ISSUING A U.S. TREASURY CHECK OR DRAFT, OR BY USING THE ON-LINE PAYMENT AND COLLECTION SYSTEM (OPAC).

IN THE EVENT THE DISCHARGING INSTITUTION DOES NOT RECEIVE THE PERSONAL FUNDS OF THE INMATE FROM THE TRANSFERRING INSTITUTION, THE DIS-CHARGING INSTITUTION SHALL FURNISH THE PER-SONAL FUNDS OF THE INMATE. A COPY OF THE LETTER OF INSTRUCTIONS WILL BE CONSIDERED SUFFICIENT BASIS FOR POSTING THE WITHDRAWAL

TO THE INMATE'S ACCOUNT, RESULTING IN A "NEGATIVE" BALANCE UNTIL THE FUNDS ARE RECEIVED. A COPY OF THE LETTER SHALL BE KEPT IN A SECURE FILE IN THE OFFICE OF FINANCIAL MANAGEMENT.

2. REFUND TRANSACTION. USING OPAC, THE DISCHARGING INSTITUTION SHALL BILL THE TRANSFERRING INSTITUTION FOR THE COST OF TRANSPORTATION AND THE GRATUITY.

* 3. TRANSFER TO OTHER INSTITUTIONS FOR RELEASE PURPOSES. WHEN A PRISONER IS TRANSFERRED TO AN INSTITUTION OUTSIDE THE BUREAU, THE ABOVE PROCEDURE IS NOT APPLICABLE. INSTEAD, A CHECK OR DRAFT SHOULD BE SECURED IN ADVANCE AND FORWARDED TO THE INSTITUTION FOR DELIVERY TO THE INMATE AT THE TIME OF RELEASE. CHECKS ALWAYS MUST BE ISSUED IN ACCORDANCE WITH CHAPTER 10975, PARAGRAPH E (2). THE TRANSPORTATION TICKET, AS APPLICABLE, SHOULD BE HANDLED IN THE SAME MANNER.

G. TRANSFER TO D.C. DEPARTMENT OF CORRECTIONS. FUNDS FOR INMATES DESIGNATED FOR RETURN TO THE D.C. DEPARTMENT OF CORRECTIONS SHALL BE FORWARDED VIA U.S. TREASURY CHECK TO:

INTERSTATE CORRECTIONS COMPACTS COORDINATOR
D.C. DEPARTMENT OF CORRECTIONS
1923 VERMONT AVENUE, N.W.
WASHINGTON, D.C. 20001

THE CHECK SHALL BE MAILED TO THE ATTENTION OF THE INCUMBENT INTERSTATE CORRECTIONS COMPACTS COORDINATOR. EACH INSTITUTION WILL BE NOTIFIED OF THE INCUMBENT'S NAME EACH TIME THERE IS A CHANGE.

*

H. UNEXPECTED RELEASE. PROCEDURES SHALL BE ESTABLISHED AT EACH FACILITY TO ENSURE PROMPT COMPLIANCE WITH RELEASE ORDERS RECEIVED AFTER NORMAL BUSINESS HOURS. AN INSTITUTION SUPPLEMENT SHALL BE PUBLISHED LOCALLY DETAILING THE RETURN TO DUTY OF ESSENTIAL STAFF WHO CAN MAKE TRANSPORTATION ARRANGEMENTS AND PROVIDE FOR FUNDS FOR INMATES BEING RELEASED AT THE DIRECTION OF THE COURTS AFTER NORMAL BUSINESS HOURS.

PROGRAM STATEMENT 2000.2 - ACCOUNTING MANAGEMENT MANUAL

CHAPTER 11000 - FINANCIAL REPORTING

CHAPTER	TITLE
11100	SCOPE
11105	BASIC CONCEPTS AND UNDERLYING FUNDAMENTALS
11110	MANAGEMENT FUNCTIONS
11115	AVAILABLE FINANCIAL REPORTS
11120	COST REPORTING
11125	EXTERNAL FINANCIAL
11130	RETENTION SCHEDULE FOR ACCOUNTING RECORDS
11200	INTERNAL CONTROL

PROGRAM STATEMENT 2000.2 - ACCOUNTING MANAGEMENT
CHAPTER 11100 - FINANCIAL REPORTING

CHAPTER 11100 - SCOPE

- A. PURPOSE. THE PURPOSE OF THE CHAPTER IN THE 11100 SERIES IS TO PRESENT THE PROCESS OF FINANCIAL REPORTING IN THE BUREAU OF PRISONS.
- B. IMPORTANCE OF FINANCIAL REPORT TO MANAGEMENT
FINANCIAL REPORTS ARE THE FINAL PRODUCTS OF AN ACCOUNTING SYSTEM, AND ARE THE MEANS OF COMMUNICATING AND PROVIDING FINANCIAL INFORMATION TO MANAGEMENT SO THAT DECISIONS CAN BE MADE TO ATTAIN THE MOST EFFICIENT, EFFECTIVE, AND ECONOMICAL OPERATIONS.

FINANCIAL REPORTS PROVIDE A MEANS OF COMMUNICATION BETWEEN THE DIFFERENT LEVELS OF MANAGEMENT, AND ADD TO THE FEASIBILITY OF DELEGATING MANAGEMENT FUNCTIONS TO SMALL OPERATING UNITS THROUGHOUT THE ORGANIZATIONAL STRUCTURE. THIS IS ACCOMPLISHED BY PROVIDING A CONVENIENT BASIS FOR SETTING PREDETERMINED STANDARDS AND A READY MEANS OF MEASURING PERFORMANCE IN TERMS OF VARIANCES FROM THE ESTABLISHED STANDARDS.

FINANCIAL REPORTS FACILITATE A REVIEW OF PROGRESS AND INDICATE EFFICIENCY OR INEFFICIENCY. COST CENTER MANAGERS ARE THE FIRST LINE SUPERVISOR WHO DIRECT PERFORMANCE. IT IS AT THIS LEVEL WHERE CONTROLS COMMENCE AND WHERE FUNDS ARE ACTUALLY SPENT AND WHERE COST SAVINGS CAN BE MADE. THESE SUPERVISORS THROUGH THE USE OF FINANCIAL REPORTS, CAN SUGGEST HOW AN OPERATION SHOULD BE PERFORMED, HOW COSTS CAN BE REDUCED AND HOW PRODUCTIVITY CAN BE INCREASED. THESE SUPERVISORS CARRY OUT THE POLICIES OF THE BUREAU.

AN ACCOUNTING SYSTEM MAY BE WELL DESIGNED CAREFULLY OPERATED, AND FINANCIAL REPORTS MAY BE BEAUTIFULLY PRESENTED, BUT THE SYSTEM IS OF NO USE UNLESS IT RESULTS IN ACTION BY MANAGERS. FINANCIAL REPORTS ARE A RECORD OF THE DEGREE TO WHICH SUPERVISORY FUNCTIONS ARE BEING CARRIED OUT.

PROGRAM STATEMENT 2000.2 - ACCOUNTING MANAGEMENT MANUAL
CHAPTER 11100 - FINANCIAL REPORTING

CHAPTER 11105 - BASIC CONCEPTS AND UNDERLYING FUNDAMENTALS

A. PURPOSE. THE PURPOSE OF CHAPTER 11105 IS TO PRESENT THE BASIC CONCEPTS AND THE UNDERLYING FUNDAMENTALS OF THE FINANCIAL REPORTING PROCESS IN THE BUREAU OF PRISONS.

B. BASIC CONCEPT. THE RESPONSIBILITY CONCEPT IS FOLLOWED IN THE PREPARATION AND ISSUANCE OF FINANCIAL REPORTS FOR INTERNAL MANAGEMENT. UNDER THIS CONCEPT THE REPORTING STRUCTURE CONFORMS TO ASSIGNMENTS OF MANAGEMENT RESPONSIBILITIES.

UNDER THE RESPONSIBILITY CONCEPT, THE DECENTRALIZED STRUCTURE OF REPORTING IS APPLIED. REPORTS ARE DESIGNED TO PROVIDE FOR THE ACCUMULATION OF ESSENTIAL COST AND FINANCIAL INFORMATION TO SATISFY THE NEEDS OF THE MANAGEMENT LEVEL WHERE THE INFORMATION IS USED. THE AMOUNT OF DETAIL IS CONDENSED AND SUMMARIZED AT EACH SUCCESSIVELY HIGHER LEVEL OF MANAGEMENT.

C. SUPPORT OF FINANCIAL REPORT INFORMATION. THE OFFICIAL ACCOUNTS OF RECORD ARE THE SOURCE FOR ALL FINANCIAL INFORMATION USED IN PREPARING EXTERNAL AND INTERNAL FINANCIAL REPORTS.

D. FUNDAMENTALS OF REPORTING. FINANCIAL REPORTS ARE NEEDED TO PROMPTLY AND CLEARLY DISCLOSE SIGNIFICANT FINANCIAL FACTS ABOUT OPERATIONS AND ACTIVITIES WITHIN THE BUREAU OF PRISONS. THE FINANCIAL REPORTING STRUCTURE IS BASED UPON CERTAIN FUNDAMENTALS IN ORDER TO ESTABLISH AND MAINTAIN A USEFUL REPORTING SYSTEM THAT HAS INTEGRITY AND RELIABILITY. PRESENTED BELOW ARE THE FUNDAMENTALS UPON WHICH THE REPORTING SYSTEM IS BASED:

1. ACCURACY. THE INFORMATION PRESENTED IN REPORTS MUST BE AS ACCURATE AS POSSIBLE. ALL DATA ENTERED INTO THE COMPUTERIZED SYSTEM ULTIMATELY APPEARS IN, OR IN SOME WAY, DETERMINES, THE INFORMATION THAT IS PRESENTED IN FINANCIAL REPORTS. ACCORDINGLY, EXTREME CARE MUST BE EXERCISED OVER ALL DATA.

2. TIMELINESS. ALL NEEDED REPORTS MUST BE ISSUED PROMPTLY TO BE OF MAXIMUM USEFULNESS. EFFORTS MUST BE MADE TO ENTER ALL DATA INTO THE COMPUTERIZED SYSTEM WITHOUT DELAY.

3. STANDARDIZATION. TO THE EXTENT POSSIBLE, REPORTS OF THE

BUREAU OF PRISONS MUST BE STANDARDIZED WITH RESPECT TO REPORT DESIGN AND FORMAT. STANDARDIZATION LEADS TO A COMMON INTERPRETATION AND UNDERSTANDING OF THE INFORMATION PRESENTED.

4. CLEARLY AND SIMPLY STATED. IN ORDER FOR REPORTS TO BE OF MAXIMUM USE, EFFORTS MUST BE MADE TO PRESENT INFORMATION CLEARLY IN A SIMPLE FORMAT. REPORTS SHOULD BE EXPRESSED IN LANGUAGE AND IN TERMS READILY UNDERSTOOD BY EVERYONE. HIGHLY TECHNICAL LANGUAGE AND COMPLICATED OR MISLEADING STATEMENTS MUST BE AVOIDED. ALL ESSENTIAL FACTS AND THE MESSAGE OF THE REPORT SHOULD STAND OUT AND BE EXPLICITLY CLEAR.

PROGRAM STATEMENT 2000.2 -ACCOUNTING MANAGEMENT MANUAL

CHAPTER 11110 - FINANCIAL REPORTING

CHAPTER 11110 - MANAGEMENT FUNCTIONS

A. PURPOSE. THE PURPOSE OF CHAPTER 11110 IS TO PRESENT THE MANAGEMENT FUNCTIONS THAT RELATE TO CONTROL OF THE REPORTING PROCESS.

B. GENERAL. THERE SOMETIME IS A TENDENCY TO PRODUCE AND ISSUE REPORTS THAT ARE NO LONGER USEFUL OR OF RELATIVELY LITTLE BENEFIT IN RELATION TO THE COSTS OF PROVIDING THE REPORTS. THEREFORE, IT IS NECESSARY TO CONTROL THE PRODUCTION OF REPORTS.

C. MANAGEMENT CONTROL. THE PREPARATION AND DISTRIBUTION OF REPORTS THAT ARE UNNECESSARY OR NOT USEFUL MUST BE AVOIDED BECAUSE THIS CAUSES THE WASTEFUL EXPENDITURE OF PUBLIC FUNDS.

THE ACCOUNTING OPERATIONS SECTION OF THE OFFICE OF FINANCIAL MANAGEMENT IS DESIGNATED AS THE ORGANIZATIONAL UNIT WHICH IS TO REVIEW THE FINANCIAL REPORTING POLICIES AND PRACTICES OF THE BUREAU OF PRISONS TO ENSURE THAT CHANGES I ORGANIZATION, PROGRAMS OR ACTIVITIES, AND ASSIGNMENTS OF RESPONSIBILITY ARE REFLECTED IN THE REPORTING PROCESS.

SURVEYS OF THE REPORT SITUATION ARE TO BE MADE AT LEAST ONCE A YEAR TO:

1. REVIEW WITH MANAGERS THE FINANCIAL REPORTS THAT ARE BEING DISTRIBUTED TO DETERMINE IF THE PARTICULAR REPORTS ARE STILL NECESSARY AND USEFUL. REVIEW THE REPORTS FOR PRESENTATION AND ADDITIONAL INFORMATION.

2. REVIEW THE REPORTING OBJECTIVES AND ANALYZE THE REPORTS IN ORDER TO RECOMMEND BETTER WAYS OF PRESENTING THE INFORMATION. WITH REGARD TO FINANCIAL REPORTING, THE ACCOUNTING OPERATIONS SECTION OF THE OFFICE OF FINANCIAL MANAGEMENT IS TO CROSS-REFERENCE AND RECONCILE ALL REPORTS TO ENSURE THAT THE INFORMATION IS CORRECT. THE INFORMATION PRESENTED IN FINANCIAL REPORTS MUST BE ANALYZED AND VERIFIED THE EXTENT POSSIBLE TO ENSURE THE NECESSARY VALIDITY AND INTEGRITY PRIOR TO DISTRIBUTION TO INTERNAL MANAGEMENT AND EXTERNAL AUTHORITIES.

ALSO, THE ACCOUNTING OPERATIONS SECTION IS TO REVIEW, COMPARE, RECONCILE AND INITIATE CORRECTIVE ACTION WITH RESPECT TO ANY ERRORS OR IRREGULARITIES WITH REGARD TO INFORMATION ENTERED INTO THE COMPUTERIZED SYSTEM BY ANY INSTITUTION OF THE BUREAU.

THE OBJECTIVE OF MANAGEMENT CONTROL OVER FINANCIAL REPORTING IS TO PREVENT THE ISSUANCE OF A MASS OF REPORTS THAT DO NOT SERVE A USEFUL PURPOSE. TO THIS END, ANY REQUESTS FOR NEW REPORTS MUST BE SUBMITTED IN WRITING TO THE CHIEF, OFFICE OF FINANCIAL MANAGEMENT. EACH REQUEST MUST BE SUPPORTED BY THE REASONS GIVING RISE TO THE NEED AND THE PURPOSE THAT THE NEW INFORMATION IS DESIGNED TO MEET. THE ACCOUNTING OPERATIONS SECTION IS TO DETERMINE IF A REPORT ALREADY BEING PRODUCED CAN BE MODIFIED TO SATISFY THE NEED.

PROGRAM STATEMENT 2000.2 - ACCOUNTING MANAGEMENT MANUAL

CHAPTER 11100 - FINANCIAL REPORTING

CHAPTER 11120 - COST REPORTING

A. PURPOSE. THE PURPOSE OF CHAPTER 11120 IS TO PRESENT THE FUNDAMENTALS OF COST REPORTING.

B. NATURE AND IMPORTANCE OF COST INFORMATION. THE TERM "COST" REFERS TO THE FINANCIAL MEASURE OF RESOURCES CONSUMED IN ACCOMPLISHING A SPECIFIED PURPOSE, SUCH AS PERFORMING A SERVICE, CARRYING OUT AN ACTIVITY, OR COMPLETING A UNIT OF WORK OR A SPECIFIC PROJECT. COST INFORMATION PROVIDES A COMMON FINANCIAL BASE FOR THE MEASUREMENT AND EVALUATION OF EFFICIENCY AND ECONOMY IN TERMS OF RESOURCES USED IN PERFORMANCES.

C. USE OF COST INFORMATION FOR CONTROL PURPOSES. THE AVAILABILITY OF RELIABLE COST INFORMATION, PARTICULARLY WHEN RELATED TO ASSIGNMENTS OF MANAGEMENT RESPONSIBILITY, IS OF GREAT VALUE IN PROMOTING IN RESPONSIBLE OFFICIALS AND EMPLOYEES DESIRABLE ATTITUDES OF COST CONSCIOUSNESS WHICH ARE SO IMPORTANT TO CONDUCTING OPERATIONS ECONOMICALLY.

THE COST CENTER MANAGER SHOULD CONCEIVE OF EVERY EXPENDITURE AS A COST OF SOME ESSENTIAL, PLANNED ACTIVITY. COST ALLOW THE MEASUREMENT OF PERFORMANCE AND DESERVE THE UNREMITTING ATTENTION OF MANAGEMENT OFFICIALS.

THE COST CENTER MANAGER OR SUPERVISOR IN CHARGE OF EACH ACTIVITY IS MADE RESPONSIBLE (WITHIN LIMITS FIXED BY HIGHER AUTHORITY) FOR CONTROLLABLE COSTS TO BE INCURRED BECAUSE OF THAT ACTIVITY. UNDER THIS PROCEDURE, COST CAN, IN MOST INSTANCES, BE RELATED TO INDIVIDUAL DECISIONS.

THIS PROCEDURE REQUIRES THE DEVELOPMENT AND APPROVAL OF A CAREFULLY DEvised FINANCIAL PLAN BASED ON THE ESTIMATED COST OF THE OBJECTIVES TO BE ACCOMPLISHED. UNDER SUCH A PLAN, APPROPRIATE CONTROL DEVICES FITTED TO THE PARTICULAR UNDERTAKING (SUCH AS APPROVED RATES OF EXPENDITURES AND CONTROL OVER SIZE OF STAFF) CAN BE DEVELOPED. CURRENT ADJUSTMENTS, PERFORMANCE CAN BE EVALUATED IN TERMS OF ACCOMPLISHMENTS FROM PERIOD TO PERIOD. SUCCESSFUL FINANCIAL CONTROL REQUIRES CLEARLY DEFINED AUTHORIZATIONS AND LIMITATIONS UNDER WHICH RESPONSIBLE PERSONS CAN BE HELD ACCOUNTABLE.

EFFICIENT USE OF RESOURCES IS A MANAGEMENT RESPONSIBILITY. THE USE OF COST INFORMATION TO ACHIEVE THIS OBJECTIVE PLACES POSITIVE EMPHASIS ON THE RECEIPT OF VALUE FOR RESOURCES USED.

IN TURN, THIS EMPHASIS RESULTS IN GIVING GREATER PROMINENCE TO COST ASPECTS IN THE PLANNING OF OPERATIONS AS OPPOSED TO PLACING EXCLUSIVE EMPHASIS ON NOT EXCEEDING BUDGETARY AUTHORIZATIONS WITH A RESULTING LACK OF EMPHASIS ON VALUE RECEIVED.

GENERAL REQUIREMENT FOR COST REPORTS

BECAUSE OF THE IMPORTANCE OF COST INFORMATION TO GOOD MANAGEMENT, THE ACCOUNTING SYSTEM OF THE BUREAU OF PRISONS HAS BEEN DESIGNED TO PRODUCE APPROPRIATE INFORMATION ON THE COST OF CARRYING OUT OPERATIONS.

ACCOUNTING FOR COSTS.

COST ACCOUNTING IS THAT PART OF AN ACCOUNTING SYSTEM DEVISED TO SYSTEMATICALLY MEASURE AND ASSEMBLE ALL SIGNIFICANT ELEMENTS OF COSTS INCURRED IN ACCOMPLISHING A SPECIFIC PURPOSE, CARRYING ON AN ACTIVITY OR OPERATION, OR COMPLETING A UNIT OF WORK OR A SPECIFIC JOB.

ADEQUATE COST ACCOUNTING IS REQUIRED WHERE FULL RECOVERY OF COST FROM CUSTOMERS OR USERS OF SERVICES IS A STATUTORY REQUIREMENT.

COST INFORMATION IN THE BUREAU OF PRISONS IS DEVELOPED BY BUDGET ACTIVITIES, DECISION UNITS, COST CENTERS, PMS'S (FUNCTIONS UNDER THE PERFORMANCE MEASUREMENT SYSTEM) AND PROJECTS FOR EACH INSTITUTION OR ALLOTTEE AND IS USED IN CONTROLLING COSTS AND IN EVALUATING THE COST OF PERFORMANCE BY RESPONSIBLE OFFICIALS. THE COST INFORMATION IS OBTAINED FROM THE ACCOUNTS OF RECORD.

ALSO, COST ACCOUNTING INFORMATION IS TO INCLUDE AND TO BE USED IN CONJUNCTION WITH QUANTITY DATA RELATING TO OUTPUT SO AS TO MAKE IT POSSIBLE TO COMPARE COSTS OF ACCOMPLISHMENTS AND TO DISCLOSE "UNIT COST" INFORMATION. SUCH INFORMATION CAN BE OF GREAT VALUE IN SETTING PERFORMANCE STANDARDS AND MANAGING CURRENT PERFORMANCE.

COST CLASSIFICATION

THE ACCOUNTING SYSTEM OF THE BUREAU CLASSIFIES COSTS ACCORDING TO THE (1) ACQUISITION OF ASSETS AND (2) CURRENT EXPENSES. IN ADDITION TO MEETING THIS REQUIREMENT AND SATISFYING THE NEED FOR ACCUMULATING COSTS BY AREAS OF MANAGEMENT RESPONSIBILITY, BUDGET ACTIVITIES, DECISION UNIT, PMS'S AND PROJECTS, THE ACCOUNTING SYSTEM PROVIDES CLASSIFICATIONS ACCORDING TO THE KINDS OF COSTS INCURRED, SUCH AS LABOR, MATERIALS, AND CONTRACTOR.

THE LATTER CLASSIFICATIONS ARE DETERMINED IN ACCORDANCE WITH INTERNAL MANAGEMENT NEEDS AND MAY VARY ACCORDING TO THE TYPE OF PROGRAM, PROJECT, OR ACTIVITY BEING CONDUCTED. THE AMOUNT OF DETAIL DEPENDS UPON WHAT IS NECESSARY FOR PLANNING, CONTROLLING, AND APPRAISING THE EFFICIENCY OF OPERATIONS. THE DEVELOPMENT OF SUCH DATA, HOWEVER, ALSO RECOGNIZES THE NEED FOR PROVIDING ACCOUNTING SUPPORT FOR THE ANALYSES BY OBJECT CLASSIFICATION THAT ARE REQUIRED IN THE BUDGET PROCESS.

COST ARE TO BE RELATED TO THE NUMBER OF INMATES SO AS TO SHOW THE COST PER INMATE DAY FOR EACH INSTITUTION, AND FOR EACH PROGRAM ACTIVITY, OR SUB-DIVISION OF PROGRAMS OR ACTIVITIES.

PROGRAM STATEMENT 2000.2 - ACCOUNTING MANAGEMENT MANUAL
 CHAPTER 11000 - FINANCIAL REPORTING

CHAPTER 11125 - EXTERNAL FINANCIAL REPORTS

A. PURPOSE. THE PURPOSE OF CHAPTER 11125 IS TO PRESENT THE FINANCIAL REPORTS THAT ARE PREPARED BY THE BUREAU OF PRISONS AND SUBMITTED TO OTHER FEDERAL DEPARTMENTS OR AGENCIES. INFORMATION PRESENTED IN THE REPORTS IS OBTAINED FROM THE OFFICIAL ACCOUNTS OF RECORD.

B. FOLLOWING IS A LISTING OF FINANCIAL REPORTS PROVIDED BY THE BUREAU'S OFFICE OF FINANCIAL MANAGEMENT, ACCOUNTING OPERATIONS, TO THE DEPARTMENT OF TREASURY.

STANDARD FOR REPORT NUMBER	REPORT TITLE	FREQUENCY
SF 220	STATEMENT OF FINANCIAL CONDITION	ANNUALLY
SF 221	STATEMENT OF INCOME AND RETAINED EARNINGS	ANNUALLY
SF 2108	YEAR-END CLOSING STATEMENT	ANNUALLY
SF 225	REPORT ON OBLIGATIONS	MONTHLY

C. FOLLOWING IS A LISTING OF FINANCIAL REPORTS PROVIDED TO OTHER FEDERAL DEPARTMENTS. THE LISTING SHOWS THE STANDARD FORM NUMBER OF EACH REPORT, THE REPORT TITLE, THE FEDERAL DEPARTMENT TO WHICH THE REPORT IS SUBMITTED, AND THE FREQUENCY.

STANDARD FORM REPORT NUMBER	REPORT TITLE	SUBMITTED TO	FREQUENCY
SF-132 MONTHLY	APPORTIONMENT AND REAPPOR- TIONMENT	OFF OF MGMT & BUDGET	
SF-133 MONTHLY	REPORT ON BUDGET EXECUTION TO DOJ	OFF OF MGMT & BUDGET	
SF-1151 MONTHLY	NONEXPENDITURE TRANSFER AUTHORIZATION	DEPARTMENT OF TREASURY	

PROGRAM STATEMENT 2000.2 - ACCOUNTING MANAGEMENT MANUAL

CHAPTER 11000 - FINANCIAL REPORTING

CHAPTER 11130 - RETENTION SCHEDULE FOR ACCOUNTING RECORDS

- A. PURPOSE. THE PURPOSE OF CHAPTER 11130 IS TO PRESCRIBE CONSISTENT BUREAU OF PRISONS POLICY CONCERNING THE RETENTION AND DISPOSITION OF ACCOUNTING RECORDS. FOR PURPOSES OF THIS POLICY, RECORDS SHALL INCLUDE ALL PAPERS OR DOCUMENTS RELATING TO INTERNAL MANAGEMENT NEEDS AND FINANCIAL REPORTS REQUIRED BY THE DEPARTMENT OF JUSTICE AND EXTERNAL AGENCIES.
- B. RETENTION PERIOD. THE FOLLOWING RECORDS RETENTION SCHEDULE (APPENDIX A) HAS BEEN DEVELOPED UNDER THE AUTHORITY OF FPMR 101-11.4. IN CASES WHERE RECORDS WERE NOT SPECIFICALLY IDENTIFIED TO FPMR 101-11.4, THE RETENTION PERIOD HAS BEEN ESTABLISHED TO MEET THE NEEDS OF INTERNAL MANAGEMENT AND TO PROVIDE SUFFICIENT DATA TO ASSIST AND EXPEDITE THE INTERNAL AUDIT PROCESS. THE ORIGINATOR OF RECORDS MAINTAINED AT THE INSTITUTION, REGION AND CENTRAL OFFICE LEVELS IS THE OFFICE OF RECORD FOR RETENTION AND DISPOSITION. DUPLICATE COPIES OF ACCOUNTING RECORDS MAINTAINED AT THE REGION OR CENTRAL OFFICE LEVELS WILL BE DISPOSED OF AT THE DISCRETION OF THAT PARTICULAR OFFICE.
- C. METHOD OF DISPOSAL. THE NATIONAL ARCHIVES AND RECORDS SERVICE HANDBOOK (TITLED FEDERAL RECORDS CENTERS AND AVAILABLE FROM GSA STORES) OUTLINES THE PROCEDURES FOR TRANSFERRING RECORDS TO THE NATIONAL ARCHIVES RECORDS CENTER. IF THE RECORDS ARE SOLD AS WASTE PAPER THE PROCEEDS SHALL BE DEPOSITED TO THE APPROPRIATE MISCELLANEOUS RECEIPTS ACCOUNT.

RETENTION SCHEDULE

ACCOUNTING FORMS AND RECORDS

TITLE OF FORMS	DISPOSAL INSTRUCTION
1) STOREHOUSE REQUISITIONS (AF-1)	RETAIN 2 YEARS AFTER THE END OF FISCAL YEAR AND YEAR AND DESTROY AT END OF RETENTION PERIOD.
2) REPORTS OF SURVEY (ACCOUNTING COPY)	RETAIN 2 YEARS AFTER THE END OF FISCAL YEAR AND DESTROY AT END OF RETENTION PERIOD.
3) PAYROLL (ACCOUNTING STATION POSTING MEDIA ASPM'S)	RETAIN 1 YEAR AFTER THE END OF FISCAL YEAR AND DESTROY AT END OF RETENTION PERIOD.
4) STANDARD FORM 224 (ATTACHMENTS, WORKSHEETS, AND DIFFERENCES)	RETAIN 2 YEARS AFTER THE END OF FISCAL YEAR. AT THE STATEMENT OF END OF RETENTION PERIOD RETIRE TO FARC. (FEDERAL ARCHIVES RECORDS CENTER (FARC) WILL DESTROY IN ACCORDANCE WITH GAO.) FILE CHRONOLOGICALLY.
5) CERTIFICATE OF DEPOSITS (ACCOUNTING COPY)	RETAIN 3 YEARS AFTER THE END OF FISCAL YEAR AND DESTROY AT END OF RETENTION PERIOD.
6) INTERNAL AUDITS	RETAIN 2 YEARS AFTER THE END OF THE FISCAL YEAR AND DESTROY AT END OF RETENTION PERIOD.
7) MISCELLANEOUS OBLIGATION RECORDS AND ALL SUPPORTING DOCUMENTS (PURCHASE ORDERS AND RECEIVING REPORTS)	RETAIN 2 YEARS AFTER THE END OF FISCAL YEAR. AT THE END OF RETENTION PERIOD RETIRE TO FARC. (FARC WILL DESTROY IN ACCORDANCE WITH GAO.) FILE CHRONOLOGICALLY.

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| 8) | POSTING MEDIA CONTROL SHEETS (TRANSACTION SHEETS MANUAL OR COMPUTER) | RETAIN 3 YEARS AFTER THE END OF FISCAL YEAR AND DESTROY AT END OF RETENTION PERIOD. |
| 9) | JOURNAL VOUCHERS | RETAIN 2 YEARS AFTER THE END OF FISCAL YEAR. AFTER THE END OF RETENTION PERIOD RETIRE TO FARC. (FARC WILL DESTROY IN ACCORDANCE WITH GAO.) FILE CHRONOLOGICALLY. |
| 10) | VOUCHERS AND SCHEDULES AND ALL ATTACHMENTS | RETAIN 2 YEARS AFTER THE END OF FISCAL YEAR. AT THE END OF RETENTION PERIOD RETIRE TO FARC. (FARC WILL DESTROY IN ACCORDANCE WITH GAO.) FILE CHRONOLOGICALLY. |
| 11) | ACCOMPLISHED SCHEDULES OF PAYMENTS (SF-1166, SF-1167A, SF 1081, GSA 789) | RETAIN 2 YEARS AFTER THE END OF FISCAL YEAR. AT THE END OF RETENTION PERIOD RETIRE TO FARC. (FARC WILL DESTROY IN ACCORDANCE WITH GAO.) FILE CHRONOLOGICALLY. |
| 12) | DONATED RECEIVING REPORTS (ACCOUNTING COPY) | RETAIN 2 YEARS AFTER THE END OF FISCAL YEAR AND DESTROY AT END OF RETENTION PERIOD. |
| 13) | VARIOUS ACCOUNTING LOGS (PURCHASE ORDER, RECEIVING REPORT, VOUCHER, BATCH CONTROL, ACCOUNTS RECEIVABLE) | RETAIN 2 YEARS AFTER THE END OF THE FISCAL YEAR. AT THE END OF RETENTION PERIOD RETIRE TO FARC. (FARC WILL DESTROY IN ACCORDANCE WITH GAO.) FILE CHRONOLOGICALLY. |
| 14) | ACCOUNTING COPIES OF VARIOUS BILLINGS (STATE PRISONER, FEDERAL PRISON INDUSTRIES, ETC.) | RETAIN 3 YEARS AFTER THE END OF FISCAL YEAR AND DESTROY AT END OF RETENTION PERIOD. |
| 15) | ACCOUNTING PROOF CHECKS AND SUPPORTING DOCUMENTS AND TAPES. | RETAIN 2 YEARS AFTER THE END OF FISCAL YEAR AND |

- DESTROY AT END OF RETENTION PERIOD.
- 16) DEPRECIATION WORKSHEETS (MANUAL AND SYCOR GENERATED) RETAIN 3 YEARS AFTER THE END OF FISCAL YEAR AND DESTROY AT END OF RETENTION PERIOD.
- 17) ALLOTMENT ADVICES RETAIN 3 YEARS AFTER THE END OF FISCAL YEAR AND DESTROY AT END OF RETENTION PERIOD.
- 18) BUDGET FORM 3 RETAIN 3 YEARS AFTER THE END OF FISCAL YEAR AND DESTROY AT END OF RETENTION PERIOD.
- 19) FINANCIAL MANAGEMENT SYSTEM REPORTS RETAIN 3 YEARS AFTER THE END OF FISCAL YEAR AND (A)
DAILY BATCH CONTROL RECORDS DESTROY AT END OF RETENTION PERIOD.
(100.24, 26, 27, 35, 36)
- (B) ALLOTMENT LEDGER PAPER: RETAIN ALL PAPER COPIES 2
100.45, 49, 50 (ONLY MONTH- YEARS AFTER THE END OF
END REPORTS ARE TO BE RE- FISCAL YEAR. AT THE END
TAINED) MICRO FICHE: OF RETENTION PERIOD RETIRE
100.40, 41, 42, 43, 44, TO FARC. (FARC WILL DE-
46, 47 STROY IN ACCORDANCE WITH
GAO.) FILE CHRONOLOGICALLY
RETAIN ALL MICROFICHE
COPIES 10 YEARS AFTER END
OF FISCAL YEAR AND DESTROY
AT END OF RETENTION PERIOD.
- (C) GENERAL LEDGER AND SUPPORT- RETAIN ALL PAPER COPIES 2
REPORTS YEARS AFTER THE END OF
PAPER: 100.37, 63, 64, 65, FISCAL YEAR. AT THE END
66, 86, 87, 88, 89 OF RETENTION PERIOD RETIRE
MICROFICHE: 100.51, 60, TO FARC. (FARC WILL DE-
62, 63 STROY IN ACCORDANCE WITH
GAO) FILE CHRONOLOGICALLY
RETAIN ALL MICROFICHE
COPIES 10 YEARS AFTER END
OF FISCAL YEAR AND DESTROY
AT END OF RETENTION PERIOD.
- (D) COST LEDGERS RETAIN 10 YEARS AFTER THE
MICROFICHE (100.70, 71, END OF FISCAL YEAR AND DE-

72, 73, 74, 75, 76)

STROY AT END OF RETENTION
PERIOD.

- 20) VARIOUS CASHIER REPORTS RETAIN 2 YEARS AFTER THE OR
DOCUMENTS. (CASH END OF FISCAL YEAR AND DE- STROY AT END OF RETENTION
RECEIPT BOOK, COPY OF PERIOD.
REPLENISHMENT VOUCHER,
CASHIER'S COPY OF 1166,
1167A, 1081, 789;
CORRESPONDENCE TO VENDORS;
REGISTER OF COLLECTIONS)
- 21) USED MEAL TICKETS DESTROY UPON RECEIPT OF THE
USED MEAL TICKETS.
- 22) COPY OF GOVERNMENT TRANS- RETAIN 3 YEARS AFTER THE
PORTATION REQUEST AND END OF FISCAL YEAR AND DE- CASHIER COPY
OF CERTIFI- STROY AT END OF RETENTION
CATE OF DEPOSIT PERIOD.
- 23) STANDARD FORM 1038 RETAIN 2 YEARS AFTER THE
END OF FISCAL YEAR OR UNTIL
SETTLED AND DESTROY AT END
OF RETENTION PERIOD.
- 24) VARIOUS EXTERNAL ACCOUNTING RETAIN 2 YEARS AFTER THE
REPORTS PREPARED AT THE END OF FISCAL YEAR. AT
CENTRAL OFFICE LEVEL (SF 220, THE END OF RETENTION PERIOD
221, 225) RETIRE TO FARC. (FARC WILL
DESTROY IN ACCORDANCE WITH
GAO.) FILE CHRONOLOGICALLY.
- 25) VARIOUS BUREAU LEVEL ACCOUNTING RETAIN 3 YEARS AFTER THE
SOURCE DOCUMENTS (SF 132, 133, END OF FISCAL YEAR AND
1151 AND TREASURY WARRANTS) DESTROY AT END OF RETENTION
PERIOD.
- 26) INCOME TAX REPORT RETAIN 3 YEARS AFTER THE (FOR
CONSULTANTS, ETC.) END OF FISCAL YEAR AND
DESTROY AT END OF RETENTION
PERIOD.

PROGRAM STATEMENT 2000.2 - ACCOUNTING MANAGEMENT MANUAL

CHAPTER 11200 - INTERNAL CONTROL

CHAPTER 11200 - INTERNAL CONTROL

A. PURPOSE. THE PURPOSE OF CHAPTER 11200 IS TO SET FORTH THE POLICY AND PROCEDURES THAT ARE FOLLOWED IN THE BUREAU OF PRISONS IN ORDER TO MAINTAIN AN EFFECTIVE LEVEL OF INTERNAL ACCOUNTING AND ADMINISTRATIVE CONTROL. EFFECTIVE PROCEDURES MUST BE DEVELOPED AND IMPLEMENTED TO PROVIDE ASSURANCE THAT COMPLIANCES WITH THE AUDIT AND ACCOUNTING ACT IS ACCOMPLISHED.

B. OBJECTIVE. THE ACCOUNTING AND AUDITING ACT AS AMENDED (31 U.S.C. 66A) PROVIDES AUTHORITY AND PLACES THE RESPONSIBILITY FOR ESTABLISHING AND MAINTAINING ADEQUATE SYSTEMS OF INTERNAL ACCOUNTING AND ADMINISTRATIVE CONTROL ON THE HEAD OF EACH EXECUTIVE AGENCY.

EXECUTIVE MANAGEMENT OFFICIALS OF THE BUREAU OF PRISONS HAVE RESPONSIBILITY FOR EFFECTIVE PLANNING IN THE USE OF FINANCIAL AND OTHER RESOURCES ENTRUSTED TO THE BUREAU AND FOR ECONOMICAL ATTAINMENT OF THE OBJECTIVES OF THE BUREAU. MANAGEMENT AT ALL LEVELS MUST USE EVERY REASONABLE MEANS AVAILABLE TO OBTAIN FUN VALUE FOR EVERY DOLLAR SPENT. SOUND FINANCIAL PLANNING AND EXECUTION THROUGH EFFECTIVE ACCOUNTING AND INTERNAL CONTROL ARE AN INHERENT DUTY OF EACH MANAGER.

C. EXPLANATION OF INTERNAL CONTROL.

INTERNAL CONTROL COMPRISES THE PLAN OF ORGANIZATION AND ALL OF THE COORDINATE METHODS ADOPTED WITHIN THE BUREAU OF PRISONS TO SAFEGUARD ITS ASSETS, TO CHECK THE ACCURACY AND RELIABILITY OF ITS ACCOUNTING RECORDS, TO PROMOTE EFFICIENCY AND ECONOMY OF OPERATIONS, AND TO REQUIRE ADHERENCE TO PRESCRIBED MANAGERIAL POLICIES.

D. ACHIEVEMENT OF EFFECTIVE INTERNAL CONTROL.

INTERNAL CONTROL IS ACHIEVED IN THE BUREAU OF PRISONS THROUGH SYSTEMATIZED PROCEDURES INVOLVING THE SEGREGATION OF FUNCTIONS OR DUTIES AND THE CONTROL OF DOCUMENTS.

1. SEGREGATION OF FUNCTIONS OR DUTIES.

TO THE EXTENT PRACTICABLE, ASSIGNED FUNCTIONS AND DUTIES ARE APPROPRIATELY SEGREGATED AMONG AUTHORIZATION, PERFORMANCE, KEEPING OF RECORDS, CUSTODY OF RESOURCES, AND REVIEW. IN THIS WAY, ALL THE ELEMENTS OR PARTS

OF A TRANSACTION ARE HANDLED BY TWO OR MORE PERSONS. BY THIS METHOD OF THE SEGREGATION OF FUNCTIONS, CHECKS ON PERFORMANCE ARE PROVIDED TO MINIMIZE UNAUTHORIZED OR IMPROPER ACTS.

2. DOCUMENT CONTROL.

ALL FINANCIAL DOCUMENTS INVOLVING OBLIGATIONS, THE RECEIPT OF GOODS AND SERVICES, AND PAYMENTS ARE CONTROLLED TO THE EXTENT PRACTICABLE. DOCUMENTS ARE CONTROLLED THROUGH THE ASSIGNMENT AND USE OF SPECIFIC SEQUENCES OF NUMBERS. FURTHERMORE, THE FLOW OF DOCUMENTS IS ARRANGED AND SYSTEMATIZED TO ASSURE MAXIMUM INTERNAL CONTROL.

THE ACCOUNTING SECTION OF THE OFFICE OF FINANCIAL MANAGEMENT AT EACH INSTITUTION MUST PROMPTLY RECEIVE ALL FINANCIAL DOCUMENTS INVOLVING OBLIGATIONS, THE RECEIPT OF GOODS OR SERVICES, AND PAYMENTS. ALSO, THE ACCOUNTING SECTION MAINTAINS REGISTERS AND OTHER APPROPRIATE CONTROLS TO VERIFY THAT ALL DOCUMENTS ARE RECEIVED AND HAVE BEEN APPROVED BY AUTHORIZED OFFICIALS.

SUBSIDIARY RECORDS ARE UNDER THE CONTROL OF THE ACCOUNTING SECTION OF THE OFFICE OF FINANCIAL MANAGEMENT AND ARE RECONCILED PERIODICALLY TO THE CONTROL ACCOUNTS IN THE GENERAL LEDGER. EACH FINANCIAL TRANSACTION RECORDED IN THE ACCOUNTS OF RECORD MUST BE SUPPORTED BY DOCUMENTARY EVIDENCE WHICH BECOMES PART OF THE ACCOUNTING RECORDS.

E. SYSTEM OF SEGREGATED FUNCTIONS AND DOCUMENT FLOW.

FOLLOWING ARE THE MAJOR TRANSACTIONS THAT OCCUR AT INSTITUTIONS OF THE BUREAU OF PRISONS AND THE SYSTEM OF SEGREGATED FUNCTIONS AND DOCUMENT FLOW UTILIZED TO ACHIEVE EFFECTIVE INTERNAL CONTROL.

1. PROCUREMENT OF GOODS AND SERVICES

ALL PROCUREMENTS ARE ACCOMPLISHED IN STRICT ACCORDANCE WITH THE FEDERAL PROPERTY AND ADMINISTRATIVE SERVICES ACT OF 1949 (AS AMENDED), OTHER APPLICABLE LAWS, FEDERAL ACQUISITION REGULATIONS, FEDERAL PROPERTY MANAGEMENT REGULATION, AND REGULATIONS OF THE DEPARTMENT OF JUSTICE AND OF THE BUREAU OF PRISONS.

A. COST CENTER MANAGER - THE COST CENTER MANAGER REQUEST ALL SUPPLIES AND SERVICES NEEDED BY HIS COST CENTER IN ACCORDANCE WITH THE PREESTABLISHED, APPROVED INSTITUTION FINANCIAL PLANS. THE COST CENTER MANAGER SUBMITS REQUIREMENTS FOR SUPPLIES AND SERVICES NOT ITEMIZED ON THE BUDGET FORM 1 AND

FOOD SERVICE FORM 10 TO THE PURCHASING AGENT OF THE REQUEST FOR PURCHASE, (ACCOUNTING FORM 2). NO ACTION IS TO BE INITIATED BY THE PURCHASING AGENT UPON THE RECEIPT OF A REQUEST FOR PURCHASE UNLESS THE COST CENTER MANAGER SUBMITTING THE REQUEST HAS COMPLETED THE FORM TO PROVIDE ALL THE NECESSARY ACCOUNTING AND PROCUREMENT INFORMATION. THE REQUEST FOR PURCHASE IS COMPLETED IN AN ORIGINAL AND TWO COPIES.

THE COST CENTER MANAGER SUBMITS THE COMPLETED REQUEST FOR PURCHASE TO THE PURCHASING AGENT WHO TAKES PROCUREMENT ACTION AND AFTERWARDS DISTRIBUTES THE REQUEST FOR PURCHASE AS FOLLOWS:

- (1) THE ORIGINAL REMAINS WITH THE PURCHASING AGENT.
- (2) ONE COPY IS RETURNED TO THE REQUISITIONING COST CENTER MANAGER.
- (3) ONE COPY IS FORWARDED TO THE STOREKEEPER.

B. PURCHASING AGENT - THE PURCHASING AGENT ENTERS AMOUNTS AND A PURCHASE ORDER NUMBER FOR CONTROL AND REFERENCE PURPOSES ON THE REQUEST FOR PURCHASE AND IF APPROPRIATE, PREPARES A PURCHASE ORDER, (ACCOUNTING FORM 81) BASED ON THE INFORMATION SHOWN ON THE REQUEST FOR PURCHASE. THE PURCHASE. THE PURCHASING AGENT SUBMITS THE PURCHASE ORDER TO THE INSTITUTION CONTROLLER.

C. CONTROLLER - UPON RECEIPT OF THE COMPLETED PURCHASE ORDER, THE CONTROLLER DETERMINES THAT THE PROCUREMENT ACTION IS IN ACCORDANCE WITH REGULATIONS, VERIFIES THE ACCURACY OF THE ACCOUNTING CLASSIFICATION CODE AND THE AMOUNT OF THE ORDER, AND ENSURES PREVALIDATION OF THE OBLIGATION AGAINST THE TOTAL ALLOTMENT. AFTER PRE-VALIDATION, THE FORMS ARE FORWARDED TO THE PURCHASING AGENT FOR DISTRIBUTION.

D. PURCHASING AGENT - AFTER RECEIPT OF THE APPROVED DOCUMENT, THE PURCHASING AGENT DISTRIBUTES COPIES OF THE PURCHASE ORDER. IN ACCORDANCE WITH THE INSTRUCTIONS ON THE PURCHASE ORDER.

E. ACCOUNTING SUPERVISOR - UPON RECEIPT OF THE OBLIGATION COPY OF THE PURCHASE ORDER, THE ACCOUNTING SUPERVISOR COMPLETES A MISCELLANEOUS OBLIGATION RECORD (MOR) FOR AN 02 TRANSACTION CODE ENTRY INTO THE COMPUTERIZED FINANCIAL MANAGEMENT SYSTEM, (FMS) TO RECORD ALL UNDELIVERED ORDERS.

F. SYCOR OPERATOR - THE SYCOR OPERATOR KEYS (ENTERS) THE LINE ITEMS OF EACH BATCH OF THE 02 TRANSACTION CODE, AS ASSEMBLED BY THE ACCOUNTING SUPERVISOR, INTO THE SYCOR TERMINAL AT THE INSTALLATION, AND THEN PRODUCES A SYCOR LISTING OF THE LINE ITEMS WHICH IS VERIFIED BY THE ACCOUNTING SUPERVISOR BEFORE TRANSMISSION OF THE DATA TO THE COMPUTER IN THE CENTRAL OFFICE.

2. RECEIPT OF GOODS AND SERVICES

A. RECEIVING CLERK - GOODS AND SERVICES ARE RECEIVED AT EACH INSTITUTION BY WAREHOUSE PERSONNEL OR OTHER AUTHORIZED PERSON. UPON RECEIPT OF THE RECEIVING CLERK'S COPY OF THE PURCHASE ORDER, THE RECEIVING CLERK ESTABLISHES AN ALPHABETICAL FILE FOR UNDELIVERED ORDERS. UPON EVIDENCES THE RECEIPT BY PROPERLY IDENTIFYING AND CHECKING THE ITEMS RECEIVED TO THE PURCHASE ORDER AND BY PREPARING A RECEIVING REPORT, ACCOUNTING FORM 14, CONSISTING OF AN ORIGINAL AND FOUR COPIES. THE RECEIVING CLERK DISTRIBUTES THE RECEIVING REPORT AS FOLLOWS:

(1) THE ORIGINAL OF THE STANDARD FORM 1166 AND ONE COPY ARE MAILED TO THE REGIONAL DISBURSING OFFICE, DEPARTMENT OF THE TREASURY.

(2) ONE COPY WITH THE SUPPORTING DOCUMENTS IS FORWARDED TO THE ACCOUNTING SUPERVISOR IN ORDER TO RECORD THE EXPENDITURE INTO THE COMPUTERIZED SYSTEM.

(3) ONE COPY IS PLACED IN A NUMERICAL FILE.

C. ACCOUNTING SUPERVISOR - UPON RECEIPT OF THE COPY OF THE STANDARD FORM 1166 WITH THE SUPPORTING DOCUMENTS ATTACHED, THE ACCOUNTING SUPERVISOR PREPARES AN 02 TRANSACTION CODE FOR ENTRY INTO THE COMPUTERIZED FINANCIAL MANAGEMENT SYSTEM TO RECORD THE DISBURSEMENT AND, AS APPROPRIATE TO REDUCE UNDELIVERED ORDERS OR ACCOUNTS PAYABLE, IF PREVIOUSLY ESTABLISHED.

ALSO, THE COPY OF THE STANDARD FORM 1166 WITH THE SUPPORTING DOCUMENTS ATTACHED AND THE 02 TRANSACTION CODE ENTRIES MADE INTO THE COMPUTERIZED SYSTEM MUST BE COMPARED TO THE ACCOMPLISHED COPY OF THE STANDARD FORM 1166 UPON ITS RECEIPT FROM THE REGIONAL FINANCE CENTER OF THE DEPARTMENT OF THE TREASURY. ANY DISCREPANCIES MUST BE RESOLVED AND CORRECTED.

AT LEAST ONE EACH MONTH THE ACCOUNTING SUPERVISOR MUST EXAMINE THE VOUCHER PREPARATION FILE TO ASCERTAIN THAT ALL BILLS PAYABLE HAVE BEEN PROCESSED, THAT NO DISCOUNTS

HAVE BEEN LOST, AND THAT SOUND BUSINESS PRACTICES ARE OTHERWISE BEING FOLLOWED.

D. SYCOR OPERATOR - THE SYCOR OPERATOR KEYS (ENTERS) THE LINE ITEMS OF EACH BATCH OF THE 02 TRANSACTION CODE, AS ASSEMBLED BY THE ACCOUNTING TECHNICIAN, INTO THE SYCOR TERMINAL AT THE INSTALLATION, AND THEN PRODUCES A SYCOR LISTING OF THE TRANSACTIONS WHICH IS VERIFIED BY THE ACCOUNTING TECHNICIAN BEFORE TRANSMISSION OF THE DATA OF THE COMPUTER IN THE CENTRAL OFFICE.

4. SAFEGUARD OF SUPPLIES AND MATERIALS (INVENTORY ITEMS)

A. WAREHOUSE FOREMAN - AS SPECIFIED IN POLICY STATEMENTS IN THE 14100 SERIES, THE STOREKEEPER MAINTAINS CUSTODY AND ACCOUNTABILITY OF SUPPLIES AND INVENTORIES STORED BY THE INSTITUTION FOR USE AS THE NEED ARISES. THE STOREKEEPER RECEIVES, STORES, AND ISSUES ITEMS. ALSO THE STOREKEEPER CHECKS THE QUANTITIES OF SUPPLIES AND INVENTORIES BY VERIFYING THE ACTUAL PHYSICAL COUNT WITH THE BALANCE SHOWN ON THE STOCK RECORD CARDS. DISCREPANCIES ARE REPORTED TO THE PROPERTY OFFICER FOR ACTION BY THE BOARD OF SURVEY. AT THE END OF EACH QUARTER INVENTORIES OF STOCK ON HAND ARE TAKEN BY FINANCIAL MANAGEMENT EMPLOYEES ASSIGNED BY THE CONTROLLER. THE INVENTORIES ARE CHECKED AGAINST THE WAREHOUSE STOCK RECORD CARDS BY THE 19 DIGIT ACCOUNTING CLASSIFICATION CODE. THE DIFFERENCES ARE ADJUSTED BY THE USE OF REPORT OF SURVEY AND THE INVENTORIES AND REPORT OF SURVEYS ARE SUBMITTED TO THE ACCOUNTING SUPERVISOR.

B. ACCOUNTING SUPERVISOR - BASED ON THE INVENTORIES PREPARED BY THE ASSIGNED FINANCIAL MANAGEMENT EMPLOYEES THE ACCOUNTING SUPERVISOR PREPARES AS APPROPRIATE, 05 TRANSACTIONS (PURCHASED ITEMS) AND 35 TRANSACTIONS (DONATED ITEMS) FOR ENTRY INTO THE COMPUTERIZED FINANCIAL MANAGEMENT SYSTEM TO ADJUST THE INVENTORY GENERAL LEDGER CONTROL ACCOUNTS TO REFLECT THE CURRENT QUARTER INVENTORY.

C. SYCOR OPERATOR - THE SYCOR OPERATOR KEYS (ENTERS) THE LINE ITEMS OF EACH BATCH OF TRANSACTION CODES, AS ASSEMBLED BY THE ACCOUNTING SUPERVISOR INTO THE SYCOR TERMINAL AT THE INSTALLATION, AND THEN PRODUCES A SYCOR LISTING OF THE TRANSACTIONS WHICH IS VERIFIED BY THE ACCOUNTING SUPERVISOR BEFORE TRANSMISSION OF THE DATA TO THE COMPUTER IN THE CENTRAL OFFICE.

D. CONTROLLER - THE WAREHOUSE FOREMAN IS NOT TO BE RELIED UPON EXCLUSIVELY TO TAKE PHYSICAL INVENTORIES. QUARTERLY PHYSICAL INVENTORIES OF ALL STORE ITEMS ARE TAKEN BY EMPLOYEES IN THE OFFICE OF FINANCIAL MANAGEMENT AS ASSIGNED BY THE CONTROLLER.

5. ISSUE OF SUPPLIES AND MATERIALS

A. COST CENTER MANAGER - AS SET FORTH IN CHAPTER 14144, MAKING REQUISITIONS FROM THE STOREHOUSE IS RESTRICTED TO THE COST CENTER MANAGER IN CHARGE OF DEFINITE PROGRAMS AND ACTIVITIES WHICH REQUIRE SUPPLIES. STORES REQUISITIONS ARE PREPARED IN AN ORIGINAL AND THREE COPIES BY THE COST CENTER MANAGER ON A "STORES REQUISITION, INVOICE AND TRANSFER RECEIPT" (ACCOUNTING FORM 1) WHICH EVIDENCES THE AUTHORITY TO ISSUE, TRANSFER, OR RETURN SUPPLIES, EQUIPMENT TO CLOTHING. THE ACCOUNTING FORM 1 PROVIDES A DOCUMENT FOR CONTROL PURPOSE. THE COST CENTER MANAGER SUBMITS THE ACCOUNTING FORM 1 IS MADE AS FOLLOWS:

(1) THE ORIGINAL (WHITE) IS INITIALED BY THE STOCK RECORD CLERK TO SHOW THAT SUPPLIES HAVE BEEN ISSUED AND THAT THE QUANTITIES HAVE BEEN POSTED TO THE STOCK RECORD CARDS. THE ORIGINAL IS THEN FORWARDED TO THE ACCOUNTING SUPERVISORS FOR CONTROL PURPOSES.

(2) THE BLUE COPY BECOMES THE WAREHOUSE FOREMAN'S NUMERICAL FILE COPY.

(3) THE PINK COPY IS RETURNED TO THE COST CENTER MANAGER.

(4) THE YELLOW COPY IS GIVEN TO THE PERSON RECEIVING THE SUPPLIES.

6. WRITE-OFFS OF INVENTORIES - (SUPPLIES)

A. BOARD OF SURVEY - WHEN GOODS ARE DAMAGED, BROKEN OR OTHERWISE BECOME UNSUITABLE FOR FURTHER USE WHILE IN THE STOREHOUSE OR WHEN DIFFERENCES OCCUR BETWEEN THE INVENTORY STOCK RECORD CARDS AND THE ACTUAL, PHYSICAL INVENTORY COUNT, THE BOARD OF SURVERY, CONSISTING OF THE PROPERTY OFFICER, THE CONTROLLER, AND ASSOCIATE WARDEN, OPERATIONS PREPARES A REPORT OF FINDINGS INCLUDING SUFFICIENT EXPLANATION OF THE CAUSE OF LOSS, AND RECOMMENDS DISPOSITION ON A REPORT OF SURVEY, ACCOUNTING FORM 86. ** (PREPARED IN ACCORDANCE WITH CHAPTER 14130-B).

**B. OPERATIONS (AWO) AND WARDEN - BASED ON THE REPORT OF SURVEY

COMPLETE WITH EXPLANATION, THE ASSOCIATE WARDEN, OPERATIONS, MUST MAKE A PRELIMINARY DETERMINATION AND FIND WHETHER THE EMPLOYEE IS AT FAULT. IF THE EMPLOYEE IS FOUND TO BE AT FAULT, THE REPORT OF SURVEY SHALL BE FORWARDED TO THE WARDEN WITH THE AW (O)'S RECOMMENDATION. THE WARDEN WILL MAKE THE FINAL DETERMINATION. HE MAY IMPOSE PENALTIES RANGING FROM PLACING A RECORD OF THE INCIDENT IN THE PERSONNEL FOLDER OF THE RESPONSIBLE PERSON TO HOLDING HIM ADMINISTRATIVELY AND FINANCIALLY RESPONSIBLE.

C. COMPTROLLER, IN REGIONAL OFFICE. - IF THE BOOK VALUE OF THE WRITE-OFF EXCEEDS \$100.00, A COPY OF THE REPORT OF SURVEY, COMPLETE WITH EXPLANATION, MUST BE FURNISHED TO THE COMPTROLLER, IN THE REGIONAL OFFICE FOR REVIEW.

7. SAFEGUARDING CAPITALIZED AND CONTROLLED NON-CAPITALIZED PERSONAL PROPERTY

A. WAREHOUSE FOREMAN - UPON RECEIVING CAPITALIZED AND CONTROLLED NOT-CAPITALIZED PERSONAL PROPERTY THROUGH PURCHASE, DONATION, OR ANY OTHER DULY AUTHORIZED MEANS THE RECEIVING WAREHOUSE LEADER MUST PROMPTLY PREPARED A RECEIVING REPORT. HE WILL ASSIGN A BUREAU OF PRISONS EQUIPMENT NUMBER AND PREPARE A FORM 139 FILLING IT OUT IN DETAIL AS REQUIRED BY THE FORM. HE WILL FORWARDED THE COMPLETED FORM 139 TO THE INVENTORY MANAGEMENT SPECIALIST WHO WILL THEN ENTER IT INTO SENTRY. EACH ITEM OF CAPITALIZED PERSONAL PROPERTY MUST BE MARKED WITH FEDERAL PRISON SYSTEM IDENTIFICATION NUMBER.

B. INVENTORY MANAGEMENT SPECIALIST - THE INVENTORY MANAGEMENT SPECIALIST IS TO MAINTAIN A "PROPERTY REGISTER" FOR EACH ACCOUNTABLE PROPERTY OFFICER WHO HAS PROPERTY OFFICER WILL CONDUCT AN ANNUAL REVIEW OF ALL PROPERTY UNDER HIS CONTROL OR CUSTODY FROM PROPERTY LISTINGS GIVEN TO HIM FROM SENTRY PROPERTY MANAGEMENT SYSTEM.

C. ACCOUNTABLE PROPERTY OFFICER - THE ACCOUNTABLE PROPERTY OFFICER (APO) TO WHOM PROPERTY IS ASSIGNED MUST SIGN THE "PROPERTY REGISTER" TO SIGNIFY THAT HE IS ACCOUNTABLE FOR EACH ITEM. WHENEVER THERE IS A CHANGE OF APO THE APO WHO IS ASSUMING ACCOUNTABILITY FOR THE PROPERTY MUST TAKE A PHYSICAL INVENTORY, AND IF SATISFIED THAT ALL PROPERTY HAS BEEN ACCOUNTED FOR, MUST DATE AND SIGN THE REGISTER.

D. ACCOUNTING SUPERVISOR - CHAPTER 10910 STATES THAT TRANSACTION CODES 02, 08, 31, 32, 33, 34, AND 36 SHOW SUB-OBJECT CLASSIFICATIONS 3101, LIVESTOCK; 3102, ALL

TRANSPORTATION EQUIPMENT; 3103, COMMUNICATION EQUIPMENT; 3104, ADP; 3104, ADP; 3105, ADP SOFTWARE; 3106, ALL OTHER CAPITALIZED EQUIPMENT; AND 2201, TRANSPORTATION OF ALL CAPITALIZED EQUIPMENT; GENERATE ENTRIES AUTOMATICALLY TO GENERAL LEDGER FIXED ASSET ACCOUNT 215.0 EQUIPMENT.

THE ACCOUNTING SUPERVISOR MUST VERIFY THE TOTAL OF THE SENTRY PROPERTY MANAGEMENT SYSTEM TO THE GENERAL LEDGER FIXED ASSET ACCOUNT 215.0 CURRENT YEAR, PRIOR YEARS, B&F EQUIPMENT TO ASSURE THAT ALL CAPITALIZED PROPERTY IS INCLUDED BOTH IN THE ACCOUNT AND SPMS.

E. BOARD OF SURVEY - WHENEVER ANY PROPERTY, EITHER CAPITALIZED IS REMOVED FROM THE RECORDS FOR ANY REASON, THE REMOVAL MUST BE DOCUMENTED AND SUPPORTED BY A REPORT OF SURVEY, ACCOUNTING FORM 86. THE BOARD IS TO CONSIST OF THE PROPERTY OFFICER, THE CONTROLLER AND THE ASSOCIATE WARDEN OR THE PROPERTY OFFICER, THE CONTROLLER AND THE ASSOCIATE WARDEN OF OPERATIONS. THE REPORT OF SURVEY IS TO GIVE FULL EXPLANATION OF THE REASON FOR THE SURVEY ACTION AND THE PRESENT CONDITION OF THE EQUIPMENT, AND IS TO BE CERTIFIED AS TO THE PRESENT CONDITION OF THE EQUIPMENT, AND IS TO BE CERTIFIED AS TO DISPOSITION BY THE PROPERTY OFFICER. BASED ON THE REPORT OF SURVEY COMPLETE WITH EXPLANATION, THE ASSOCIATE WARDEN, OPERATIONS, MUST MAKE A PRELIMINARY DETERMINATION AND FIND WHETHER THE EMPLOYEE IS AT FAULT. IF THE EMPLOYEE IS FOUND TO BE AT FAULT, THE REPORT OF SURVEY WILL MAKE THE FINAL DETERMINATION. PENALTIES MAY BE IMPOSED RANGING RESPONSIBLE PERSON TO HOLDING HIM/HER ADMINISTRATIVELY AND FINANCIALLY RESPONSIBLE.

8. ACCOUNTS RECEIVABLE

A. COST CENTER MANAGER - A SOURCE OR AN ORIGINATION DOCUMENT SHOWING THE AMOUNT OWED AND THE ORGANIZATION WHICH OWES THAT AMOUNT IS PREPARED BY THE COST CENTER MANAGER OF THE ORIGINATING DOCUMENT IS FORWARDED TO THE CONTROLLER.

B. THE CONTROLLER - THE PREPARATION OF A BILL FOR EACH CHARGE FOR WHICH PAYMENT HAS NOT BEEN RECEIVED IS UNDER THE SUPERVISION OF THE CONTROLLER. THE BILL IS BASED ON THE ORIGINATING DOCUMENT PREPARED BY THE COST CENTER MANAGER AND IS TO BE FORWARDED IMMEDIATELY TO THE ORGANIZATION THAT OWES AN AMOUNT TO THE GOVERNMENT. A COPY OF THE BILL AND A COPY OF THE ORIGINATING DOCUMENT ARE FORWARDED TO THE ACCOUNTING SUPERVISOR.

C. THE ACCOUNTING SUPERVISOR - BASED ON THE INFORMATION

SHOWN ON THE BILL, THE ACCOUNTING SUPERVISOR PREPARES AN INSTITUTIONAL INVOICE, ACCOUNTING FORM 1. INFORMATION FROM THE INSTITUTIONAL INVOICE, THE BILL, AND ORIGINATING DOCUMENT IS LISTED ON THE APPROPRIATE SEPARATE REGISTER OF ACCOUNTS RECEIVABLE -- FOR REIMBURSEMENTS, FOR REFUNDS, AND INSTITUTIONAL INVOICE AND THE BILL SERVE AS THE SUPPORTING DOCUMENTS FOR ENTERING THE APPROPRIATE TRANSACTIONS INTO THE COMPUTERIZED FINANCIAL MANAGEMENT SYSTEM TO RECORD THE AMOUNT AS AN ACCOUNTS RECEIVABLE.

9. RECEIVING PAYMENTS

A. ACCOUNTING TECHNICIAN - CHAPTER 10615 SPECIFIES THAT THE ACCOUNTING TECHNICIAN MUST RECEIVE ALL PAYMENTS AND MUST ISSUE A CASH RECEIPT, ACCOUNTING FORM 115, FOR ALL CASH, MONEY ORDERS, CHECKS, OR DRAFTS, WHICH HE RECEIVES, REGARDLESS OF THE SOURCE. FOR CONTROL PURPOSES, THE CASH RECEIPTS ARE PRENUMERED AND PRINTED IN TRIPLICATE IN BOUND BOOKS WITH 150 RECEIPTS TO A BOOK. THE ORIGINAL (WHITE) IS GIVEN TO THE PAYEE, THE DUPLICATE (YELLOW) IS ATTACHED TO THE ADMINISTRATIVE COPY OF THE CERTIFICATE OF DEPOSIT, THE TRIPLICATE (BLUE) REMAINS IN THE BOOK WHICH IS ON FILE IN THE CASHIER'S OFFICE.

CHAPTER 10620 SPECIFIES THAT DEPOSITS ARE MADE WHEN THE AMOUNT OF CASH ON HAND REACHES \$1000.00 OR AT LEAST ONCE WEEKLY, BY MEANS OF STANDARD FORM 215, DEPOSIT TICKET ARE AS FOLLOWS:

1. THE ORIGINAL AND 2 COPIES (DEPOSITARY AND CONFIRMED) ARE FORWARDED ALONG WITH THE REMITTANCE FOR DEPOSIT TO THE DEPOSITARY. THE CONFIRMED COPY IS RETURNED TO THE INSTITUTION FROM THE REGIONAL FEDERAL RESERVE BANK TO EVIDENCE THAT THE DEPOSIT OF MONIES WAS MADE. ANY DISCREPANCIES BETWEEN THE ACCOMPLISHED COPY OF THE DEPOSIT TICKET RECEIVED FROM THE FEDERAL RESERVE BANK AND THE DEPOSIT TICKET RECEIVED FROM THE FEDERAL RESERVE BANK AND THE DEPOSIT MUST BE RESOLVED AND THE NECESSARY CORRECTIONS MADE.

2. THE AGENCY COPY IS RETAINED FOR CONTROL PURPOSES. THE ACCOUNTING TECHNICIAN FURNISHES THIS COPY ALONG WITH THE SUPPORTING YELLOW COPIES OF THE ACCOUNTING FORM 115 TO THE ACCOUNTING SUPERVISOR.

B. ACCOUNTING SUPERVISOR - BASED ON THE SUPPORTING COPIES OF THE DEPOSIT TICKET, THE ACCOUNTING SUPERVISOR PREPARES THE APPROPRIATE TRANSACTION CODES FOR ENTRY INTO THE COMPUTERIZED ACCOUNTING SYSTEM TO RECORD THE DEPOSIT OF MONIES (REFER TO CHAPTERS 10584 AND 10585).

C. SYCOR OPERATOR - THE SYCOR OPERATOR KEYS (ENTERS) THE LINE ITEMS OF THE TRANSACTION CODES INTO THE SYSTEM AND THEN PRODUCES A SYCOR LISTING WHICH IS VERIFIED BY THE ACCOUNTING SUPERVISOR BEFORE TRANSMISSION OF THE DATA TO THE COMPUTER IN THE CENTRAL OFFICE.