

SECTION 8511

PAYROLL

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ILLUSTRATION TITLE

1 ACCOUNTING CLASS AND ORGANIZATION CODES 6 A

PART I
CIVILIAN PAY

100. GENERAL.

1. Civilian payroll is prepared by the Department of Justice, based on information given to them on Form DOJ-296, Time and Attendance Report. The Accounting Class and Organization Codes to be used to properly charge the payroll are shown in Appendix No. 1 of this section.

2. The Department of Justice Payroll section provides instructions for the maintenance of Time and Attendance Reports. Civilian time and attendance clerks shall be selected and notified in writing by the Superintendent of Industries at each UNICOR location. These clerks will be provided with the DOJ payroll instructions, "Procedural Instructions for the Time and Attendance Report". All time and attendance clerks have a responsibility to comply with the DOJ instructions and to accurately report the time and attendance of all civilian employees assigned in their area of responsibility.

101. INCENTIVE AWARDS TO CIVILIANS.

Bureau of Prisons Program Statement 3450.2 (date May 23, 1979) sets forth the policy for the Incentive Awards Program. This policy shall be applied for all employees of UNICOR.

102. STAFF HOUSE RENTAL DEDUCTIONS.

Any UNICOR employee occupying a BOP housing facility shall have the appropriate amount of rental expense deducted from his bi-weekly pay. (See BOP Program Statement 2300., Miscellaneous Business and Fiscal Management Manual, paragraph 17610 for initiation procedures.) The accountant at each location handling the Accounting Station Posting Media (ASPM) must debit the gross amount of each payroll to the applicable nominal and real accounts, and credit 03.31. House rental deductions shall be debited to 03.39 and credited to 70.11 Accounts Payable (see Journal Entry 9). These two entries must always equal the net amount of the ASPM. House rental deductions shall be remitted monthly to the BOP and reversed from 03.39 via JE 9.

PART II

INMATE PAY

200. DICTIONARY OF OCCUPATIONAL TITLES.

1. All job titles for preparation of FPI Form 82 (Job Grading Sheet - see Section 8540, Report, Forms and Records) shall be taken from the current edition of the Dictionary of Occupational Titles (DOT), Volume II, published by the United States Department of Labor. In all cases, the appropriate DOT code (9 digits) shall be reported along with the DOT job title. UNICOR's Industrial Employment Information System Manual lists DOT job titles and codes currently in use in UNICOR factories. UNICOR manual classifications provide a more readily available reference for common UNICOR job descriptions and should be used when appropriate.

2. Inmate pay is based on the grade of the job performed. The grade is determined and justified on FPI Form 82. The sheet is prepared by the civilian foreman who is directly responsible for proper performance of the job, subject to the approval of the factory or section (e.g., Quality Control) manager and the location's Superintendent. FPI Form 83 (Job Schedule--see Section 8540) is based upon FPI Form 82 information and provides data on production area skill (grade) needs. The FPI Form 83 is compiled by the factory or section manager, reviewed and approved by the location's Superintendent of Industries and Warden, and approved by the appropriate Corporate Staff Office (e.g., Corporate Quality Control) or Product Division Manager. Each location should submit an original and two copies of the FPI Form 83 supported by the FPI Form 82. The Corporate or Division Office will return the approved originals of the FPI Form 83 and a copy of the FPI Form 82 to the originating location, and will retain a copy for the working files.

3. The grading and scheduling of inmate jobs in areas assigned the Financial Management Branch (FMB) (business office and warehouse) are initiated by the Business Manager and reviewed and approved by the Superintendent of Industries and the Warden. Further FMB approval is not required; however, the Business Manager shall forward copies of the approved FPI Form 82 and 83 to the FMB for statistical information purposes only.

4. The FPI Forms 82 and 83 shall be filled out completely and checked to verify that the DOT titles and codes used are accurately recorded on both forms. When job titles and codes are grouped by department or section, subtotals for those units must be shown. Changes in job titles and codes, grade structure, or the number of inmates required, must be submitted as a revised

FPI Form 82 and 83. Revised forms should be processed in the same manner as the original FPI Form 82 and 83. When temporary or emergency situations require, the total authorized complement may be exceeded by 10 percent without referral to the Division Manager.

201. PIECE RATES.

FPI Form 57, Labor Estimates/Time Study, shall be used to establish and support piece rates. Once the rates are established they shall be scheduled on FPI Form 58, Schedule of Labor Rates, and considered effective after approval by the Warden. (See UNICOR Cost Accounting Manual, paragraphs 303-304.)

202. INDIVIDUAL PIECE RATE WORKERS.

Two factors determine the amount of payment made to individual piece rate workers. The first is the number of units produced by the individual piece rate worker. The second is the rate of pay for each unit.

Example: During a specific month, a piece rate worker produces 1,440 units with a predetermined piece rate of eight cents per unit. The inmate worker's monthly pay would be \$115.20. Assuming that the inmate put in 150 working hours, his/her rate of pay per hour would be approximately 77 cents an hour.

While the hours worked are not necessary for determining an inmate's monthly pay check, those hours must be maintained for other payroll and control purposes. The number of hours provides a basis for review and analysis of the reasonableness of the current individual piece rate formula compared with estimates or standards.

ALL UNICOR jobs under comparable pay systems with comparable grade assignments shall provide approximately the same compensation to inmates. The particular Division or factory involved should not be a determining factor in the payment rate made for comparable work.

203. WAGE FUND -- GROUP PIECE WORKERS.

The amount of the available "wage fund" is determined by multiplying the units of production completed by the group by the applicable rate or rates. The hours actually worked in the 1st, 2nd, and 3rd grade jobs shall be increased by 150%, 100%, and 50% respectively and then added to the hours worked in 4th grade jobs to determine basic hours. The total wage fund shall be divided by basic hours to determine the hourly rate for 4th grade jobs. Rates for other grade jobs shall be determined by increasing the 4th grade rate by the same percentages identified above. All decimals beyond the fourth place are dropped and any remaining balance is added to the wage fund for the next period.

Example: A group of workers on the plan produce 840 units during the month in 13,000 hours. The rate established through time study or estimate using the FPI Forms 57 and 58 is \$10 per unit. The wage fund for the month is \$8,400 (840 units times 10). Hours worked were: 1st grade - 2,000 hours; 2nd grade - 3,000 hours; 3rd grade - 2,000 hours; 4th grade - 6,000 hours. Pay rates are determined as follows:

STEP 1:

<u>Job Grade</u>	<u>Actual Hours Worked (see ex.)</u>		<u>% Added to Actual Hours to Compute Basic Hours</u>
1st	(2,000)	+	150% (3,000) = (5,000)
2nd	(3,000)	+	100% (3,000) = (6,000)
3rd	(2,000)	+	50% (1,000) = (3,000)
4th	(6,000)	+	None (0,000) = (6,000)
Total:	(13,000)		(20,000)

STEP 2:

4th grade rate = total wage fund divided by basic hours
- In above example, this is \$8,400 divided by 20,000
basic hours = .42 (42) as 4th grade rate.

STEP 3:

<u>Job Grade</u>	<u>Hourly Rate/Group Worker (see example)</u>
1st	4th grade rate plus 150% (.42 + 150% of .42 = .42 + .63 = \$1.05)
2nd	4th grade rate plus 100% (.42 + 100% of .42 = .42 + .42 = \$0.84)
3rd	4th grade rate plus 50% (.42 + 50% of .42 = .42 + .21 = \$0.63)
4th	4th grade rate plus 0% (.42 + 0% of .42 = .42 + .00 = \$0.42)]

1. If sufficient work is not available to provide individual and group piece workers hourly earnings equal to basic hourly rates, the Superintendent of Industries, through the Warden, may request authority from the Associate Commissioner, Federal Prison Industries to change from the group piece plan to an hourly pay plan.

2. The wage fund may not be subsidized to bring wages up to the basic hourly rate if sufficient work is available even though individual and group piece workers hourly earnings are less than hourly workers in the same grade.

204. LIMITATION OF INCENTIVE PAY PLANS.

The specific hourly rates shall be published in an annual Operations Memorandum on Inmate Industrial Pay Rates. The Chief Executive Officer is authorized to set the incentive piece rates, based upon the Superintendent of Industries' and the appropriate Product Division Manager's recommendations. Piece rates should approximate the standard hourly rate. Actual rates of pay will vary depending on the skills of an individual but ordinarily are limited to no more than 20% above the standard rate.

The reverse side of the monthly FPI Form 2 is to be used to explain reasons incentive rates exceed the published maximums in any given month. The explanation shall include the number of inmates receiving wages in excess of 120% of standard pay, the effective hourly rate of pay, and the reasons for approval.

Pay rates exceeding 120% of the corresponding standard rates in excess of three consecutive months require the approval of both the Warden and Product Division Manager. In making this determination, the following should be considered:

1. Is there a low percentage of workers entitled to a wage in excess of 120% of regular hourly rates? If yes, this may be sufficient justification for a temporary exception to the 120% limitation. If most workers are entitled to this increased wage, consideration should be given to adjusting the established piece rate.

2. Is there an increase in required productivity because of a sudden, significant increase in product demand or critical inmate shortages? If yes, this would justify a temporary exception to the 120% limitation. Example: Machine speed is increased beyond established norm during a period of low employment or high demand.

The Warden and Product Division Manager shall indicate in writing either their approval or denial of the request and the justification for this action. If approved, the effective hourly rate, and the time period of approval (may not exceed three additional consecutive months) shall be given.

Any decision to allow compensation in excess of 120% of the regular wage shall be considered temporary and is to be reviewed every three months by the Product Division Manager and the Warden. Payment of inmate incentive wages above the published maximum is not intended to last indefinitely.

205. OVERTIME COMPENSATION.

An inmate is entitled to overtime pay at a rate of 2 times the hourly or units rate for hourly, individual, and group piece workers when the total hours worked (includes administrative pay) exceed the industrial operation's regularly scheduled workday.

Example: An industrial operation has a scheduled workday of 7.5 hours. The inmate's regularly scheduled workday consists of 5 hours. If the inmate works 10 hours, the inmate has earned 2.5 hours of overtime pay (hours worked by the inmate minus the industrial operation's regularly scheduled workday). Note: The 10 hours do not need to be continuous. The inmate, within the same workday, could have worked 2 shifts of 5 hours each.

1. Hours worked on days outside of the scheduled workweek (i.e., Saturday) shall be compensated at the overtime rate.

2. For individual piece workers, overtime earnings are determined by the amount of total piece work earnings for the day divided by the total number of hours worked that day. This rate is then doubled and multiplied by the number of hours worked during the overtime period to get the total overtime wages. The premium portion of overtime is equal to one half the total overtime wage.

Example: Assume a scheduled workday of 7 hours in this example. Piece worker works 10 hours (3 hours overtime) completing 70 units at .10 per unit. Overtime wages would be determined as follows:

Step 1:

Total Units (70) x Rate Per Unit (.10)	=	Average Hourly Rate (.70)
Number of Hours Worked (10)		

Step 2:

Average Hourly Wage (.70)		
x Overtime Factor (2)	=	Overtime Hourly Rate (\$1.40)

Step 3:

Overtime Hourly Rate (\$1.40)		
x Number of Hours worked (3)	=	Overtime Pay (\$4.20)

An inmate worker on a standard pay plan during the regular workday who works overtime under an individual incentive pay plan shall receive piece work earnings plus the standard hourly wage for the job being worked on overtime status.

3. Overtime for workers in the group piece plan is added to the wage fund after computation of the base rate for each grade. This is to ensure that the amount of overtime paid to one individual will not in any way affect the basic hourly rate of the other workers.

4. Overtime paid for production work shall be charged to direct labor, excluding premium portion, unless the customer order was acknowledged as a production expense at the time of order acceptance. In this case, the overtime plans premium portion may be charged as direct labor.

206. LONGEVITY PAY.

An inmate earns an additional hourly pay allowance for longevity of UNICOR work service as specified below. For the purpose of longevity pay, a month includes any part of a month in which an inmate is in UNICOR work status.

<u>Length of Service</u>	<u>Longevity Pay Per Hour</u>
18 months	10 cents
30 months	15 cents
42 months	20 cents
60 months	25 cents
84 months	30 cents

Example: An inmate with length of service of 19 months and earning \$1.00 per hour. Overtime pay for this inmate would be computed as follows: 1.5 times the hourly rate ($1.5 \times \$1.00 = \1.50), then add the ten cents longevity pay for a total wage of \$1.60 per hour.

Longevity pay is classified as indirect pay and may not come out of a wage fund. This pay shall be charged to Indirect Inmate Labor - Other, sub-account 153.xxx.

207. VACATION PAY.

1. Vacation credit earned per month is determined by whether the inmate is a full-time or part-time worker and the number of months service the inmate has achieved in UNICOR work status.

	First Year	Subsequent Years
Full-time	1/2 day per month	1 day per month
Part-time	1/4 day per month	1/2 day per month

Vacation credit shall be computed each month and annotated on the reverse side of the Inmate Assignment Card, FPI Form 20, or other subsidiary payroll form as appropriate to each location.

2. When the inmate takes and/or is paid for earned vacation, the total hours involved are multiplied by the inmate's regular hourly rate of compensation, including longevity pay, to arrive at the compensation payable.

3. Vacation pay is classified as indirect pay and may not come out of any wage funds. Actual pay shall be at the standard hourly rate, plus longevity pay where applicable, for the grade the inmate holds when the vacation is taken. Vacation pay is charged to Inmate Indirect Labor, sub-account 153.xxx.

208. INMATE ACCIDENT COMPENSATION.

In addition to Title 28 of the Code of Federal Regulations (28 CFR), information on the Inmate Accident Compensation Program is contained in the booklet "Inmate Accident Compensation Procedures" given new inmates upon arrival at the institution, and in the Program Statement, Occupational Safety and Environmental Health Manual.

1. Lost-time wages paid to inmates for the period during which they are medical idle, hospitalized, or confined to quarters due to work-related injuries are charged to sub-account 182.xxx, Accident Compensation - Inmate, of the applicable real or nominal account. These expenses shall be charged to the applicable operation and not to Other Expense Control. This procedure does not apply to Inmate Performance Pay made under provision of 18 U.S.C. 4126.

2. To maintain a positive control over payment of lost-time wages to inmates transferred to a medical referral center for treatment of a work-related injury, the following actions shall be taken:

a. Continue to accrue the inmate lost-time wages on the payroll.

b. Before initiating a check for the inmate, determine monthly, through telephonic or written communication, from the Medical Director at the medical referral center that the inmate is still receiving treatment for the work-related injury.

209. POST-RELEASE INMATE ACCIDENT COMPENSATION.

1. FMB shall expense any post-release definite or indefinite award of inmate accident compensation made as a result of a work-related injury during the month in which the award is determined.

2. Definite awards are a fixed amount and paid in a lump sum. The total award shall be established in Account 24000, Accrued Expenses and expensed to Account 65182.xxx, Other Expense, Accident Compensation. Payable individual subsidiary records for each award will be maintained, as necessary. Expenses shall be transferred to the division responsible for the award quarterly.

3. Indefinite awards are specific monthly awards made up for an indefinite period. The FMB shall pay the charges monthly as authorized by BOP charging Account 65182.xxx.

210. FUNDS DUE DECEASED INMATES.

If the inmate should die with such monies owed to him or her from the United States, payment thereof is not authorized except to a legal representative of the estate or in accordance with the laws of descent and distribution of the state of domicile, there being no federal statute applicable thereto. Such claims will be settled when presented by a legal representative of the estate, or by relatives of the deceased inmate, showing their relationship and other necessary proof that such arrears of compensation are properly payable to them. The Field Office shall settle claims in accordance with CGD A-44008, August 26, 1933, and 4 GAO 3500.

211. PREPARATION OF INMATE INDUSTRIAL PAYROLL

1. General. Wages earned by inmates shall be computed by Business Office personnel monthly and forwarded to the Commissary Supervisor not later than the sixth working day of each month following the month in which earned. Such funds may be disbursed only in accordance with the rules of the institution.

2. Procedure. FPI Form 40 (Inmate Daily Work Report), FPI Form 40a (Inmate Daily Piece Rate Report), and the official door checksheet, or other basic time report, approved by each factory constitute the daily record of each inmate's time. Several forms and methods of accumulating labor data are used due to the diversification of factories in UNICOR.

a. Civilian supervisors are responsible for completion and submission of daily time and attendance data. Business Office personnel shall post daily time and attendance data to FPI Form and post the daily time ticket information to Summary Report forms: FPI Form 21 (Monthly Time Sheet) for FPI Form 38 (Monthly Payroll Card). Inmate work time identified as direct labor on monthly time sheets must be posted to the FPI Form 9 (Product Order and Cost Sheet) by Business Office personnel, thereby tying in payroll financial data with UNICOR's Cost System. If the labor is departmentalized, separate monthly

time sheets should be maintained by departments. If at any time a worker is assigned to another department, the office in charge shall report the transfer.

b. After the monthly time sheets or payroll cards have been verified, Business Office personnel shall prepare FPI Forms 41 and 41b (Inmates' Payroll) with three copies of FPI Forms 41-Special and 41b-Special. FPI Forms 41 and 41b constitute the inmate payroll voucher. Payrolls shall show:

- (1) The name and register number of the inmate.
- (2) The gross amount earned during the period indicated.
- (3) The amount of earnings credited to the personal account of the inmate.

c. The certifying officer shall sign the original and commissary copy of FPI Forms 41 and 41b. When certified, the original copy of the payroll will be included in the voucher packet. A staff member shall hand carry the second copy of the payroll voucher (memorandum payroll) to the commissary clerk (bookkeeper). It shall constitute his/her authority to debit and credit the individual inmate's personal accounts with the amounts indicated in the voucher.

3. Final Salary Check. Bureau policy, which UNICOR follows, is to have commissary pay inmates the funds due them when they leave the institution, in the form of cash or a check to be given to them, or forwarded immediately so inmates can receive it at their destination. It is, therefore, necessary to determine the amount of wages due the inmate for the current month. This determination shall be furnished upon request of institutional officials by noon of the day prior to the departure day. This shall be in writing, signed by the Business Manager showing the amount of the industrial earnings for the current month to the date of release.

It is also essential that there be no difference between the amount thus determined and the final amount of compensation. Inmates working on an hourly or individual piece work basis present no problem. Group piece workers are paid the standard hourly rate for the grade. The standard hourly rate will be applied to the total hours working with applicable longevity and overtime premium pay added to the total thus determined. The total of such advance standard hourly pay to released group piece workers shall be deducted, exclusive of longevity and overtime premium pay, both as to hours and money, from the group piece wage fund for the month. This will ensure that the amount of the predetermination will be the amount actually included in the payroll as compensation paid to the released inmate.

APPENDIX 1

ACCOUNTING CLASS CODES

JUNIPER ORGANIZATION CODES

UNICOR has established an accounting code consisting of nine position or numbers for payrolling cost coding purposes. This code will be used in addition to the coding required for the Juniper personnel system. Both sets of codes are the same except for pre and post numbers. This makes both sets of numbers compatible and helps eliminate coding errors. The following paragraphs explain the usages of both of these systems.

<u>Organization Codes</u>	<u>Accounting Class Codes</u>		
Not Used	Position No.	1--	This position shows the current fiscal year. The outline is marked X but the last number of the current fiscal year will be used for coding purposes. Example: Show 4 for FY 1984. The computer will automatically update this number at the beginning of each fiscal year.
Not Used	Position No.	2--	This position shows the appropriation of fund: Federal Prison Industries has been assigned 7 for our 15x4500 fund.
Position No. 1	Position No.	3.--	This position shows our agency number which is 4.
Positions No. 2 and 3	Positions No. 4 and 5	--	These positions show the geographical factory and VT locations. The Organization Code will always show actual location. In some situations the Accounting Class Code (Positions 4 and 5) may be used to reflect the servicing business office of a state satellite VT operation.
Positions	Positions No.	--	These positions show the

No. 4 and 5

No. 6 and 7

functions to which various employees are assigned. Central Office has the numbers from 01 through 10 and field location numbers start at 11. For example--any employee in field manufacturing will be in code 11; field administrative employees will be in code 12, etc. See page 4 for a complete listing of the appropriate classifications.

<u>Organization Codes</u>	<u>Accounting Class Codes</u>		
Positions No. 6 and 7	Positions No. 8 and 9	--	These positions show the further break-down of the functions, the Accounting Class Codes and positions 4 and 5 of the Organization Codes. Currently, we breakout some Central Office positions, satellite VT and all manufacturing positions. Those locations with satellite VT will put in the satellite code as shown on Page 6 of Appendix. (This will always be different from location code.) Manufacturing positions will be broken into type of factory as shown on Page 5 of this Appendix. In all other cases, these positions should be zeros.
Positions No. 8, 9, and 10	Not Used	--	Always Zero

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ACCOUNTING CLASS CODES

Positions 3, 4 and 5

ORGANIZATION CODES

Positions 1, 2 and 3

	401	Central Office	422	Sandstone
	402	Alderson	423	Seagoville
	430	Allenwood	424	Springfield
	403	Ashland	425	
Tallahassee				
	404	Atlanta	426	Terminal
Island				
	405	Danbury	427	Terren
Haute				
	406	Eglin	428	Texarkana
	407	El Reno	432	Oxford
	408	Englewood	433	Pleasanton
	409	Florence	434	Lexington
	429	Fort Worth	442	Miami
	410	La Tuna	443	Butner
	411	Leavenworth	444	Chicago
	412	Lewisburg	445	Memphis
	413	Lompoc	446	Bastrop
	414	Marion	447	Talladega
	416	Milan	448	Big Spring
	417	Montgomery	449	Boron
	418	Morgantown	450	Otisville
	419	New York	451	Ray Brook
	420	Peterburg	452	Deluth
	421	Safford	453	Phoenix

ACCOUNTING CLASS CODES

Positions 6 and 7

CENTRAL OFFICE

- 01 Corporate Management Group (including Associate
Commissioners Office, Plans Policy Division)
- 21 Vocational Training

PRODUCT DIVISIONS

- 03 Electronics Division
- 04 Data/Graphics Division
- 05 Metal/Wood/Plastic Division
- 06 Textile and Leather Products Division
- 09 Assistant Superintendent

SUPPORT DIVISIONS

- 02 Information Systems
- 07 Resources Division
- 08 Industrial Design
- 15 Quality Assurance
- 18 Marketing
- 19 Training

FIELD

- 11 Manufacturing
- 12 Business Office
- 13 Warehouse
- 14 Engineering and Maintenance
- 15 Counselling
- 15 Quality Assurance
- 17 Construction
- 21 Vocational Training

ACCOUNTING CLASS CODES

Positions 8 and 9

ORGANIZATION CODES

Positions 6 and 7

CORPORATE MANAGEMENT

- 01 Plans and Policy Division
- 02 Training
- 03 Corporate Support
- 04 Auditing
- 05 Inmate Programs

DIVISION MANAGEMENT

- 48 Prototype

MANUFACTURING

- 01 Brooms
- 03 Brush
- 05 Cable, Electronic
- 06 Equipment, Electronic
- 07 Canvas, Specialty
- 09 Clothing
- 10 Parachute
- 13 Dairy
- 15 Data, Key punch
- 16 Microfilm
- 17 Furniture Factory
- 19 Furniture Refinishing
- 20 Upholstery
- 21 Glove
- 23 Machine, Die & Tool
- 25 Mattress
- 27 Metal Factory
- 31 Plastics
- 33 Print Plant
- 34 Drafting
- 35 Shoe Factory
- 37 Sign Shop
- 39 Textile Mill, Cotton
- 43 Woolen Mill
- 45 Basket
- 47 Automotive Repair
- 48 Vehicle Component Remanufacturing Shop

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ACCOUNTING CLASS AND ORGANIZATION CODES

ILLUSTRATION 1

SECTION 8513

TRAVEL AND TRANSPORTATION

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100. TRAVEL

Official travel for UNICOR shall be in accordance with the following travel regulations: GSA Regulation FPMR 101-7 dated 11/1/81; Bureau of Prisons Policy Statements; and General Accounting Office Policy and Procedures Manual, Title 5.

For guidance and specific procedures for temporary travel, employees shall use the Bureau of Prisons Program Statement 2200.1, Travel Regulations, dated 11-1-84. It consists of a reprint of all four chapters of the General Services Administration's (GSA) Federal Travel Regulations (FTR) printed on white paper, Department of Justice (DOJ) Order 2200 on Temporary Duty Travel printed on green paper, Federal Prison System Program Statement supplementing DOJ Order 2200 on Temporary Duty Travel, and Federal Prison System Program Statement supplementing GSA's FTR on relocation allowances printed on blue paper. If additional assistance is required, the Business Office shall be contacted for clarification. In the event that the Business Office cannot provide the required assistance, the Business Office shall contact the Resources Division for resolution.

When official travel is by common carrier, transportation will be secured by currently authorized means. Authorized travel agencies/representatives, contact relocation firms, government sponsored credit cards and other such means will be used when required by Bureau of Prisons policy. In addition, a supply of Government Transportation Requests (GTR) will be maintained individually or by books by field offices in the event there is a policy change or an unusual circumstance which requires the authorized use of GTR's. Books or blocks of GTR's may be ordered from the Bureau of Prisons' Business Office of the local institution.

101. TRAVEL AUTHORIZATIONS

All travel performed by UNICOR personnel shall be authorized in advance by an official to whom such authority has been delegated. The authorization shall ordinarily be issued prior to the incurrence of travel expenses, and shall be as specific as possible as to the dates and locations involved, mode of transportation to be utilized, purpose or objectives, rate(s) of subsistence, and other pertinent circumstances or limitations applicable to the travel to be performed.

1. Travel Form BOP Administrative Form 64, Travel Authorization, is the official form which shall be used to authorize travel.
2. Authorization or Travel. Authorizing officials shall be cognizant of the specific requirements and determinations which must be made in authorizing travel. The failure of authorizing officials to limit travel to that which is absolutely essential to the accomplishment of the objectives of UNICOR programs constitutes inefficient management of travel and a waste of UNICOR resources.

a. Field Locations. The Chief Executive Officer of each institution is the only official authorized to approve travel at their respective institution (except for their own travel), in accordance with BOP Travel Regulations, P.S. 2200.1, paragraph 1-1.4b (1) and (2). In addition, "this authority shall not be redelegated except to persons in the position of acting for an authorizing official."

b. Central Office. All Central Offices staff travel will be authorized by the Associate Commissioner or his designee. This includes both travel of UNICOR staff and the Education and Vocational Training staff.

3. Travel Authorization Number. Upon authorization by the appropriate official listed above, the travel authorization shall be forwarded to the Business Office for a travel authorization number. This control number shall be assigned by the Business Manager after he has satisfied himself as to the correctness of the following:

- a. Dates, location and mode of transportation.
- b. Authorization of the appropriate official listed above.
- c. Estimated costs of the travel assignment.
- d. Account classification code (object class, general ledger accounts and factory).

The authorization number is a five digit numerical figure; i.e., 2-1234. The "2" represents the fiscal year and "1234" represents the unique identifying number for that trip. This number is entered in a log along with the traveler's name.

4. Routing. Upon assigning a number, the Business Manager will initial the Travel Authorization and distribute the authorization as follows:

- a. Original and one copy is returned to the traveler.
- b. A copy is retained and filed numerically in the Business Office.
- c. The final copy is routed to the accountant.

102. TRAVEL VOUCHERS

Upon completion of the trip, a travel voucher shall be submitted, audited and prepared for payment as outlined in Section 8514, Vouchering, and also as described in paragraph 100 of this section. Travel advances shall be settled at this time by deducting the amount of the advance from the voucher, clearing the advance from the Collection Bill Register by referencing the voucher and schedule number, and entering a Journal Entry 9. Authorized expenditures that exceed the travel advance for the trip shall be scheduled for reimbursement and excess travel advance shall be collected at this time.

103. ACCRUED TRAVEL EXPENSES

At the close of each month accountants shall review all Travel Authorizations in the open travel file. If the date indicated on the authorization for which the travel to be taken has passed, the accountant should determine if travel was actually performed. If the trip was postponed or cancelled, the accountant should so indicate this on the authorization and file it in the closed travel file. If however, travel was performed but no voucher has been submitted, the accountant shall enter a Journal Entry 10 to accrue the unvouchered expenditure at month end, and at the beginning of the next month enter Journal Entry 11 to reverse the accrual.

104. TRANSPORTATION OF THINGS

1. General. FPI Form 8 (Shipping Order) is used to authorize shipment of finished goods, materials, supplies, machinery, equipment, as well as, to provide a definite control and record of all shipments. The Transportation Officer will utilize the most advantageous and economical method of shipment; namely freight, parcel post, express, etc.

2. U.S. Government Bill of Lading (GBL), S.F. 1103. The customer ordinarily furnishes a GBL to cover shipment of items ordered. Indicate the most economical and direct route when completing GBL'S furnished by customers unless a specific routing is already shown or is included in the shipping instructions.

When it is necessary to change the routing given by the customer on the GBL, contact the issuing office for authorization. Show on the GBL the name of the person authorizing the change and date of change.

When the customer provides no GBL but specifies that UNICOR is to issue a GBL chargeable to their appropriation, follow their instructions for shipping or contact the customer/issuing office and advise them of the alternate solution identified for their authorization.

UNICOR will furnish GBL's for all GSA shipments, consolidating orders to the maximum extent possible. Prior to shipment, the UNICOR facility making shipment will contact the Transportation Service Division (TSD) in the appropriate GSA Regional Office (phone number on Purchase Order) for carrier, rate and routing information. The TSD will provide this information telephonically (if requested) or by furnishing a copy of the GSA Form 420.

UNICOR civilian personnel will complete the GBL in accordance with the instructions provided by the TSD. The Serial Number furnished by the TSD must be shown in the "Route Order/Release No. 2" block in the upper right hand side of the GBL. UNICOR will provide a Memorandum copy of the GBL to the TSD furnishing the rate/routing information.

When utilizing GBL's for the transportation of things for UNICOR (rather than for customers), particular care should be exercised to see that each GBL bears the proper fund symbol (15X4500), as well as indicating thereon that billing is to be made to UNICOR, Federal Prison Industries Inc., (Location). Do not include Department of Justice or the name of the institution.

Prepare and use all GBL's as set forth in General Accounting Office Policy and Procedures Manual, Title 5. Freight and express shall not be prepaid and added on the invoice as a separate item unless specifically authorized by the Product Division Office.

Common carriers should be contacted concerning reduced (or special) rates as permitted by 49 U.S.C. 22 (Transportation Act of 1940) to cover large shipments or repetitive shipments between two locations.

105. TRANSPORTATION OF PEOPLE

1. Transportation for official travel will be secured in accordance with current required BOP policy.

a. When government sponsored credit cards are issued for use in connection with official travel, it is up to the individuals assigned the responsibility for the card(s) to assure it is used for official business only. Personal use of these cards is strictly prohibited. They may be used, when authorized, to secure transportation for official travel, to pay for lodging, meals, authorized car rentals, and other such authorized expenses.

b. Travel arrangements should be made through the authorized travel service/agency for those locations for which BOP has a contract agency for that purpose. These contracts travel services will provide the lowest cost rates for transportation based on current negotiated government rates. These services require a Travel Authorization Number before they can secure a confirmed reservation and ticket for the traveler.

c. A Government Transportation Request (GTR) will be used when other means, such as government sponsored credit cards, are not required or under usual circumstances when authorized by an appropriate official.

2. If employees are traveling on official business for UNICOR by common carrier with a Government Transportation Request (GTR), the GTR shall only be issued when the traveler presents an authorized and numbered travel authorization to the individual designated in the Business Office as the GTR custodian. GTR's are accountable forms and must be maintained in a secure location.

- a. The GTR shall be prepared by the GTR custodian, or by the traveler, and shall reference the travel authorization number and accounting classification code.
- b. The GTR shall be routed as follows:
 - 1) The blue copy (Original) shall be given by the traveler to the carrier in return for a ticket. This copy will later be returned to UNICOR by the carrier when the carrier presents an invoice for payment.
 - 2) The buff copy shall be used to record the GTR in the Transportation Reserve Register. It shall then be given to the traveler who will return it to the Business Office when he submits his travel expenses for reimbursement on a SF-1012, Travel Voucher.

106. TRANSPORTATION RESERVE REGISTER

Record all GTR's and GBL's issued and/or spoiled on the FPI Form 77, Transportation Reserve Register. In addition to being used for necessary accounting detail for estimated travel and transportation charges, it shall serve as an accountability record. Maintain a numerical file for Memorandum copies of all GTR's and GBL's issued in conjunction with the register. GBL's furnished by customers and chargeable to their appropriation shall be included in the register for accountability purposes. File the Memorandum copy of the GBL with the customer's order. The original of any GBL's and GTR's that are spoiled shall be boldly marked cancelled, stapled to the Memorandum copy, and placed in the numerical file. Voided GBL or GTR numbers will be recorded numerically in the Transportation Reserve Register and noted as void. (See Illustration 1.)

Each Business Office shall maintain one Transportation Reserve Register. As soon as the estimated transportation charges have been determined, enter the amount in the credit column of the FPI Form 77 for each GTR and GBL issued and show the account number to be debited in the column provided for that purpose. When GBL's are issued to suppliers, make only an accountability entry in the proper sequence of bill of lading numbers and then reenter it in the month in which the estimated liability accrues, based on information that the carrier has accepted the shipment.

On original accountability entry, reference the month that the estimated charges were entered. An extra debit column has been provided to be used only if the volume in any one factory or account justifies its use. Make a summary of all new GTR and GBL postings from the register at the end of the month. Record such summary on the register immediately following the monthly totals and use this summary as the basis for the month-end Journal Entry 7 debiting the appropriate expense account(s) or fixed asset account and crediting Account 23000, Transportation Expense Paid.

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Illustration 1

Transportation Reserve Register, FPI Form 77

As transportation bills are passed for payment, record the voucher and schedule number and the month and year certified on the applicable line of the FPI Form 77 in the paid column so that the sum of the open items for any factory will equal the balance in Transportation Expense Payable, Account 23000 for each factory. Bills of lading issued by other Government agencies that will result in charges properly payable by the consignee industry shall also be entered on the Transportation Reserve Register at the time the consignee's certificate of delivery is executed.

Efforts shall be made to obtain billings for open GBL's or GTR's (see Section 8514, Vouchering). Items recorded on the Transportation Reserve Register for which a billing was not received within two years from date of issue shall be cleared by Journal Entry 7a to 74000, Other Income. A cross-reference shall be made in the paid column opposite the item being cleared.

107. PENALTY MAIL

Field Offices shall be advised at the beginning of each fiscal year of the amount of postage to be accrued on their monthly Journal Entry 10 during the fiscal year. A transfer via FPI Form 5 for the accrual shall be made to Resources Division quarterly by use of Journal Entry 1.

Upon receipt in the Resources Division, the accrual shall be received via Journal Entry 1. The U.S. Postal Service bills Resources Division quarterly through the SIBAC System and this billing is posted via Journal Entry 9.

108. INTERNAL CONTROL OF GTR's AND GBL's

1. GTR's.

a. Accountability and Responsibility.

GTR's are accountable documents. One accountant at each location shall be designated as responsible for the safekeeping and the issuing of GTR's. All unissued GTR's must be stored in a fireproof safe. The responsible accountant shall issue one GTR to a traveler upon presentation of a properly prepared and authorized travel authorization. At the time of issuance the responsible accountant shall record the GTR number, the traveler's name, and the date of issuance. As the subsequent travel vouchers came through the accounting office the GTR number on the voucher shall be compared to the list of issued GTR's. Any discrepancies shall be investigated and resolved by the accountant who issued the GTR. In addition,

the accountant issuing the GTR shall periodically review the list of issued GTR's to ascertain that the GTR's are being used as authorized and reported on a travel voucher in a timely manner. The designated accountant may be held responsible for the amounts the Government is required to pay because of loss of GTR's resulting from his fault or negligence. Lost or stolen GTR's should be reported promptly in writing to the FPI Controller. The Controller will notify GSA.

b. Requirements to Stock GTR's.

Those locations using less than one book of GTR's every six months should not stock them. Those controls described above (a) should be avoided where there is low usage of GTR's. Those locations should obtain the GTR's as needed from the institution Business Office.

2. GBL's.

a. GBL's Issued From Within UNICOR.

GBL's are accountable documents. One accountant at each location shall be designated as responsible for the safekeeping and issuing of GBL's. All unissued GBL's, along with the copy of the Letter of Acknowledgement, shall be stored in a fireproof safe. On a weekly basis the responsible accountant shall determine the number of GBL's to be issued to the individual that prepares the GBL's. Once the appropriate number is determined, the accountant shall record the GBL numbers in a handwritten log and then issue the corresponding GBL's. The accountant must then check off each GBL from the log as the GBL's are used and forwarded through the accounting office for his verification and signature. The responsible accountant must ascertain that each issued GBL has been used as intended and that it has been used within a timely period. As an added precaution the handwritten log shall be reconciled to the Transportation Reserve Register, FPI Form 77, monthly.

All GBL's shall be secured at the end of each work day to insure proper control. If the GBL cannot be secured in the assigned work area, the unused forms shall be given to the staff accountant for security.

Only the GTR issuing accountant or the GBL custodian may void a GBL. Any such voided GBL must be returned to the accounting office for action and filing by the responsible accountant.

b. GBL's Issued By The Customer

When a customer supplies UNICOR with a GBL, it must be secured in a fireproof safe immediately upon receipt. the customer's GBL number, including a brief note such as "customer's GBL in safe" should be noted on the face of the customer's order to alert the shipping officer or clerk that a GBL has been furnished by the customer. In addition, the GBL number shall be acknowledged on FPI Form 52, Order Acknowledgement.

NOTE: In order to avoid duplicate payments all vouchers must be stamped "PAID" by the certifying officer immediately after he signs the disbursement schedule.

SECTION 8514

VOUCHERING

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VOUCHERING

100. INTRODUCTION

Vouchering is the process used to document each UNICOR payment. (See Exhibit 1). This process is highly vulnerable to fraud and abuse and must be carried out with great care and attention. It involves verification activity that will assure that each proposed payment is: (1) presented in a timely manner, (2) legal, (3) proper in all aspects, and (4) completely accurate. The required documents which initiate the vouchering process are the request for purchase, the purchase order, the receiving report and the invoice. Except for recurring, travel and transportation, payroll, of Bureau of Prisons payments, all of these documents must be present before the voucher document, "Control Voucher for Purchases and Services other than Personal." (FPI Form 1034), may be drawn and approved. To verify the accuracy, legality and propriety of the voucher the following determinations must be made:

1. Whether the required administrative authorizations for the procurement and approvals for payment were obtained.
2. Whether the payment is permitted by law and is in accordance with the terms of the applicable agreement.
3. Whether the name of the payee is correct.
4. Assurance that the payment will not be a duplicate.
5. Whether the goods received or the services performed were in accordance with the agreement.
6. Whether the quantities, prices, and amounts are accurate.
7. Whether all cash, trade, quantity, or other discounts have been taken, and, if not, whether the reason is justifiable for wise cash management. See paragraph 109.
8. Whether all applicable deductions were made in the correct amount.
9. Whether proper forms of documentation were used and whether special certificates, if required, were furnished.

101. INTERNAL CONTROL

It should be recognized that the vouchering process provides an opportunity for fraud or waste of UNICOR funds. Therefore, effective internal controls must be included in the development of vouchering procedures. Segregation of duties and review of documentation for propriety and accuracy facilitates effective internal controls and include such features as:

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EXHIBIT 1

The Vouchering Process

1. Warehouses or receiving personnel performing their duties independently of procurement and accounting personnel.
2. Accounting personnel performing their duties independently of procurement and warehouse personnel.
3. Incoming invoices being routed directly to accounting personnel.
4. Specific requirement concerning accumulation of documentary support before a transaction can be liquidated through the disbursement of funds; i.e., purchases request, purchase orders, receiving reports, invoices, etc.
5. Multiple review requirements to insure accuracy and propriety of proposed payment.
6. Disbursement personnel operating independently of procurement, receiving and accounting personnel.

The less separation of duties and documentary review that are built into the system, the greater the chance for misappropriation or waste of UNICOR funds. While an ideal internal control system may not be achievable at all locations, every effort should be made to establish the best system possible at each location.

Receiving procedures are discussed in Section 8509 "Inventory" of this chapter. Other elements of vouchering are discussed in this chapter. The General Accounting Office's Policy and Procedures Manual, Titles 5 and 7 provide additional guidance material. See Exhibit 1 for a flowchart of responsibilities and procedures involved in the vouchering process.

102. TYPES OF VOUCHERS

The following is a list of the types of vouchers processed by UNICOR Business Offices.

1. Control Voucher for Purchases and Services other than Personal (FPI Form 1034_). This voucher is used as support for payments for goods or services scheduled on the following:
 - a. Standard Form 1166 (SF-1166) Vouchers and Schedule of Payments.
 - b. Standard Form 1081, Schedule of Interagency Withdraws and Credits.
 - c. Standard Level User Charge (SLUC).
 - d. Simplified Interagency Billing, Collection System (SIBAC), (OPAC) On-Line Payment and Collection System.

2. Standard Form 1012, Travel Voucher. This voucher supports claims for reimbursement of employee travel expenses and is scheduled on an SF-1166.

3. Transportation Vouchers. Standard Form 1113, Public Voucher for Transportation Charges, and Standard Form 1171, Public Voucher for Transportation of Passengers. These vouchers are scheduled on an SF-1166.

4. Civilian Payroll: Accounting Station Posting Media. This payroll listing represents amounts paid by the DOJ Payroll system and therefore is a memorandum voucher for recording and posting purposes only and is not scheduled for payment.

5. Inmate Payroll Vouchers. These payments are vouchered for posting and crediting to inmate records.

6. Inmate Accident Compensation. This monthly voucher documents payments to inmates who have suffered an injury while employed by UNICOR. This voucher is scheduled on an SF-1166.

7. Inmate allotments of pay to dependents or other designee are scheduled on an SF-1166, and are supported by the Classification Form 11.

8. DOJ Consolidated Billings. These are memorandum vouchers representing amounts paid by DOJ for the benefit of UNICOR. This voucher is prepared solely by the Resources Division and supports postings by the control accountant. These vouchers are not scheduled for payment.

103. REQUIRED DOCUMENTS - VOUCHERS FOR GOODS/SUPPLIES OR SERVICES

The following types of documents must be part of the voucher file before a voucher document may be prepared and approved for payment of goods or services received:

NOTE: For specific instructions for the preparation of any of the following documents refer to Instructions for Reports, Forms and Records, Section 8540.

1. Request for Purchase (FPI Form 89 or FPI Form 89A). The Request for Purchase (FPI Form 89 or FPI Form 89A) is initiated by the staff member requiring the material or service. Requests for production material or equipment shall be made by the Factory Manager. Final approval of the Request for Purchase is by the AW(I&E)/Superintendent of Industries at each field location. The requesting officer shall retain one copy for the suspense file. The original and one copy are to be forwarded to the procurement officer after approval is granted

by the AW(I&E)/Superintendent of Industries. When the Request for Purchase involves a service as opposed to a good (supply), the Factory Manager must identify on the FPI Form 89 the individual that will be responsible for determination that the service has been received in accordance with the request.

2. Procurement Document (A Contract or an Order for Supplies or Service (SF-147)). Upon receipt of a properly completed and approved Request for Purchase the Procurement Officer shall prepare either a contract to procure or an Order for Supplies or Services, SF-147, in accordance with the information on the Request for Purchase. Upon proper completion and approval, the Procurement Officer shall forward the original procurement document and a copy of the Request for Purchase to the Business Office. The accountant shall then file the document in an open vendor file (by vendor name) until an invoice and receiving report for the goods/services are received. These documents then become part of the voucher file. The second copy is retained by the procurement officer for the numerical file.

3. Receiving Reports. The Receiving Report, FPI Form 11, is to be used to document the receipt of goods and/or services. It is the responsibility of the warehouseman to accurately prepare and complete the Form 11 upon the receipt of goods/services. The person receiving the goods or services shall sign the Receiving Report. Preparation of a Receiving Report should be initiated for the following:

- a. Raw materials, supplies, and other tangible property are received.
- b. Services performed by contractors, lessors, and other payees.
- c. When a Receiving Report is not prepared to document receipt of goods or services, the following shall be noted on the original invoice and will be signed by a staff member who can verify receipt:

"I certify that the goods/services shown on this invoice were delivered/performed on _____ (Date) and that this invoice is proper for payment."

In instances where a UNICOR staff member has acknowledged receipt of goods or services on a cash receipt or other proof of purchase, a Receiving Report shall not be required. The Receiving Report indicates that the goods and/or services are in accordance with the requirements on the purchasing document and that all goods subject to strict specifications have been approved by the Quality Assurance Officer. Upon receipt of the Receiving Report in the Business Office, the accountant will attach it to the open procurement document and await an invoice.

4. Invoices. Upon receipt, invoices shall be promptly delivered to the Business Office. The invoice should have the purchase order number noted (either the "Order for Supplies or Services" number or the contract number), and include related prices and an adequate description of the goods or services that were furnished. Based on the purchase order number on the invoice, the accountant will pull the corresponding procurement document, request for purchase and the Receiving Report. The accountant shall then verify:

- a. That the proper authorization and approvals were obtained and that all documents are properly completed and signed.
- b. That the name of the payee and the amount to be paid is correct, and that the payment is not being illegitimately diverted to a P.O. box number or alternate payee.
- c. That the payment will not be a duplicate.
- d. That the goods received or services performed were in accordance with the agreement.
- e. That quantity amounts are accurate.
- f. That the applicable deductions were made.
- g. That the proper forms of documentation were used including special certificates where required.

In summary, the voucher file for a payment shall have an original invoice, original Receiving Report, original purchase order, and copy of request for purchase. Other supporting documents that may be included are order acknowledgement, freight bills, and certificates of compliance. If the FOP on a purchase order is origin then it should state prepay freight and bill as a separate item on invoice. If the vendor pays the transportation company and the invoice is over \$100.00 the vendor has to send you a copy of the freight bill from the transportation company showing the charges were billed to the vendor rather than UNICOR. This will eliminate duplicate payments and over billing by vendor for transportation.

After the aforementioned documents have been accumulated and verified, a "Control Voucher for Purchases and Services other than Personal," FPI Form 1034, shall be prepared by the accountant to initiate the disbursement process.

104. PREPARATION OF THE "CONTROL VOUCHER FOR PURCHASES AND SERVICES
OTHER THAN PERSONAL," (FPI FORM 1034)

The FPI Form 1034 (See Illustration 1) is the required form that consolidates and summarizes the back-up documents which must be present to support a disbursement for goods/supplies and services.

1. Once the accountant has received all of the required back-up documents and is satisfied that the documents are accurate and valid, he shall prepare the FPI Form 1034. All items except the voucher number and the schedule number (see Illustration 1) will be entered at this time. Information for items 4 through, 6, 8 through 10, 12, and 16 obtained from the required back-up documents.

Item numbers 1 and 3, Control Voucher Number and Schedule Number, shall be obtained from the Control Voucher Log. (See Section 8507, Disbursements). The Control Voucher Numbers shall start at 1 each fiscal year and increase sequentially throughout the year. The appropriate information on the Control Voucher Log must be filled in when a Control Voucher Number is issued. Item 2 FPI Form 1034, UNICOR Location, shall be filled in as appropriate (i.e., Alderson, West Virginia).

Item 7, Accept/Reject Discount Box, shall be checked as appropriate in accordance with wise cash management policy, see paragraph 109, Prompt Payment to Earn Discounts, in this section. This item is not applicable when vouchering a GTR, GBL, travel or payroll voucher.

Item 11, Accounting Classification, will be determined based upon the general ledger accounts that will be affected by the disbursement. See paragraph 105, Accounting Classification Codes. For specific general ledger accounts to be entered refer to Section 8501, Chart of Accounts and Accounting Classification Codes.

Item 13, Payee Vendor Number, is for future use and shall be left blank.

Items 14 and 15, Approving Officer Signature, Date, and Title, will be filled in by the accountant if and only if he is satisfied that the documents are accurate and provide valid support for the payment.

2. Once the control vouchers to be paid, FPI Form 1034, are complete and approved, the accountant will prepare a "Voucher and Schedule of Payments", SF-1166, in accordance with the instructions in Section 8507, Disbursements. At the point the SF-1166 will be assigned a schedule number and the individual vouchers will be assigned voucher numbers. These numbers will be entered in items 1 and 3 of FPI Form 1034.

Illustration 1
Control Voucher for Purchases and Services
Other Than Personal (FPI Form 1034)

3. The SF-1166 and applicable FPI Form 1034's, along with supporting documentation, shall be forwarded to the certifying officer who will review and certify the SF-1166. After the SF-1166 is certified and the supporting documents stamped or perforated "PAID" by the certifying officer, the FPI Form 1034 and accompanying support documentation, and a pending SF-1166, will be returned to the accounting office. The FPI Form 1034 and support documentation shall be posted to the Voucher and Disbursement Registers and filed by voucher number.

105. ACCOUNTING CLASSIFICATION CODES

All vouchers shall have the appropriate accounting classification code(s) placed on the FPI Form 1034 to facilitate prompt and expeditious journalizing. The accounting code to be entered on the vouchers shall be as authorized by the Chart of Accounts.

1. Procedure. The following is an example of how accountants shall code vouchers: i.e., 13010 - \$100.00 represents and expenditure for Raw Materials and Supplies.

2. Reconciliation. The total of all account codes entered on the voucher shall equal the total of the voucher. Also, the total of all codings per schedule shall equal the total for that schedule.

106. SPECIAL CERTIFICATION - TOLL CHARGE FOR OFFICIAL LONG DISTANCE TELEPHONE CALLS

In addition to the aforementioned required documents, a special certification must be attached to a voucher for a long distance telephone call invoice. The accountant must ascertain that the long distance calls were for official business only and obtain initials on the invoice from the responsible party. Telephone calls home for employees on official travel for more than a night are considered official calls under Federal Travel Regulations (not to exceed one call per day up to a maximum of 15 minutes). Upon this determination, the accountant will have prepared the following statement: "Pursuant to Section 4 of the Act approved, (31 U.S.C. 6809) I hereby certify that the long distance calls were for the transaction of official business required in the interest of the Government." The accountant will then sign and date the statement, attach it to the invoice, and prepare a voucher for payment in accordance with paragraph 104.

107. RECURRENT PAYMENTS

1. Recurrent payments are payments for services of a continuing nature such as rents, janitorial services, etc., which are performed under a UNICOR purchase order or contract that specifically provides for payments that are fixed in amount and payable at fixed periodic intervals without the submission of an invoice, or bill by the vendor,

Illustration 2
Recurring Payment Log

Recurring Payments Log
Federal Prison Industries, Inc.
Location

VENDOR _____

Purchase Order No. _____

<u>Voucher Number</u>	<u>Amount</u>
<u>Invoice Number.</u>	

(TFRM 4-2020.30). A UNICOR employee must be identified on the purchase order or contract as being responsible for determining that the services have been provided in accordance with the purchase order/contract and that the periodic payment should be made.

2. Each period, i.e., monthly, quarterly, when a payment is required to be made, the designated UNICOR employee will contact the warehouseman who will initiate a Receiving Report and forward it to the responsible employee for approval. Once compliance has been determined, the responsible employee shall sign the Receiving Report and forward the accounting copy to the Business Office.

3. Upon receipt of a recurrent payment Receiving Report the accounting office shall pull the file of back-up documents to verify the procurement as an authorized and valid situation for a recurrent payment and prepare a voucher for payment. The accountant shall establish and maintain a log of recurrent payments made (see Illustration 2). The log shall be retained in the front of the recurring payment file containing all of the back-up documents. The accountant will not process a payment under a recurrent payment situation unless a Receiving Report is provided by the designated responsible employee.

108. LOST OR DESTROYED ORIGINAL VENDOR INVOICES

If an original invoice has been lost or destroyed, a duplicate must be obtained from the vendor to support the voucher for payment, FPI Form 1034. Once the voucher is supported, the payment schedule may then be processed through the regular disbursement channels provided that there is an attachment to the duplicate invoice which (a) gives a full explanation as to the circumstances of the loss or destruction of the original invoice, and (b) a statement that steps have been taken to prevent duplicate payments. The accountant shall be responsible for documenting and verifying the validity of the aforementioned attachment.

109. PROMPT PAYMENT TO EARN DISCOUNTS

1. Discounts will be taken only when the discount terms applied in the following formula yield an effective annual interest rate equivalent to, or greater than the percentage rate based on the current value of funds to the Treasury.

<u>Discount %</u>		<u>360</u>		
Effective				
100% - Discount	X	# of days until the net amount is	=	
Annual		due minus the # of days that the		
Interest		the discount is in effect.		
Rate				

Example: Current Value of Treasury Funds 18.5% Discount Terms
2/10 net 30 which equate to a 2% discount if paid within 10 days,
if the discount is not taken the balance is due within 30 days.

$$\frac{.02}{1.00 - .02} \times \frac{360}{30 - 10} = 36\%$$

Conclusion: $36\% \geq 18.5$: Therefore, take the discount.

2. The computation of the discount period shall be based on the later of the date of receipt of the invoice for payment or the receipt of goods in accordance with the Prompt Payment Act, unless otherwise provided in the contract or invoice as to how the discount period is to be determined. All discounted payments will be scheduled for check issuance on the last day of the discount period. Payments will not be made to achieve discounts unless the related goods or services have been received except as specifically provided by contract or other agreements executed pursuant to law.

3. The current value of Treasury funds will be calculated by Treasury as an average of the current value of funds to Treasury for the past three months period. The percentage rate will then be transmitted in the Treasury Fiscal Requirements Manual (TFRM) bulletins prior to the first day of each calendar quarter. The Resources Division will assure that the Treasury rate is made available to field locations on a quarterly basis. Note: The quarterly Operations Memorandum transmitting the Treasury rate will contain a handy conversion chart that may be used in lieu of using the above formula.

110. TRANSPORTATION VOUCHERS

1. Bills from commercial vendors for freight and express transportation will be submitted on Standard Form 1113 (Public Voucher for Transportation Charges), and bills for passenger transportation will be submitted on Standard Form 1171 (Public Voucher for Transportation of Passengers). These invoices are to be vouchered separately from other vouchers using a separate series of voucher numbers. A FPI Form 1034 does not need to be prepared when vouchering a SF-1113 or SF-1171 as these forms may serve as the voucher.

2. Upon receipt of the transportation bills from the carrier, transportation invoices should be compared with the estimates originally recorded on FPI Form 77 (Reserve for Transportation Register). See Section 8513 Travel and Transportation. The accountant shall then determine if the transportation was furnished. If not furnished, the accountant will process a request from the carrier pursuant Section 8504, Invoicing. If the transportation is furnished and the transportation item was incorrectly charged to UNICOR, that amount shall be deducted from the billing. Such deductions must be explained on FPI Form 62 (Debit Memorandum). The original FPI Form 62 will then be forwarded by Treasury with the check to the vendor for that portion of the bill which is properly payable from UNICOR funds.

NOTE: Although the General Services Administration has primary responsibility for rates, certifying officers shall question any rates on transportation bills which they have reason to believe are improper. All bills must be verified for correctness and accuracy.

3. On transportation vouchers for freight and express charges on a shipment for which there has been a notation made on the bill of lading of loss and/or damages, it shall be explained by what action recovery was made and all documents by which recovery was made referenced, such as:

a. The Register of Remittances Received deposit number for deposit of a check received for the loss.

b. The voucher number and date, if set off against another voucher payable by UNICOR.

The action taken in connection with the above is:

1) The carrier shall be invoiced for the loss and damages.

2) If the carrier fails to pay the invoice for the loss and damages, it shall be deducted from the current or subsequent billing of the carrier.

3) If settlement is not obtained by either of the above methods, the claim against the carrier should be transmitted to the Resources Division for submission to the General Services Administration.

111. TRAVEL VOUCHERS

1. General: Standard Form 1012, Travel Voucher, shall be used to voucher for travel expenses incurred on official travel.

a. Requests for travel advances shall be submitted by the employee to the Business Office on a SF-1012 and a Standard Form 1038, Request for Advance of Funds. The request normally accompanies the travel authorization. After the authorization has been annotated with a travel authorization number, the accountant will process the voucher for the advance (see Section 8507, Disbursements). The SF-1038 will accompany the voucher until after the disbursement has been made. It will then be logged in the Collection Bill Register in accordance with Section 8506, Collections.

b. Request of employees for reimbursement of expenses incurred while on official travel will also be submitted on a SF-1012. Accountants shall audit the voucher for compliance with the travel

authorization and regulations. Upon receipt of a travel authorization, the accountant shall file the authorization in an "open" travel file by traveler's name. The authorization shall remain in the file until the traveler submits a voucher for the trip. The accountant shall then pull the authorization and audit the voucher.

The accountant shall ensure that the required approvals and receipts are attached and that any advance is settled (see Section 8513). The copy of the authorization from the "open" file will accompany the voucher until certification. Upon certification of the payment by the Certifying Officer, the accountant will post the schedule and voucher numbers to the authorization, and file the authorization in "closed" numerical file for future reference. Travel vouchers for which no reimbursement is due as a result of the advance exceeding the expenses shall be vouchered for payment but will be scheduled as a "no check" payment.

c. Travel vouchers for TDY travel shall generally include a SF-1012 (Travel Voucher), a properly approved SF-64 (Travel Authorization), lodging receipts indicating single room rate, transportation receipts and any other receipts applicable. Travel vouchers for PCS Travel shall include a SF-1012, statement of proposed travel, and a properly approved SF-64. Other documentation that may be required include: lodging receipts showing single room rate; itemization of temporary quarters expense; itemization of real estate costs; Computation of Federal and State withholding tax on change of duty station voucher DOJ Form 412 (Reimbursement to employee for moving expenses and tax withheld); Per Diem Claimed Statement; Truck rentals and weigh bills, or moving company expenses paid commuted rate schedule; Prohibited Acts Statement; annual leave statement; signed contract from the personnel office (DOJ 50); a traveler's statement approving the typing of vouchers prepared by inmates; mileage charts; SF-1038 showing original travel advance; or itemized miscellaneous expenses when over \$700.00.

2. Withholding of Income Taxes from Moving Expenses. The Internal Revenue Service has ruled that certain allowances authorized by PL 89-516, dated July 21, 1966, are subject to Federal and State withholding taxes. Those allowances are: (1) Househunting Trip, (2) Temporary Quarters, (3) Residence Transactions, and (4) Other Miscellaneous Expenses. UNICOR offices shall process withholdings of income tax in accordance with the Department of Justice Order 2120.9A, dated May 19, 1976 and BOP Program Statement 2300.1, paragraph 17200. The taxes are transferred to DOJ Payroll via an automated computer program, by mailing the DOJ Form 412, or whatever is currently required.

3. Expenses Classification - Permanent Change of Station (PCS).
PCS moves of Product Division and factory personnel will be charged as a Division expense. Moves of Superintendents, Resources Division, and Quality Assurance Staff will be charged as Corporate Expense.

a. Field location accounting for these expenditures will be processed through Voucher Register and FPI Form 5 transfer billing procedures. The voucher register entry shall be a debit to Other Expense, Account 65 and a Travel Expense Subsidiary Account (2XX). Vouchers in Transit, Account 21000 and/or Travel Advances Receivable, Account 12020 shall be credited via Journal Entry 9. The FPI Form 5 prepared by the field location will provide the following detail related to the expenditure:

<u>Object Class Code</u>	<u>Subsidiary Expenses</u>
12 Househunting Trip	231
Real Estate Cost	234
Miscellaneous Expense Allowance	231
Subsistence on Temporary Quarters	231
21 Travel - Change of Duty Station	232
22 Transportation of Employee's Property	235
Storage of Household Goods	236

Recording of the FPI Form 5 in the field location's Washington Control Register will require a debit to Account 33040 Transfer Billings and a credit to Other Expense Account 65 via Journal Entry 1.

b. Recording of the FPI Form 5 in the Division or Washington Office Washington Control Register will require a debit to the 67 or 68 Account series as applicable and the subsidiary expense accounts as noted above via Journal Entry 1. Account 33040 Transfer Billings will be credited identifying the field location involved.

Note: Vocational training PCS travel expenses are charged to Account 81XXX, Vocational Training Expense Control.

112. CIVILIAN PAYROLL

Biweekly, a computer printout (Accounting Station Posting Media (ASPM)) is furnished by the Department of Justice (DOJ) Payroll System which is to be used to support distribution of civilian salary expense and miscellaneous awards, lump-sum leave, etc. The total of the earnings statements should be verified with total salary expense and the computer printout. Section 8507, Disbursements, prescribes the accounting entries for these payroll transactions. Since the ASPM contains DOJ sensitive material, it is to be secured from inmates.

Upon receipt of the ASPM, the accountant will prepare a voucher. This voucher is for internal accounting purposes and does not require any further disbursement action by UNICOR. The ASPM is the support documentation for the payroll disbursements. The accountant shall allocate the expenses by cost center, General Ledger accounts and object class as shown on the ASPM is filed with the voucher as support documentation.

113. SERVICES PROVIDED BY THE BUREAU OF PRISONS

Utilities payment to the BOP institution is based upon Bureau of Prisons (BOP) institution invoices. Such charges will be based on actual meter readings or other objective measurements, or engineering formulas mutually agreed upon by BOP and UNICOR.

Billings for shop work accomplished by the BOP for UNICOR should include the cost of material and labor costs, including 11% for payroll benefits. Overhead charges of 2% of labor cost when UNICOR supplies the materials and 5% of labor cost when the BOP supplies the materials are acceptable charges to be paid by UNICOR. In addition, UNICOR will be billed for the use of BOP vehicles and meals served to inmates who work regularly scheduled night shifts. Such bills, or invoices, shall be vouchered in the same manner as set forth for other vouchers (see paragraph 104) except that a Receiving Report is not required. Such payments shall be approved by the Business Manager or his/her designee.

114. SERVICES PROVIDED BY THE DEPARTMENT OF JUSTICE

Invoices for services provided to, or goods received by UNICOR, but paid for by the Department of Justice (DOJ) are periodically billed to UNICOR by Consolidated Billings. The amounts billed represent amounts certified for payment by DOJ but properly should be charged to UNICOR. Such bills are vouchered on a FPI Form 1034 as outlined in paragraph 104. Upon receipt, the accountant shall determine if the charge is proper and prepare the voucher. These bills are submitted by DOJ solely to the Resources Division and do not involve individual Business Offices. Although no check is disbursed to reimburse DOJ, for accounting purposes these bills are assigned a voucher and schedule number as outlined in Section 8507, Disbursements.

115. INTER-INDUSTRIES TRANSFERS

Amounts owed by one industry to another within the same institution will usually be settled by complimentary entries in the accounts of the industry supplying the goods or services and the industry receiving such goods or services. Billings for these items will be made including all pertinent information on FPI 5 (Inter-Industries Transfer Voucher)

and always accounted for during the same month. Under no circumstances will a billing on FPI Form 5 remain open beyond September 30 of any fiscal year. FPI Form 5's will then be recorded in the Washington Control Register (Account 97). Amounts owed by one location to another will be processed as a transfer billing utilizing FPI Form 5. The form will be initiated by the billing institution and completed by the billed institution. The FPI Form 5 is a mechanism to bill other offices/factories/ institutions for certain expense or costs transferred between each other. Section 8504 Invoicing outlines more fully the instructions and procedures for preparation and completion of the FPI Form 5 and related accounting entries.

116. CLAIMS AGAINST INDUSTRIES

1. Vendors. When advance decision or approval by the General Accounting Office (GAO) is needed prior to payment of a vendor's claim, the certifying officer shall submit the original voucher to the Financial Management Division with attached supporting papers and recommendations for consideration through the Department of Justice. When a decision is made, the original voucher will be returned for settlement or cancellation and advice to the claimant. Payment will be accomplished in the same manner as for any other voucher. If GAO issues a certificate of settlement instead of returning the original voucher, the certificate of settlement should be handled as outlined in GAO Manual, Titles 4 and 5.

2. Tort (GAO Manual, Title 7). Approved claims under the Tort Claims Act will be on Standard Form 1145 (Voucher for Payment under Federal Tort Claims Act). Such vouchers will be prepared in Washington and sent to the appropriate field office for certification and scheduling for payment. Before payment, the signature of the claimant must be secured on the original voucher to relieve the Government of further liability.

3. Other. Settlement of accounts of deceased or incompetent public creditors other than deceased civilian officer and employees shall be in accordance with GAO Manual, Title 4.

117. INMATE PAYROLL VOUCHERS

Inmate payrolls and inmate accident compensation shall be prepared and processed immediately following the close of the month in accordance with the procedures described in Section 8511 Payrolls.

118. ADJUSTMENTS ON VENDOR'S BILLINGS

1. GSA. The General Services Administration (GSA) (per GAO Manual, Title 7) requires that differences on billings from GSA (including Federal Supply Service) resulting from over or under deliveries, over or under charges, or errors in extensions or additions on GSA billings should be handled as stated in FPMR, Subpart 101.26. The entire amount of the invoice should be paid if the error does not exceed \$100.00 a line item. Under FPMR, Subpart 101-40.702-3, transportation type discrepancies not in excess of \$100.00 should not be adjusted. The over or under charge should be debited or credited to Account 61810, Other Expense via Journal Entry 9. If such amounts are adjusted at a later time, a contra debit or credit should be made from the amount to Account 61810, offsetting the amount originally entered.

2. Commercial Vendors. Errors in extensions or additions on billings by commercial vendors or failure to bill at all shall be handled as follows:

a. When the total of the invoice is incorrect, either insufficient or excessive, the invoice should be returned to the vendor for correction, unless it is evident that the vendor has given a trade discount or reduced the prices. If the invoice is excessive, and a firm quote or contract applies, an administrative deduction may be taken by completing FPI Form 62 (Debit Memorandum) as set forth in Section 8507. A copy of this should be forwarded to the vendor when payment of his invoice is made.

* b. When the vendor bills to recover an allowable previous administrative deduction, such adjustment should be charged to Production Expense Control (Other Expense) Account 61810, if \$100.00 or less. If more than \$100.00, the adjustment should be charged to stores, work-in-process or finished goods, providing the material is still on hand. If the material has been used or sold, adjustment shall be made to Account 51000, Cost of Sales Control; Account 16XXX, Construction; or Account 81XXX, Vocational Training, as may be necessary. *

c. Small monetary adjustments of differences in Receiving Reports and vendor's invoices may be made through the appropriate manufacturing expense account, if less than \$25.00 per line item. Any quantity adjustments should be made to the stock cards.

d. Business Office personnel shall make reasonable efforts, by letter or telephone, to secure invoices and supporting documents from vendors and contractors in order that prompt payment may be made of current legitimate claims for services and supplies furnished UNICOR pursuant to proper procurement methods. If, despite these efforts, the vendor fails to bill at all, the amount shall be credited to Other Income, Account 74000 after two years from date of establishment of liability.

3. Vocational Training (VT). In the VT shops, where no inventories are maintained and charges are made direct, the expense accounts shall be charged as billed. In the case of excess charges by commercial concerns, administrative deductions shall be taken in accordance with preceding paragraph 2a and charged to Vocational Training, Other Expense, Account 81810.

SECTION 8515

REPORTS, FORMS AND RECORDS

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PART I

REPORTS AND STATEMENTS

100. PREFACE

This section contains reports and statements which must be prepared throughout the year. Certain reports and statements prepared in the field will be for field purposes only, while others will be forwarded to the Resources Division. The Resources Division is responsible for consolidating reports submitted from the field as well as preparing other reports.

To keep adjustments and correspondence to a minimum, it is imperative that all offices be diligent in maintaining accounts and preparing the required reports and statements. Amounts indicated on financial reports must be supported by the appropriate general ledger subsidiary or control account balance and items common to more than one report shall be cross-checked to ensure the continuity of reports. To ensure report accuracy calculator tapes should be prepared before and after the reports have been typed. The Business Manager will ensure that calculator tapes are prepared and maintained with monthly workpapers that balance general ledger subsidiary accounts to applicable control accounts and tapes that balance general ledger control accounts to Account 97, Washington Control. All calculator tapes shall be properly annotated with date, appropriate account/source identification and initials of the staff member responsible for the tape. The business manager or his designee at each location, shall sign all reports furnished to the Resources Division. The person(s) taking inventory shall bear evidence thereon that the original was signed.

All statements, unless stated elsewhere in this manual, are due in the Resources and/or Product Division no later than the 12th of the month following the period covered.

Any delay of the reports beyond the due dates indicated shall require written explanation and advance telephone notice of the delay and cause.

101. WEEKLY REPORTS AND STATEMENTS

A. Weekly Cash Report:

1. Purpose - Report provides Corporate Management with current Receivables, Payables and Cash Balance position data;
 2. Source - Voucher Register, Collection Bill Register, Account 70, Statement of Cash Transactions;
 3. Due Date - By noon Monday of the following week;
 4. Report Medium - Transmit data via APECS transaction T-955*9 Data may be called in if APECS entry is not possible due to APECS equipment and/or system failure. Sample page 1-22;
 5. Distribution - Transmit data via APECS T-955 to Resources;
 6. Reporting Level - By location;
 7. Responsibility - UNICOR Business Manager;
- * Data must be entered in all fields. An "-0-" is required when there is no balance to be reported.

102. MONTHLY REPORTS AND STATEMENTS

A. FPI Form 2 - Comparative Balance Sheet:

1. Purpose - The form reflects the ending balance of real accounts. It is used at the local level to report the balances of a particular factory as of a specific date. They are consolidated by the Resources Division to show the cumulative balances of UNICOR as a whole. Thus it provides management with the status of assets and liabilities as of the reporting date. It can be used by management in making decisions related to operations;
2. Source - General Ledger, FPI Form 3, Inmate Payroll Records;
3. Due Date - By the 12th of the following month;
4. Report Medium - Transmit data via APECS transaction T-960. No typed copy is necessary, unless APECS entry is not possible due to APECS equipment and/or system failure. Sample pages 1-23 and 1-24.
5. Distribution - Transmit data to Resources via APECS T-960. Pencil copy or APECS -print-out to be retained by originating location. No typed copy need be mailed to Resources unless ASPECS entry is not possible due to APECS equipment and/or system failure;
6. Reporting Level - By factory;

7. Responsibility - UNICOR Business Manager.B. FPI FORM 3 - Condensed Statement of Operations:

1. Purpose - This statement presents the financial results of operations for the month, fiscal year-to-date, and prior year balances to a comparable date. The form is used at the field level to recap activities of a particular factory. They are consolidated by the Resources Division to show operations results of the Product Divisions individually and UNICOR as a whole. This statement is also known as an Income Statement. It shows the net results of operations, detailing sales broken down by material, labor and overhead costs and other operations income and expenses realized during the period. Distribution of overhead expenses is detailed in the Overhead Summary and Cost of Sales and Inventory information is displayed in the Cost of Sales Summary. Based on the information contained in these reports, management can make decisions related to operations;
2. Source - General Ledger, FPI Form 4, FPI Form 51;
3. Due Date - By the 12th of the following month;
4. Report Medium - Transmit via APECS transaction T-961. No typed copy is necessary unless APECS enter is not possible due to APECS equipment and/or system failure. Sample pages 1-25 and 1-26;
5. Distribution - Transmit data to Resources via APECS T-961. Pencil copy or APECS print-out to be retained by originating location. No typed copy needs to be mailed to Resources unless APECS entry is not possible due to APECS equipment and/or system failure;
6. Reporting Level - By factory;
7. Responsibility - UNICOR Business Manager.

C. FPI Form 4 - Summary of Expenses:

Account 57, 71, 72
Account 73

1. Purpose - Account 57, 71, 72 - to provide a detailed breakdown of Production Expenses for current month, fiscal year-to-date and for the same period of the preceding year. Accounts 73 - (Central Office only) to provide detailed breakdown of Corporate Administrative Expenses for current month, fiscal year-to-date and for the same period of the preceding year;
2. Source - General Ledger;
3. Due Date - By the 12th of the following month;

4. Report Medium - Account 57, 71, 72 - transmit via APECS transaction T-962 (T-967 for specified locations). No typed copy is necessary unless ASPECS entry is not possible due to APECS equipment and/or system failure. Account 73 - report will be prepared by Central Office Resources staff on FPI Form 4. Sample pages 1-27/30;
5. Distribution - Account 57, 71, 72 - transmit data to Resources via APECS T-962. Pencil copy or APECS print-out to be retained by originating location. No typed copy needs to be mailed to Resources unless APECS entry is not possible due to APECS equipment and/or system failure. Account 73, original report will be maintained by Resources;
6. Reporting Level - Account 57, 71, 72 - by factory. Account 73 - Central Office only. *Report required for designated locations only;
7. Responsibility - Account 57, 71, 72 - UNICOR Business Manager. Account 73, Chief, Accounting and Property Management in the Central Office.

D. FPI Form 10 - Monthly Completed Job Order Report:

1. Purpose - to provide a listing of job orders completed during the month and the cumulative costs for material, labor, and overhead charged to each job. As a result, the overall production efficiency and profit or loss pertaining to each job is available for management reviewed and analysis. Decisions can be made as to the need for sales price increases, product lines to be featured in obtaining future orders and areas that need to be improved to attain production efficiency;
2. Source - FPI Form 9;
3. Due Date - By the 12th of the following month;
4. Report Medium - FPI Form 10. Sample page 1-31;
5. Distribution - Original to the applicable Product Division and copy to be retained by the originating location;
6. Reporting Level - By factory;
7. Responsibility - UNICOR Business Manager.

E. FPI Form 51 - Summary of Work-In-Process:

1. Purpose - To provide a monthly summary of jobs identifying beginning Work-In-Process, charges for the month, credits for the month, and the ending Work-In-Process;
2. Source - FPI Form 9, General Ledger accounts 18.1, 18.2 and 18.3;

3. Due Date - By the 12th of the following month;
4. Report Medium - FPI Form 51. Sample page 1-32;
5. Distribution - Original to the applicable Product Division, copy of "Totals" page to Resources and copy to be retained by the original location;
6. Reporting Level - By factory;
7. Responsibility - UNICOR Business Manager.

F. FPI Form 70 - Consolidated Cash Reconciliation:

1. Purpose - To provide an overview of monthly cash transactions including beginning balance, receipts, disbursements, fund transfers and the ending cash balance;
2. Source - General Ledger, Voucher Schedules, Deposits, FPI Form 5;
3. Due Date - By the 12th of the following month;
4. Report Medium - FPI Form 70. Sample page 1-33;
5. Distribution - Original to Resources and copy to be retained by originating location;
6. Reporting Level - By factory;
7. Responsibility - UNICOR Business Manager.

G. FPI Form 78 - Report of Anticipated Obligations and Reimbursements:

1. Purpose - To provide information which has not yet been entered into the accounting system, specifically information on purchase orders to be filled and customer orders to be complete;
2. Source - FPI Form 79 - Status of Orders Report, Open Purchase Orders;
3. Due Date - By the 12th of the following month;
4. Report Medium - Transmit via APECS transaction T-016*. No typed copy is necessary unless APECS equipment and/or system failure. Sample pages 1-34 and 1-35;
5. Distribution - Transmit data to Resources via APECS T-016. Pencil copy or APECS print-out to be retained by originating location. No typed copy needs to be mailed to Resources unless

APECS entry is not possible due to APECS equipment and/or system failure;

6. Reporting Level - By factory;
7. Responsibility - UNICOR Business Manager;

H. FPI Form 79 - Status of Order Report:

1. Purpose - To provide a list of work orders in/or awaiting production as of the last day of each month;
2. Purpose - To provide a list of work orders in/or awaiting production as of the last day of each month;
2. Source - Open work orders;
3. Due Date - By 3rd of the following month;
4. Report Medium - FPI Form 79. Sample page 1-36;
5. Distribution -
 - a. Production Division (Original and copy)
 - b. Superintendent of Industries (copy)
 - c. Factory Manager (copy)
 - d. Factory Accountant (copy)
 - e. Quality Control (copy)
6. Reporting Level - By factory;
7. Responsibility - Factory Manager.

I. FPI Form 81 - Report of Vocational and Pre-Industrial Training:

1. Purpose - To report monthly financial activity related to vocational training and pre-industrial training. This form is also used to request adjustments and/or apportionment of funds and/or reapportionments. Such requests are to be submitted no later than 30 days before the end of the quarter involved;
2. Source - General Ledger Accounts 66, 75 and 76 and approved budget for each program as provided by the Central Office Education Supervisor;
3. Due Date - By the 12th of the following month;
4. Report Medium - FPI Form 81. Sample page 1-37;

5. Distribution -
 - a. Original to Resources
 - b. Factory Files (copy)
 - c. Institution Education Department (copy)
 - d. Regional Education Director (copy)
 - e. Director of Education C.O. (copy)

6. Reporting Level - By program;

7. Responsibility - UNICOR Business Manager. Assistance may be required from the Supervisor of Education.

J. FPI Form 97 - Washington Control Register:

1. Purpose - To facilitate reconciliation of Account 97*, Washington Control;
2. Source - FPI Form 5;
3. Due Date - By the 12th of the following month;
4. Report Medium - FPI form 97. Sample page 1-38;
5. Distribution - Original to Resources and copy to be retained by originating location;
6. Reporting Level - By factory;
7. Responsibility - UNICOR Business Manager;

Report Format - First three columns labeled 97.2, 97.3 and 97.4 respectively, with remaining columns for accounts most frequently used by the factory. Debits are to be recorded without asterisks () or parenthesis; credits are to be designated by parenthesis.

K. SF 224 - Statement of Transactions:

1. Purpose - Serves as a verification device for the Treasury Department to check the accuracy of each accounting station's monthly cash collections and disbursements;
2. Source - Documents accomplished by U.S. Treasury such as SF 215, 1166, 1098, 1081 and Journal Entries. This report must reconcile to General Ledger cash accounts;
3. Due Date By 3rd of the following month;
4. Report Medium - SF 224. Sample page 1-39;

5. Distribution - Electronic transmission to Treasury, copy to Resources, and copy to be retained by originating location;
6. Report Level - By location;
7. Responsibility - UNICOR Business Manager.

L. SF 225 - Report on Obligations:

1. Purpose - To report gross obligations by object class to the Department of Treasury;
2. Source - Open Purchase Orders, FPI Form, General Ledger and any additions to Real Accounts 25, 35, and 40;
3. Due Date - By the 12th of the following month;
4. Report Medium - Transmit via APECS transaction T-018*. No typed copy is necessary unless APECS entry is not possible due to APECS equipment and/or system failure. Sample pages 1-40 and 1-41;
5. Distribution - Transmit data to Resources via APECS T-018. Pencil copy or APECS print-out to be retained at the originating location. No typed copy needs to be mailed to Resources unless APECS entry is not possible due to APECS equipment and/or system failure;
6. Reporting Level - By location;
7. Responsibility - UNICOR Business Manager;

*Use "2" as number of transactions. Report dollars and cents.

M. FPI Form 107 - Report of Construction Projects:

1. Purpose - The report is used to provide current construction project status information about construction costs and estimated completion date;
2. Source - General Ledger and various register. This report must reconcile to General Ledger Account 35;
3. Due Date - By the 12th of the following month;
4. Report Medium - FPI Form 107. Sample page 1-42;
5. Distribution - Original to Resources and copy to be

retained by originating location;

6. Reporting Level - By location;
7. Responsibility - UNICOR Business Manager. Input from the Institution Facilities Manager and the Construction Representative may be beneficial in the preparation of this report.

N. FPI Form 108 - Cash Forecast:

1. Purpose - To provide Corporate Management with an accurate projection of cash requirements for a six week period;
2. Source - Review of expected expenditures and receipts;
3. Due Date - By the 5th of the following month;
4. Report Medium - FPI Form 108. Sample page 1-43;
5. Distribution - Original to Resources and copy retained by originating location;
6. Reporting Level - By location;
7. Responsibility - UNICOR Business Manager.

O. Data for Product Divisions:

1. Purpose - To provide Product Divisions with information that was on manually typed reports but is not available on the automated reports (APECS);
2. Source - Collection Bill Register, General Ledger, Inmate Payroll records and Monthly Financial Reports;
3. Due Date - By the 12th of the following month;
4. Report Medium - Transmit via APECS transaction T-984*. No typed copy is necessary unless APECS entry is not possible due to APECS equipment and/or system failure. Sample page 1-44;
5. Distribution - Transmit data to the Division terminals and/or printers noted below via APECS T-984. No typed copy is necessary unless APECS entry is not possible due to APECS equipment and/or system failure;

a. Information Systems Division WCOE1,
WCOE2, WCOCP

b. Resources Division WCOE1,
WCOE2, WCOEP

WCOBP	c. Electronics Division	WCOB1,
WCOAP	d. Data/Graphics Division	WCOA1,
WWPBP	e. Metal and Wood Products Division	WWPB1,
WCODP	f. Textile/Leather Division	WCOD1,

6. Reporting Level - By location;

7. Responsibility - UNICOR Business Manager;

* Data is transmitted directly to designated terminal and/or printer by pressing "enter". Call in corrections or resubmit corrected report, data is not stored and no corrections are possible on reports previously transmitted.

P. Monthly Narrative Report to Corporate Management:

1. Purpose - To provide Corporate Management with consistent and uniform narrative pertaining to the results of factory operations and corresponding business office activity;
2. Source - Business office and factory financial and production records. APECS down time logs. Local monthly financial reviews and discussions;
3. Due Date - By the 20th of the following month;
4. Report Medium - Standardized format, Monthly Narrative Report to Corporate Management. Sample pages 1-45/49;
5. Distribution - Three copies, addressed to the Associate Commissioner, are to be forwarded to Resources for further distribution;
6. Reporting Level - By factory;
7. Responsibility - The Superintendent of Industries is required to sign each narrative report.

103. QUARTERLY REPORTS AND STATEMENTS

A. Report on Status of Accounts and Loans Receivable Due from the Public. SF-220 Schedule 9 (Condensed):

1. Purpose - To summarize accounts receivable for consolidated report to the Department of Justice;

2. Source - Collection Bill Register:

3. Due Date - By the 12th day following the close of each quarter;

4. Report Medium - SF-220, Schedule 9 (Condensed)*.
Sample page 1-50;

5. Distribution - Original to Resources and copy to be retained by originating location;

6. Reporting Level - By factory;

7. Responsibility - UNICOR Business Manager;

*Beginning balance must equal Account 10.3 beginning balance. Do not include receivables from other government agencies on the report.

B. SF 279 - Individual Contract Actions Report (Over \$10,000):

1. Purpose - to report procurement information on contracts of over \$10,000;

2. Source - Procurement Records

3. Due Date - By the 12th day following the close of each quarter;

4. Report Medium - SF-279. Sample page 1-51;

5. Distribution - Originals to Resources Procurement Section and copies to be retained by originating location;

6. Reporting Level - Per contract over \$10,000;

7. Responsibility - UNICOR Business Manager.

C. SF 281 - FPDS - Summary of Contract Actions of \$10,000 or less:

1. Purpose - to report procurement information on contracts of \$10,000 or less;

2. Source - Procurement Records;

3. Due Date - By the 12th day following the close of each quarter;

4. Report Medium - SF-281. Sample page 1-52;
 5. Distribution - Original to Resources Procurement Section and copy to be retained by originating location;
 6. Reporting Level - By location;
 7. Responsibility - UNICOR Business Manager.
- D. FPI Form 109 - Schedule of accounts payable:
1. Purpose - To summarize accounts payable for a consolidated report to the Department of Justice;
 2. Source - Analysis of Accounts Payable;
 3. Due Date - By the 12th day following the close of each quarter;
 4. Report Medium - FPI Form 109. Sample page 1-53;
 5. Distribution - Original to Resources and copy to be retained by originating location;
 6. Reporting Level - By location;
 7. Responsibility - UNICOR Business Manager.
- E. IFAMIS - Cash Management and Travel Data for DOJ:
1. Purpose - To report interim cash management and travel information to DOJ. Data is used to satisfy OMB and GAO reporting requirements;
 2. Source - General Ledger, Travel Vouchers, Voucher Schedules;
 3. Due Date - By the 12th day following the close of each quarter;
 4. Report Medium - Transmit via APECS transaction T-911. Call in data if APECS entry is not possible due to APECS equipment and/or system failure. Sample page 1-54;
 5. Distribution - Transmit data to Resources via APECS T-911. After entering data in APECS, press enter and data will automatically be transmitted to Resources. Call data into Resources if APECS entry is not possible due to APECS equipment and/or system failure.

105. ANNUAL REPORTS AND STATEMENTS

A. FPI Form 1 - Trial Balance;

1. Purpose - To provided an annual report of general ledger accounts and sub-account balances. Report is used by Resources to develop consolidated financial statements for formal Annual Report footnotes, and for triennial audit by the General Accounting Office (GAO);
2. Source - General Ledger;
3. Due Date- By October 12th;
4. Report Medium - FPI Form 1. Sample pages 1-55 and 1-56;
5. Distribution - Original to Resources, and a copy to be retained by originating location;
6. Reporting Level - By factory;
7. Responsibility - UNICOR Business Manager;

Note: Openings balances must agree with the previous year's ending balances. Debits and Credits during the year are to be recorded for control accounts only. Sub-accounts are to be listed for the accounts (expense) for which an FPI Form 4 Summary of Expense is not required.

B. FPI Form 4 - Summary of Expense:

1. Purpose - To show annual expense incurred for Maintenance (61), Quality Assurance (61), Warehouse (62), Business Office (63) and Other (65);
2. Source - General Ledger;
3. Due Date - By October 12th;
4. Report Medium - FPI Form 4. Sample pages 1-27/30;
5. Distribution - Original to Resources, copy to appropriate department, division or staff function and copy to be retained by originating location;
6. Reporting Level - By factory;
7. Responsibility - UNICOR Business Manager.

C. FPI Form 110 - Analysis of Other Income:

1. Purpose - Provides analysis of Miscellaneous Sales (53.1), Cost of Miscellaneous Sales (53.2), Other Income (53.3) and Recapture of Donated Property Expense (53.4);

2. Source - General Ledger;
3. Due Date - By October 12th;
4. Report Medium - FPI Form 110. Sample page 1-57;
5. Distribution - Original to Resources and copy to be retained by originating location;
6. Reporting Level - By location;
7. Responsibility - UNICOR Business Manager.

D. FPI Form 111 - Analysis of Machinery and Equipment:

1. Purpose - To provide a summary of Machinery and Equipment actions during the fiscal year;
2. Source - General Ledger, Report of Survey, FPI Form 13 Equipment Card;
3. Due Date - By October 12th;
4. Report Medium - FPI Form 111. Sample page 1-58;
5. Distribution - Original to Resources and copy to be retained by originating location;
6. Reporting Level - By factory;
7. Responsibility - UNICOR Business Manager.

E. FPI Form 112 - Analysis of Building and Improvements:

1. Purpose - to provide a summary of Building and Improvement actions during the fiscal year;
2. Source - General Ledger, Report of Survey, FPI Form 13 Equipment Card;
3. Due Date - By October 12th;
4. Report Medium - FPI Form 112. Sample page 1-59;
5. Distribution - Original to Resources and copy to be retained by originating location;
6. Reporting Level - By factory;
7. Responsibility - UNICOR Business Manager.

F. FPI Form 113 - Analysis of Construction:

1. Purpose - To provide a summary of construction actions during the fiscal year;
2. Source - General Ledger;
3. Due Date - By October 12th;
4. Report Medium - FPI Form 113. Sample page 1-60;
5. Distribution - Original to Resources and copy to be retained by originating locations;
6. Reporting Level - By factory;
7. Responsibility - UNICOR Business Manager.

G. FPI Form 114 - Analysis of Prepaid and Deferred Expenses:

1. Purpose - To identify Account 40 items and indicate amounts amortized during the fiscal year;
2. Source - General Ledger;
3. Due Date - By October 12th;
4. Report Medium - FPI Form 114. Sample page 1-61;
5. Distribution - Original to Resources and copy to be retained by originating location;
6. Reporting Level - By factory;
7. Responsibility - UNICOR Business Manager.

H. FPI Form 115 - Summary of Inmate Industrial Pay:

1. Purpose - To provide a summary of discretionary compensation paid to inmates (includes direct and indirect labor and accident compensation);
2. Source - General Ledger, FPI Form 4, Inmate Pay Records;
3. Due Date - By October 12th;

4. Report Medium - FPI Form 115. Sample page 1-61;
 5. Distribution - Original to Resources and copy to be retained by originating location;
 6. Reporting Level - By factory;
 7. Responsibility - UNICOR Business Manager.
- I. GSA Form 1166 - Annual Report of Real Property Owned by the United States Government:
1. Purpose - Report is utilized by GSA in the preparation of annual reports required for maintenance and publication of real property inventories owned by and leased to the United States Government as of September 30 each year. Data utilization:
 - a. Provides centralized source of data on Federal Real Property holdings;
 - b. Achieves most effective control and economical Government-wide utilization of available property;
 - c. Facilitates disposal of surplus property;
 - d. Provides basis for intelligent evaluation and appraisal of budgetary requirements;
 - e. Establishes a reference for answering inquiries from Congress press, trade associations, educational institutions, federal, state and local government agencies and the general public;
 2. Source - FPI Form 13, Equipment Card;
 3. Due Date - By October 12th;
 4. Report Medium - GSA Form 1166. Sample pages 1-63 and 1-64;
 5. Distribution - Original and copy to Resources and copy to be retained by originating location. Resources consolidates and forwards to GSA;
 6. Reporting Level - By location;
 7. Responsibility - UNICOR Business Manager.
- J. SF-82 - Agency Report of Motor Vehicle Data:

1. Purpose - To provide the Justice Management Division with a listing of the number and type of vehicles owned or leased by Federal Government agencies;
 2. Source - FPI Form 13, Equipment Card;
 3. Due Date - By October 12th;
 4. Report Medium - SF 82. Samples pages 1-65 and 1-66;
 5. Distribution - Original and copy to Resources and copy to be retained by originating location. Resources consolidates and forwards to GSA;
 6. Reporting Level - By location;
 7. Responsibility - UNICOR Business Manager.
- K. SF-121 - Annual Report of Utilization and Disposal of Surplus Personal Property:
1. Purpose - To consolidate fiscal year disposal information;
 2. Source - FPI Form 13, Reports of Survey;
 3. Due Date - By October 12th;
 4. Report Medium - SF-121. Sample pages 1-67 and 1-68;
 5. Distribution - Original and copy to Resources and copy to be retained by originating location. Resources consolidates and forwards to GSA;
 6. Reporting Level - By location;
 7. Responsibility - UNICOR Business Manager.
- L. FPI Form 116 - Mode of Transportation Report:
1. Purpose - To provide the Justice Management Division with information about the cost of various modes of transportation;
 2. Source - Travel Vouchers (Temporary duty and PCS);
 3. Due Date - By October 12th;
 4. Report Medium - FPI Form 116. Sample pages 1-69;

5. Distribution - Original to Resources and copy to be retained by originating location;
6. Reporting Level - By location;
7. Responsibility - UNICOR Business Manager.

M. FPI Form 117 - Schedule of Idle Machinery and Equipment:

1. Purpose - To provide Corporate Management with a directory of idle machinery and equipment;
2. Source - FPI Form 13, Equipment Card;
3. Due Date - By October 12th;
4. Report Medium - FPI Form 117. Sample pages 1-70;
5. Distribution - Original to Resources and copy to be retained by originating location;
6. Reporting Level - By location;
7. Responsibility - UNICOR Business Manager.

N. Inventory Certification:

- | | |
|-----------------------------|---|
| FPI Form 118 - Schedule I | Inventory Certificate |
| FPI Form 119 - Schedule II | Summary of Inventories |
| FPI Form 120 - Schedule III | Inter-Industries |
| Inventory Items | |
| FPI Forms 121 - Schedule IV | Summary of Excess and
Obsolete Inventory -Raw
Material and Supplies |
| FPI Forms 122 - Schedule V | Summary of Excess and
Obsolete Inventory -
Finished Goods |
-
1. Purpose - To certify inventory composition, dollar value and cost determination basis. Schedule II indicates dates of physical inventories, inventory adjustments and fiscal year end inventory balances. Schedules III, IV and V report pertinent information about Inter-industry and Excess and Absolute Inventory;
 2. Source - FPI Form 63, General Ledger;
 3. Due Date - By October 12th;
 4. Report Medium - FPI Form 118 - Schedule I. Sample

page 1-71;

FPI Form 119 - Schedule II. Sample

page 1-72;

FPI Form 120 - Schedule III.

Sample page 1-73;

FPI Form 121 - Schedule IV. Sample

page 1-74;

FPI Form 122 - Schedule V. Sample

page 1-75;

5. Distribution - Original to Resources and copy to be retained by originating location;
6. Reporting Level - By factory;
7. Responsibility - UNICOR Business Manager.

O. FPI Form 123 - Summary of Debits and Credits to Other Accounts:

1. Purpose - To provide summary of debits and credits to other accounts for DOJ and GAO auditors;
2. Source - General Ledger;
3. Due Date - By October 12th;
4. Report Medium - FPI Form 123. Sample page 1-76;
5. Distribution - Original to Resources and copy to be retained by originating location;
6. Reporting Level - By factory;
7. Responsibility - UNICOR Business Manager.

106. OTHER REPORTS AND STATEMENTS

A. FPI Form 63 - Report of Inventory:

1. Purpose - Multi-purpose form utilized for summarization and reconciliation of all material inventories. FPI Form 63 is used in conjunction with FPI Form 63A, Report of Differences in Inventory and FPI Form 63B, Report of Obsolete, Excess and Slow Moving Items. All three forms (63, 63A and 63B) are required for each physical inventory of materials (raw materials and supplies, finished goods and work-in-process). Additionally, the report is used for certification, inventory balance substantiation and monetary value and

as support documentation when inventory record adjustments are necessary to correct monetary or quantity errors detected during the physical count. Report also acts as an internal control over assets (materials);

2. Source - Physical Inventory, General Ledger;
3. Due Date - Within 30 days after date of physical inventory;
4. Report Medium - FPI Form 63. Sample page 1-77;
5. Distribution - Original to Resources, copy to applicable Product Division and copy to be retained by originating location;
6. Reporting Level - By factory, by inventory;
7. Responsibility - UNICOR Business Manager.

B. FPI Form 63A - Report of Differences in Inventory:

1. Purpose - To report difference (over and short) detected during a physical inventory of material. Used in conjunction with FPI Form 63. Report also acts as an internal control over assets (materials);
2. Source - Physical Inventory, APECS Inventory Records;
3. Due Date - Within 30 days after date of physical inventory;
4. Report Medium - FPI Form 63A. Sample page 1-78;
5. Distribution - Original to Resources, copy to applicable Product Division and copy to be retained by originating location;
6. Reporting Level - By factory, by inventory;
7. Responsibility - UNICOR Business Manager.

C. FPI Form 63B - Report of Obsolete, Excess and Slow Moving Items:

1. Purpose - To identify obsolete, excess and slow moving inventory items and to recommend and justify retention or disposal of items identified. Report also acts as an internal control over assets (materials);
2. Source - Review of APECS inventory records;
3. Due Date - Within 30 days after date of physical inventory;
4. Report Medium - FPI Form 63B. Sample page 1-79;
5. Distribution - Original to Resources, copy to appropriate Product Division and copy to be retained by origination location;
6. Reporting Level - By factory, by inventory;
7. Responsibility - UNICOR Business Manager.

D. FPI Form 67 - Annual Inventory Machinery and Equipment:

1. Purpose - To report capital asset holdings of machinery and equipment. Report verifies physical existence of machinery and equipment and supports the General Ledger Machinery and Equipment account. Report also acts as an internal control over capital assets;
2. Source - Physical Inventory, FPI Form 13, General Ledger;
3. Due Date - By October 12th;
4. Report Medium - FPI Form 67. Sample page 1-80;
5. Distribution - Original to Resources and copy to be retained by originating location*;
6. Reporting Level - By factory;
7. Responsibility - UNICOR Business Manager;

***Note:** Inventory per Accounting Manual, Page 8508.2-14 paragraph 218. For inventories required due to transfer of responsible employee (page 8508.2-15, paragraph 220) use FPI Form 67, retain original at location and do not submit copy to Resources.

E. Daily Cash Report:

1. Purpose - to provide Corporate Management with daily receipt and disbursement information from selected locations to facilitate the cash management decision making process;

2. Source - Collection Bill Register, Voucher Schedules;
3. Due Date - Daily;
4. Report Medium - Transmit data via APECS transaction T-958. If APECS entry is not possible due to APECS equipment and/or system failure, call in data. Sample page 1-18;
5. Distribution - Transmit data to Resources via APECS T-958. If APECS entry is not possible due to APECS equipment and/or system failure, call data in to Resources;
6. Reporting Level - By designated location;
7. Responsibility - UNICOR Business Manager;

F. Method and Forms for Tax Withholding on PCS Move:

1. Purpose - To properly withhold and record withholding of Federal and State taxes on PCS moves;
2. Source - PCS Voucher documentation;
3. Due Date - Same month PCS voucher is settled;
4. Report Medium - SF-224. Sample page 1-39;
SF-1081. Sample page 1-83;
DOJ-412. Sample page 1-82;
5. Distribution - SF-224 Normal distribution to Treasury. Originals of DOJ Form 412 and SF-1081 (all copies) to DOJ payroll section. Submit cover memo to DOJ Payroll with DOJ Form 412 and SF-1081. Maintain file for DOJ Form 412 and file copy of SF-1081 returned from DOJ payroll with appropriate SF-224;
6. Reporting Level - By location;
7. Responsibility - UNICOR Business Manager.

T-955 Weekly Cash Report
(12-1-85)
APECS Format

8000.1
Chapter 8500,
CN- 26, Page 8515.1-22
February 3, 1986

WEEKLY CASH REPORT
DOLLARS IN THOUSANDS

LOCATION
WEEK ENDED

INMATES ASSIGNED LAST
DAY OF MONTH:

INVOICE DATE)

INSIDE CAMP

WASHINGTON

PART-TIME INMATES ASSIGNED:

WASHINGTON

INSIDE CAMP

CASH

ACCOUNTS RECEIVABLE

ACCOUNTS PAYABLE

A/B 90 DAYS OVERDUE

(120 DAYS FROM

IN TRANSIT - FROM

TO

FPI Form 2
(12-1-85)

8000.1
Chapter 8500, CN-26, Page 8515.1-23
February 3, 1986

COMPARATIVE BALANCE SHEET

FPI Form 2
I-960
APECS Format
(12-1-85)

8000.1
Chapter 8500
CN-26
Page 8515.1-24
February 3, 1986

FEDERAL PRISON INDUSTRIES, INC.
COMPARATIVE BALANCE SHEET
(FORM 2)

DIVISION M	FOR PERIOD ENDING 8510
INSTITUTION LO	PLANT FT
--ASSETS--	
CASH	000103459.33
ACCOUNTS RECEIVABLE	000430033.04
INVENTORY: FINISHED GOODS	000153276.85
WORK IN PROGRESS	000105520.38
MATERIALS AND SUPPLIES	000519693.52
000778490.75	
MACHINERY AND EQUIPMENT	000598875.96
LESS: ACCUMULATED DEPRECIATION	000386656.26
000212219.70	
BUILDING AND IMPROVEMENTS	000378595.41
LESS: ACCUMULATED DEPRECIATION	000124185.20
000254410.21	
CONSTRUCTION	000013723.86
DEFERRED AND PREPAID EXPENSES	000000000.00
ALLOW. FOR OBSOLETE INV. RM & S	
-000013562.41	
TOTAL ASSETS	001778774.48

FPI Form 3
(12-1-85)

8000.1
Chapter 8500
CN-26
Page 8515.1-25
February 3, 1986

CONDENSED STATEMENT OF OPERATIONS

FPI Form 3
I-961
APECS Format
(-1-85)

8000.1
Chapter 8500
CN-26
Page 8515.1-26
February 3, 1986

FEDERAL PRISON INDUSTRIES, INC.
CONDENSED STATEMENT OF OPERATIONS
(FORM 3)

DIVISION M
PLANT FT

FOR PERIOD ENDING 8510
INSTITUTION LO
MONTH

NET SALES:

OTHER GOVERNMENT AGENCIES, NET	000320930.90
UNICOR, NET	000000000.00
TOTAL SALES	000320930.80
COST TO MANUFACTURE:	
DIRECT MATERIAL	000130149.30
DIRECT LABOR	000011088.38
APPLIED OVERHEAD	000061540.51
WORK IN PROCESS, BEGINNING	000223973.73
LESS: WORK IN PROCESS, ENDING	000105520.38
COST TO MANUFACTURE	000321231.54

FPI Form 4
(12-1-85)

8000.1
Chapter 8500
CN-26
Page 8515-1-27
February 3, 1986

SUMMARY OF EXPENSE

FPI Form 4
T-962
APECS Format
(12-1-85)

8000.1
Chapter 8500
CN-26
Page 8515.1-28
February 3, 1986

-PLANT CODE-LOFT-FOR PERIOD 8509-FORM 4-	MONTH
.0.SALARIES, CIVILIAN	
..PERMANENT POSITIONS	15827.71
.2 OTHER THAN PERMANENT	0.00
.3 OTHER PERSONNEL COMPENSATION	404.78
.4 CONTINGENT ANNUAL LEAVE	3677.96
.02 PERSONNEL BENEFITS	2353.14
.03 INCENTIVE AWARDS:	
.1 CIVILIAN	0.0
.2 INMATES	0.00
.04 CONTRACT SERVICES	64.25
.05 LABOR, INDIRECT INMATE:	
.1 REGULAR	496.74
.2 OVERTIME	588.24
.3 OTHER	1276.01
.06 REIMBURSABLE SALARIES	0.00
.07 EMPLOYEE DEVELOPMENT:	
.1 CIVILIAN	50.00
.2 INMATE	0.00
.3 INMATE SCHOLARSHIPS	0.00
.08 ACCIDENT COMPENSATION:	
.1 CIVILIAN	0.00
.2 INMATE	0.00
.09 SPECIAL CLOTHING	0.00
.10 SPECIAL MEALS	0.00
.11 EXPERIMENTAL EXPENSE	0.00
.12 GRADE AND TESTING	0.00
.13 INVENTORY OVERAGE/SHORTAGE	0.00
.14 DAMAGED/OBSOLETE INVENTORY	52.69
.15 INDIRECT MATERIALS	4134.49
.16 FACTORY SUPPLIES	2366.76
.17 MACHINERY REPAIRS	823.13
.18 BUILDING REPAIRS	0.00
.19 MINOR EQUIPMENT AND TOOLS	3523.93
.20 DEPRECIATION, MACHINERY AND EQUIPMENT	3892.22
.21 DEPRECIATION, BUILDING AND IMPROVEMENTS	757.18
.22 AMORTIZATION	0.00
.23 RENTS AND ROYALTIES	3295.00
.24 VEHICLE OPERATION	2659.66
.25 UTILITIES	-1524.76
.26 COMMUNICATION	0.00
.27 BAD DEBT	0.00
.28 TRAVEL:	
.1 REGULAR TRAVEL	111.70
.2 PERMANENT CHANGE OF STATION-BENEFITS	0.00
.3 PERMANENT CHANGE STATION-TRAVEL	0.00
.4 TRANSPORTATION AND STORAGE	0.00

.5 TRAINING TRAVEL	-14.00
.29 FREIGHT, EXPRESS AND PARCEL POST	270.21
.30 TRANSPORTATION BILLED TO CUSTOMERS	0.00
.31 PACKAGING AND SHIPPING	4714.71
.32 SAMPLES	0.00
.33 OFFICE:	
.1 SUPPLIES AND STATIONERY	1000.00
.2 POSTAGE	0.00
.3 PRINTING AND DUPLICATING	0.00
.4 EQUIPMENT RENTAL	172.61
.5 COMPUTER LINE TELEPHONE CHARGES	102.10
.6 COMPUTER/OFFICE MACHINE REPAIR	0.00
.34 PUBLICATIONS	0.00
.35 INTEREST PAID	0.00
.36 DISCOUNTS LOST	0.00
.37 OTHER	0.00
.38 SPECIAL (CLEARING ACCOUNT)	0.00
.39 MACHINERY AND EQUIPMENT - VT	0.00
.40 BUILDINGS AND IMPROVEMENTS - VT	0.00
.41 MARKETING AND SELLING	0.00
.	0.00
.	0.00
TOTAL EXPENSE	5076.46

FPI Form 4
T-967
APECS Format
Specified Locations
(12-1-85)

8000.1
Chapter 8500
CN-26
Page 8515.1-29
(Page 1 of 2)
February 3, 1986

FEDERAL PRISON INDUSTRIES, INC.
SUMMARY OF EXPENSE (FORM 4)

DIVISION M	FOR PERIOD ENDING 8510
PLANT FT	INSTITUTION LO
10.00 SALARIES, CIVILIAN	
10110 PERMANENT POSITIONS	000017808.27
10120 NON-PERMANENT POSITIONS	
10121 TEMPORARY	000000000.00
10122 PART-TIME	000000000.00
10123 INTERMITTENT	000000000.00
10130 OTHER PERSONNEL COMPENSATION	
10131 OVERTIME	000001249.26
10132 NIGHT DIFFERENTIAL	000000000.00
10133 OTHER	000000000.00
10140 CONTINGENT ANNUAL LEAVE	000000000.00
10200 PERSONNEL BENEFITS	000002702.35
10300 CONTRACT SERVICES	
10310 SPECIALISTS	000000080.00
10320 OTHER	000000064.35
10400 REIMBURSABLE SALARIES	000000000.00
10500 LABOR, INDIRECT, INMATE	
10510 REGULAR	000001162.69
10520 OVERTIME	000000226.24
10530 OTHER	000000819.10
10600 INCENTIVE AWARDS	
10610 CIVILIAN	000000000.00
10620 INMATE	000000050.00
10630 INMATE SCHOLARSHIPS	000000000.00
10700 EMPLOYEE DEVELOPMENT	
10710 CIVILIAN	000000000.00
10720 INMATE	000000000.00
10800 ACCIDENT COMPENSATION	
10810 CIVILIAN	000000000.00
10820 INMATE	000000000.00
10900 UNEMPLOYMENT COMPENSATION	000000000.00
20100 REGULAR TRAVEL	
20110 ASSISTANCE VISITS	000000000.00
20120 TRADE SHOWS	000001157.06
20130 ADVISORY MEETING	000000000.00
20140 OTHER	000000000.00
20200 TRAINING TRAVEL	
20120 UNICOR	
20211 APECS TRAINING	000000000.00
20212 CONFERENCE	-000000002.00
20213 FAMILIARIZATION - NEW EMPLOYEE	000000000.00

20214	OTHER UNICOR	000000380.00
20220	GSA TRAINING COURSES	000000000.00
20230	OTHER TRAINING	000000000.00
20300	PCS EXPENSES	
20310	GENERAL PCS EXPENSES	000000000.00
20320	PCS TRAVEL TO REPORT TO DUTY STATION	000000000.00
20330	REAL ESTATE	
20331	RELOCATION SERVICES	000000000.00
20332	OTHER REAL ESTATE TRANSACTIONS	000000000.00
20340	PCS TRANSPORT AND STORAGE OF HH GOODS	
20341	TRANSPORTATION OF HH GOODS . .	000000000.00
20342	STORAGE OF HH GOODS	000000000.00
20350	RELOCATION INCOME TAX ALLOWANCE . .	000000000.00
30100	MATERIALS AND SUPPLIES	
30110	INDIRECT MATERIALS	000004060.59
30120	SUPPLIES	000002928.01
30200	INVENTORY/PROPERTY	
30210	FIXED ASSETS OVER./SHORTAGE	000000000.00
30220	DAMAGED/OBSOLETE PROPERTY	
30221	RAW MATERIALS	000000213.01
30222	SUPPLIES	000000000.00
30223	FINISHED GOODS	000000000.00
30224	FIXED ASSETS	000000000.00
30300	GRADING/TESTING/SAMPLES	
30310	GRADING AND TESTING	000000000.00
30320	SAMPLES	000000000.00

FPI Form 4
T-967
APECS Format
Specified Locations
(12-1-85)

8000.1
Chapter 8500
CN-26
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February 3, 1986

30400	MINOR EQUIPMENT/MACHINERY REPAIR	
30410	PURCHASE OF MINOR EQUIP/TOOLS	000003580.75
30420	REPAIRS TO CAPITALIZED M AND E - OPERATING	000001286.57
30430	REPAIRS TO CAPITALIZED M AND E - NON OPERATING	000000000.00
30440	NON-CAPITALIZED M AND E REPAIRS	000000022.00
30500	BUILDING REPAIRS	000000000.00
30600	UTILITIES	000002199.35
30710	DEPRECIATION, M AND E	
30711	DEPRECIATION, PURCHASED M AND E	000002882.13
30712	DEPRECIATION, DONATED M AND E	000000000.00
30720	DEPRECIATION, B AND I	000000757.19
30800	EXPERIMENTAL EXPENSE	000000000.00
30900	AMORTIZATION OF DEFERRED EXPENSE	000000000.00
31000	RENTS AND ROYALTIES	000000774.40
31100	MAINTENANCE AGREEMENT	000000000.00
31200	TRASH DISPOSAL/DUMP CHARGES	000000000.00
35000	OTHER GENERAL OPERATING EXPENSE	000000000.00
40100	SHIPPING COST BILLED TO CUSTOMER	000000000.00
40200	SHIPPING COST NOT BILLED TO CUSTOMER	000000000.00
40300	OTHER FREIGHT, EXPENSE AND PARCEL POST	000000483.35
40400	PACKING AND SHIPPING EXPENSE	000001046.30
40500	VEHICLE OPERATIONS	
40510	OPERATING EXPENSE	000000125.00
40520	MAINTENANCE AND REPAIRS	000000000.00
40530	VEHICLE RENTALS	000000177.30
50000	OFFICE EXPENSES	
50100	SUPPLIES AND STATIONERY	000000108.76
50200	POSTAGE	000000000.00
50300	PRINTING AND DUPLICATION	000000000.00
50400	EQUIPMENT RENTAL	000000154.63
50500	PERSONAL COMPUTER EXPENSES	000000000.00
50600	PUBLICATIONS, SUBSCRIPTIONS AND DUES	000000000.00
60000	COMMUNICATION EXPENSES	
60100	PHONE CHARGES	
60110	FTS	000000000.00
60120	COMMERCIAL	000000000.00
60200	COMPUTER LINES TELEPHONE CHARGES	000000077.06
60300	TELEX MAINTENANCE AND REPAIRS	000000000.00
60400	OTHER	000000000.00
70100	SPECIAL CLOTHING	000000625.00
70200	SPECIAL MEALS	000000000.00
70300	INTEREST PAID	000000000.00
70400	DISCOUNTS LOSTS	
70410	GOVERNMENT REGULATIONS	000000000.00
70420	OTHER	000000000.00
70500	MARKETING/SELLING EXPENSE	
70510	MARKETING/SELLING EXPENSE	000000000.00

70520	ADVERTISING EXPENSE	000000000.00
70530	TRADE SHOW EXPENSE	000000000.00
70540	DESIGN LAYOUT EXPENSE	000000000.00
70550	PRINTING EXPENSE	000000000.00
70600	BAD DEBT EXPENSE	000000000.00
80100	OTHER EXPENSES	000000000.00
80200	SPECIAL (CLEARING ACCOUNT)	000000000.00
80300	QUALITY IMPROVEMENT PROGRAM	000000000.00
80400	ADP CHARGES (CENTRAL OFFICE ONLY)	000000000.00
80500	AUDIT EXPENSES (CENTRAL OFFICE ONLY)	
80510	INTERNAL AUDITS	000000000.00
80520	DEPARTMENT OF JUSTICE ADJUST	000000000.00
80530	GAO AUDITS	000000000.00
80600	CONTRACTING EXPENSE	000000000.00
TOTAL	EXPENSE	000047240.93

DATA ACCEPTED FOR ACCTS 70.00-70600

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Monthly Completed
JOB ORDER REPORT

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February 3, 1986

SUMMARY OF WORK IN PROCESS

FPI FORM 70
Revised August 16, 1985

8000.1
Chapter 8500
CN-26
Page 8515.1-33
February 3, 1986

Federal Prison Industries, Inc.
Consolidated Cash Reconciliation
For the Month Ended _____

<u>Location</u>	<u>ALC</u>
	<u>03.31 Operating Cash</u>
Beginning Balance	_____
Receipts - SIBAC	_____
Checks Deposited	_____
Disbursement - Raw Materials	_____
Construction	_____
M & E	_____
DOJ Payroll	_____
All Other	_____
SIBAC Charge-backs	_____
Transfers in (Out)	_____
Ending Balance	_____
	<u>03.39 Special</u>
<u>Deposits</u>	
Beginning Balance	_____
Receipts	_____
Disbursements	_____
Ending Balance	_____
Account 70.1 Balance	_____
Combination Settlements:	
<u>Deposited by</u>	<u>For</u>
	<u>Amount</u>
	\$

(12-1-85)

FPI Form 78 October 1, 1982

8000.1
Chapter 8500
CN- 26
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February 3, 1986

FEDERAL PRISON INDUSTRIES, INC.

MONTH _____

ANTICIPATED OBLIGATIONS

Value of undelivered FPI purchase orders including
all contracts, raw materials, buildings, equipment,
etc., not included in Accounts Payable.

Inter-Industry Orders	\$ _____
All Other Orders	\$ _____
GRAND TOTAL	\$ _____

ANTICIPATED REIMBURSEMENTS

Value of unfilled customers' orders, not invoiced
or included in Accounts Receivable.

Inter-Industry Orders	\$ _____
All Other Orders	\$ _____
GRAND TOTAL	\$ _____

Chief Industries Accounting Officer

FPI Form 78
T-016
(12-1-85)
APECS Format

8000.1
Chapter 8500
CN- 26
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February 3, 1986

FEDERAL PRISON INDUSTRIES, INC.
ANTICIPATED OBLIGATIONS AND REIMBURSEMENTS
(Form 78)

DIVISION M
INSTITUTION LO
FT

FOR PERIOD ENDING 8510
PLANT

ANTICIPATED OBLIGATIONS:

INTER-INDUSTRY ORDERS	000000000.00
ALL OTHER ORDERS	000165812.00
GRAND TOTAL	000165812.00

ANTICIPATED REIMBURSEMENTS:

INTER-INDUSTRY ORDERS	000000000.00
ALL OTHER ORDERS	002436829.10
GRAND TOTAL	002436829.10

(12-1-85)

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February 3, 1986

UNITED STATES DEPARTMENT OF JUSTICE
FEDERAL PRISON INDUSTRIES, INC.
STATUS OR ORDERS REPORT

FPI Form 81
Sept. 25, 1985

8000.1
Chapter 8500
CN-26
Page 8515.1-37
February 3, 1986

Federal Prison Industries, Inc.
Report of Vocational and Pre-Industrial Training
For the Month Ended _____
*Location _____

FPI Form 97
(12-1-85)

8000.1
Chapter 8500
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February 3, 1986

WASHINGTON CONTROL REGISTER

(12-1-85)

8000.1
Chapter 8500
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February 3, 1986

STATEMENT OF TRANSACTIONS
(Classified According to Appropriation Fund and Receipt Account
and Related Control Totals)

(12-1-85)

Standard Form 225

November 1978

DEPARTMENT OF THE TREASURY

2-400

25-102

8000.1

CHAPTER 8500

CN-26

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February 3, 1986

**REPORT ON OBLIGATIONS
(IN THOUSANDS OF DOLLARS)**

SF-225
T-018
(12-1-85)
APECS Format

8000.1
Chapter 8500
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Page 8515.1-41
February 3, 1986

FEDERAL PRISON INDUSTRIES, INC.
REPORT ON OBLIGATIONS
(FORM 225)

FOR PERIOD ENDING 8510 INSTITUTION LO WITHIN GOVT.		TOTAL TRANS.
GROSS OBLIGATIONS BY OBJECT CLASS:		
11	PERSONAL COMPENSATION	000138604
12	PERSONAL BENEFITS 000024357	000024357
13	BENEFITS FOR FORMER PERSONNEL	000000000
21	TRAVEL AND TRANSPORTATION OF PERSONS 000000000	000003123
22	TRANSPORTATION OF THINGS 000000000	000005035
23	RENT, COMMUNICATIONS AND UTILITIES 000000000	000012001
24	PRINTING AND REPRODUCTION 000000000	000000337
25	OTHER SERVICES 000000000	000008784
26	SUPPLIES AND MATERIALS 000005404	000383736
31	EQUIPMENT 000000000	000000000
32	LANDS AND STRUCTURES 000000000	000000000
GROSS OBLIGATIONS TOTAL 000029761		000575977

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February 3, 1986

Location _____

Name of Project	RSA#	Authorized		Cost Year to Date FY 85	Total Cost to Date	Balance*	Estimate Completi Date
		Date	Amount				

Chief Industries Accounting Officer

FPI Form 108
(12-1-85)

8000.1
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February 3, 1986

Federal Prison Industries, Inc.
Cash Forecast
For the 6 Weeks Commencing

Data for Product Divisions
T-984
(12-1-85)
APECS Format

8000.1
Chapter 8500
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Page 8515.1-44
February 3, 1986

INSTITUTION CODE: PLANT CODE: PERIOD: MMY
PRODUCT DIVISION PRINTER/TERMINAL ID:
RECEIVABLES OVER 120 DAYS FROM INVOICE DATE \$
INVENTORY WRITE-OFFS <CHARGES TO 65.14> THIS MONTH
PRODUCTION INMATES ASSIGNED LAST DAY
AVERAGE PRODUCTION INMATES ASSIGNED
EXPLAIN SIGNIFICANT AND/OR EXTRAORDINARY ITEMS ON THE FINANCIAL
REPORTS:

INSTRUCTIONS FOR
FEDERAL PRISON INDUSTRIES, INC.
FIELD OFFICES' STANDARDIZED FORMAT
MONTHLY NARRATIVE REPORT TO CORPORATE MANAGEMENT

HEADING: Each paper should include a heading that clearly identifies:

- a. Your location (i.e., Lexington)
- b. The Product Division (i.e., Electronics, Plastics and Optics Division)
- c. The particular factory (i.e., Cable Factory)
- d. The month (i.e., July 1985)

Note: Since these reports are placed in binders by Product Division to facilitate Corporate Management's review with each division manager, please do not write more than one factory on any given page. The reports are tabbed by factory, within the division, and each division's binder is indexed for ready reference by Corporate Management. Each factory's operations narrative is reviewed in conjunction with the corresponding financial report forms for that factory.

1. MONTHLY PRODUCTION

- a. Producing for customer orders?
- b. Producing for stock (items in constant demand)?
- c. Producing excess finished goods?

2. MONTHLY SALES

- a. Comparison with projection.
- b. Can you suggest new product lines for existing equipment? Vertical integration of competent parts should be considered wherever possible to add to your product line. UNICOR is in constant need of new products of inmates employed and to reduce your reliance upon suppliers (especially for hard-to-obtain items).

3. MONTHLY EARNINGS

- a. Comparison with projection.

- b. Explain unusually high or low profit percentage.
- c. Any net industrial loss shall be explained.
- d. Inventory "adjustment" or write-offs, or write-offs of accumulated amounts previously deferred should be explained. Regular review of all deferred amounts will prevent unpleasant surprises later on.
- e. Explain any noticeable trends year to date. If the monthly earnings are fluctuating in the extreme, explain why.

4. INMATE EMPLOYMENT

- a. Comparison with projection.
- b. Level for efficient productivity?
If too low, explain why.
- c. Working overtime or more than one shift?

You should avoid the constant use of first-grade workers in overtime situations, What are you doing about improving the performance of second, third fourth-grade inmates? Are they presently being given the opportunity to share in the overtime work? Using only the "best" workers in overtime situations to "move the product and avoid delinquent orders" is not in accordance with Corporate policy. Obviously, it is the most costly in terms of labor dollars, and it is detrimental to the morale of the lower graded inmates.

- d. Affect on sales and earnings and backing of orders, if working overtime or more than one shift.
- e. Effectiveness of any pre-industrial training program, and status of any V.T. program.
- f. Do you need a review of inmate pay system for any reason?
- g. Suggestions for reducing idleness or call outs?
- h. What are you doing to reduce wasteful or inefficient work habits, or to improve the quality of products or procedures?

5. STATUS OF ORDERS

- a. What is status of oaklog?
- b. How many delinquencies exist, what is their dollar value, what caused them and what are you going about it?

6. INVENTORIES (All categories)

- a. Explain significant increases (over 5%) in any inventories this month.
- b. What is the composition of finished foods, excess to orders on hand, and what needs to be done to sell or otherwise dispose of these balances?
- c. What is the status of excess, slow-moving and obsolete raw materials items?

- d. What are you doing to receive materials as needed, rather than accepting excessive quantities all at once?
- e. Are you ensuring that there is good communication, cooperation and coordination between purchasing agent and factory manager to prevent unnecessary delays in procurement?

7. OVERDUE RECEIVABLES

- a. In reporting overdue receivables, please ensure that you are not reporting items prematurely. Sales returns should be properly recorded in your accounts and not reported as receivables again until the products are re-shipped and re-billed. Likewise, partial shipments should not be recorded as overdue receivables if your customer's arrangement calls for billing only upon completion of the order.
- b. Proper classification or aging of overdue receivables:
 - . Normal due-date (30 days from date of invoice.)
 - . 30 days overdue (60 days from date of invoice.)
 - . 60 days overdue (90 days from date of invoice.)
 - . 90 days overdue (120 days from date of invoice.)
 - . 120 days overdue (150 days from date of invoice.)

Have you been following the collection procedures in the Accounting Manual? If not, why? If you have been following policy, indicate the status of each overdue item in the following categories:

- . Itemize all outstanding receivables in excess of \$100 and which were 90 days overdue when you referred them to the Product Division (no more than 90 days should be devoted to the collection process at the field level).
- . Itemize all receivables in excess of \$1,000 and which are 120 days more overdue. Overdue receivables in this category are required to be referred by the Product Division to the Associate Commissioner. This should be accomplished promptly, along with an appropriate collection letter prepared for his signature.
- . The field location and the Product Division should explain the status of any item within the respective dollar limitations (up to \$1000 for Superintendents and up to \$1,000 for Product Division Managers) which have reached 120 days or more overdue.

8. GENERAL SERVICES ADMINISTRATION (GSA) SHIPPING POLICIES
 - a. Have you been following the procedures requiring you to contact GSA for selection of a shipper?
 - b. Has this been cost effective?
 - c. If you have had difficulty with any particular referral, have you advised GSA so the faulty shipper can be removed from GSA's referral lists?
 - d. Do you have any other comments or questions about GSA's shipping policies?
9. Please describe briefly the status of any construction projects at your location:
 - a. Approximate percentage of completion.
 - b. What is the total amount of the project budget?
 - c. How much has been expended to date?
 - d. How much money will be spent in the current month (approximately)?
 - e. What is the progress in relation to planned milestones?
 - f. What is the expected completion date?

Federal Prison Industries, INC.

STATUS OF APECS

LOCATION_____

REPORT FOR THE MONTH OF_____

All comments pertaining to APECS should be on a separate page or pages. Upon receipt of these reports from all locations, the Resources Division prepares verbatim a consolidated report for the benefit of Information Systems Division, the APECS User's Committee and Corporated Management. Previously, these comments have had to be extracted from the context of other narrative material in many cases. Having the APECS comments submitted on a separate page will facilitate xeroxing and consolidating the feedback from all locations in a verbatim fashion in Central Office.

10. STATUS OF APECS AT YOUR LOCATION

- a. Response Time. Different transactions will have different response times because some do more work than others. At different times, the same transaction will have different response times because of competition from other users. Our goal is that at least 80% of the transactions you use have a response time under 10 seconds. Please indicate how well this goal is being met at your institution.
- b. Down Time. Down time results from equipment malfunctions at the central site (affecting all users), with the telephone line (affecting 5-6 institutions), with local telephone equipment, and with local hardware (affecting you only). Please indicate your experience this month.

How many times did you have telephone/equipment down time delays and what was the duration?

How responsive was the repair service in showing up at the site and in correcting the malfunction?

- c. Calls to Central Office

How can we be more helpful or responsive:

Information Systems Division?

Resources Division?

Product Divisions?

d. Confused About Anything?

Do you understand all the APECS procedures so far?

If not, what questions do you have?

(12-1-85)

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February 2, 1986

REPORT ON STATUS OF ACCOUNTS AND LOANS
RECEIVABLE DUE FROM THE PUBLIC

SF-279 (12-1-85)

8000.1
Chapter 8500
CN-26
Page 8515.1-51
February 3, 1986

FPDS-INDIVIDUAL CONTRACT ACTION REPORT (OVER \$10,000)

SF-281

Chapter 8500
CN-26
Page 8515.1-52
February 3, 1986

FPDS-SUMMARY OF CONTRACT ACTIONS
OF \$10,000 OR LESS

FPI Form 109
(12-1-85)

8000.1
Chapter 8500
CN-26
Page 8515.1-53
February 3, 1986

Federal Prison Industries, Inc.
Schedule of Accounts Payable
For the Period Ended _____

Factory _____

Location _____

Special Deposit Liabilities (Agrees with _____ \$ _____
Account 03.99

All Other Government Agencies _____

Contingent Annual Leave Payable _____

All Others (To the Public) _____

ENDING BALANCE 9-30- _____

Accrued Salary and Benefits

<u>Civilian</u>	<u>Inmates</u>	
<u>Salary</u>	<u>Wages</u>	<u>TOTAL</u>

Chief Industries Accounting Officer

T-911 INFAMIS
(12-1-85)
APECS Format

8000.1
Chapter 8500
CN-26
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February 3, 1986

IFAMIS REPORT

LOCATION	DATE
CASH MANAGEMENT	
INTEREST PENALTIES PAID	
AMOUNT OF BILLS PAID EARLY	
NUMBER OF BILLS PAID EARLY	
TRAVEL MANAGEMENT	
PROGRAM TRAVEL	
TRAVEL FOR TRAINING	
TRAVEL FOR MEETINGS	
RELOCATION TRAVEL	
OTHER TRAVEL	
UNLIQUIDATED TRAVEL ADVANCES	

FPI Form 1
(12-1-85)

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February 3, 1986

TRIAL BALANCE

Sample FPI Form 1
(12-1-85)

8000.1
Chapter 8500
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SAMPLE
TRIAL BALANCE

FPI Form 110
(12-1-85)

8000.1
Chapter 8500
CN-26
Page 8515.1-57
February 3, 1986

Federal Prison Industries, Inc.
Analysis of Other Income
For the Year Ended September 30, 19

Factory _____

Location _____

Miscellaneous Sales and Cost
(Accounts 53.1, 53.2)

	Net	
	<u>53.1</u>	<u>53.2</u>
<u>Total</u>		
Scrap Sales	\$ _____	\$ _____
\$ _____		
Sales to:		
Other Agencies	_____	_____

UNICOR	_____	_____

Other*	_____	_____

TOTAL	\$ _____	\$ _____
\$ _____		

Other Income (Account 53.3) *

Recapture of Donated Property Expense (Account 53.4)

ENDING BALANCE 9-30-

*This should be broken down further if this amount is material in relation to other Account 53 sub - accounts.

Remarks:

Chief Industries Accounting Officer

FPI Form 111
(12-1-85)

8000.1
Chapter 8500
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February 3, 1986

Federal Prison Industries, Inc.
Analysis of Machinery & Equipment
For the Year Ending September 30, 19

Factory _____

Location _____

Machinery & Equipment
Account 25

Beg. Balance 10-1- \$ _____

Additions: Purchases _____
Donations _____
Transfer In _____

Deletions: Write-offs _____
Transfer Out _____
Donated _____

Ending Balance 9-30 \$ _____

Accumulated Depre.
Account 80

Beg. Balance 10-1 \$ _____

Additions: Depreciation _____
Transfer In _____

Deletions: Transfer Out _____
Write-offs _____
Donated _____

Ending Balance 9-30 \$ _____

Chief Industries Accounting Officer

FPI Form 112
(12-1-85)

8000.1
Chapter 8500
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February 3, 1986

Federal Prison Industries, Inc.
Analysis of Buildings & Improvements
For the Year Ended September 30, 19

Factory _____

Location _____

Buildings & Improvements
Account 30

Beg. Balance 10-1- \$ _____

Additions: Purchases _____
Donations _____
Transfer In _____

Deletions: Write-offs _____
Transfer Out _____
Donated _____

Ending Balance 9-30- \$ _____

Accumulated Depreciation
Account 81

Beg. Balance 10-1- \$ _____

Additions: Depreciation _____
Transfer In _____

Deletions: Transfer Out _____
Write-offs _____
Donations _____

Ending Balance 9-30- \$ _____

Chief Industries Accounting Officer

FPI Form 113
(12-1-85)

8000.1
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February 3, 1986

Federal Prison Industries, Inc.
Analysis of Construction
For the Year Ended September 30, 19

Beg. Balance 10-1-	\$	_____
Additions: Purchases		_____
Transfer In		_____
Deletions: Transfer Out		_____
Transferred to Account 30		_____
Ending Balance 9-30-	\$	=====

Note: Transfer In/Transfer Out refers to construction projects carried on the books of another UNICOR factory and/or location.

Chief Industries Accounting Officer

FPI Form 114
(12-1-85)

8000.1
Chapter 8500
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February 3, 1986

Federal Prison Industries, Inc.
Analysis of Prepaid and Deferred Expense
For the Year Ended September 30, 19

Factory _____

Location _____

Beginning balance 10-1- _____ \$ _____

Additions: Purchase _____
Transfer In _____

Deletions: Amortization _____
Write Offs _____
Transfer-Out _____

Ending Balance 9-30- _____ \$ _____

Chief Industries Accounting Officer

FPI Form 115
(12-1-85)

8000.1
Chapter 8500
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Page 8515.1-62
February 3, 1986

Federal Prison Industries, Inc.
Summary of Inmate Industrial Pay
For the Year Ended September 30, 19

Factory _____

Location _____

- (1) Number of individual inmates receiving wages during fiscal year, including pre-industrial. Do not include construction. Each inmate should be counted only once for the year regardless of the number of months paid.

- (2) Total amount of wages, direct, indirect and accident compensation, paid during the fiscal year. (Do not include construction.)

- (3) Total number of inmate payments for FY 85.

- (4) Average number of inmates receiving wages monthly. (Line 3 divided by the number of months in operation.)

- (5) Average paid this fiscal year. (Line 2 divided by Line 3.)

- (6) Total amount of construction wages paid to inmates during fiscal year.

- (7) Average number of inmates receiving construction wages during the fiscal year.

Chief Industries Accounting Officer

GSA Formm 166 1 of 2

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February 3, 1986

**QUARTERLY REPORT OF REAL PROPERTY
OWNED BY OR LEASED TO THE UNITED STATES**

8000.1
Chapter 8500
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February 3, 1986

**QUARTERLY REPORT OF REAL PROPERTY OWNED BY
OR LEASED TO THE UNITED STATES (Continued)**

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AGENCY REPORT OF MOTOR VEHICLE DATA

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INSTRUCTIONS FOR SPECIFIC LINE ENTRIES

SF 121
(1 of 2)

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**ANNUAL REPORT OF UTILIZATION AND DISPOSAL
OF EXCESS AND SURPLUS PERSONAL PROPERTY**

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INSTRUCTIONS

FPI Form 116
(12-1-85)

8000.1
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February 3, 1986

Federal Prison Industries, Inc.
Mode of Transportation Report
For the Year Ended September 30, 19

Location _____

Common Carrier

Air	\$	_____
Train	\$	_____
Other (Taxi)	\$	_____

Rented Vehicles

GSA	\$	_____
Commercial	\$	_____

Privately Owned Vehicles	\$	_____
--------------------------	----	-------

Chief Industries Accounting Officer

FPI Form 117
(12-1-85)

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February 3, 1986

Federal Prison Industries, Inc.
Schedule of Idle Machinery & Equipment
As of September 30, 1985

Federal Prison Industries, Inc.
Inventory Certificate
(Schedule I)

Location

Factory

We hereby certify, to the best of our knowledge and belief:

- a) That the consolidated inventory of finished goods, work-in-process, and raw materials and supplies on hand at September 30, 1985 amounted to \$ _____ and was composed of the following:

Finished goods	\$ _____
Work in process	
Material in process	\$ _____
Labor in process	_____
Overhead in process	_____
Raw materials and supplies	_____
TOTAL	\$ _____

All of the above inventories are controlled by perpetual records. (If there are any exceptions to this, list section(s) or description).

- b) That materials and supplies are priced at cost to Federal Prison Industries, Inc., less all trade discounts, cost being determined on _____ basis (give basis of arriving at cost, such as specific identification, moving average, first-in-first-out, etc.)
- c) That work-in process has been valued at cost and includes material and such labor and overhead as it has been the consistent practice in prior years to include. That finished goods have been priced at cost determined on _____ basis (give basis of arriving at cost, such as specific identification, moving average first-in-first-out, etc.). Finished goods cost includes labor, material, and a fair portion of overhead manufacturing expense, including any revaluation for excess cost caused by lower market value. (Attach a schedule showing any revaluations.)
- e) That the amount stated in paragraph (a) are fair and proper valuations of the respective inventories and that there are no material quantities of imperfect or obsolete materials included in the inventory with these inventories, except as noted on separate schedule attached.
- f) That all stock included in the inventory is the property of Federal Prison Industries, Inc., and has been paid for or

- the liability therefor has been set up on the books.
- g) That all materials and supplies, purchased parts, and goods purchased for sale or on which title has passed to Federal Prison Industries, Inc., at that date, have been included in the inventory with the exception of a relatively minor amount of materials and supplies in transit on September 30, 19 . Further, that all material-in-transit, the liability for which has been recorded, is included in the proper inventory.
 - h) That all goods which have been billed to customers or included in cash sales, but not actually delivered prior to October 1, 19 have been excluded from the inventory.
 - i) That at sometime during fiscal year 19 physical counts were made of the entire inventory as set forth in paragraph (A) above, except as may be noted in Schedule I attached.
 - j) That inter-industry items of raw materials, including component parts, which are to be incorporated in a product of this industry or to be resold, have been included in the inventories shown in paragraph (A) above and are detailed in Schedule II attached. (If there are no items which are subject to the reporting requirements of Schedule II write none here () and omit Schedule III.)

(Chief Industry Accounting Officer)
Operating Officer)

(Chief Industry

FPI Form 119
(12-1-85)

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Federal Prison Industries
Summary of Inventories
(Includes Finished Goods, Work-in-Process, and Raw Materials and
Supplies)

As of

FPI Form 120
(12-1-85)

8000.1
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Inventory Certificate
Schedule III
(page 3 of 5)
February 3, 1986.

Federal Prison Industries, Inc.
Inter-Industries Inventory Items
As of September 30, 19

<u>Location</u>	<u>Factory</u>	
<u>Description of</u> <u>Inventory Items</u> <u>(Note)</u> Amount	<u>Source</u> <u>Location</u> <u>Industry</u>	<u>Inventory</u> <u>Quality</u> <u>Unit Price</u>

TOTAL

\$

Chief Industries Accounting Officer

Note: List all items by categories, i.e. grommets, locks, desks. If there are no Inter-Industry items, state "None". Inter-Industry items are those which have been manufactured and purchased from one of the industries of Federal Prison Industries, Inc. Do not include purchases from sources other than FPI.

(12-1-85)

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Inventory Certificate
Schedule IV
Page 4 of 5

Federal Prison Industries, Inc.
Summary of Excess and Obsolete Inventory -Raw Materials &
Supplies

As of September 30, 1985

FPI Form 122
(12-1-85)

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Page 8515.1-75
February 3, 1986

Inventory Certificate
Schedule V
Page 5 of 5

Federal Prison Industries, Inc.
Summary of Excess and Obsolete Inventory - Finished Goods
As of September 30, 1985

FPI Form 123
(12-1-85)

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Page 8515.1-76
February 3, 1986

Federal Prison Industries, Inc.
Summary of Debits and Credits to Other Accounts
For the Year Ended September 30, 198__

Factory _____

Location _____

<u>Debit</u>	<u>Credit</u>	<u>Reason</u>	<u>Amount</u>
--------------	---------------	---------------	---------------

Chief Industries Accounting Officer

FPI Form 63

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February 3, 1986

FEDERAL PRISON INDUSTRIES, INC.
REPORT OF INVENTORY
SUMMARY AND RECONCILIATION

(12-1-85)

8000.1
Chapter 8500
CN- 26
Page 8515.1-78
February 3, 1986

REPORT OF DIFFERENCES IN INVENTORY OF

(12-1-85)

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Chapter 8500
CN-26
Page 8515.1-79
February 3, 1986

REPORT OF OBSOLETE EXCESS AND SLOW-MOVING* ITEMS

***See FPI Manual for definition
of Slow Moving Items**

FPI Form 47
Revised December 1982

Chapter 8500
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Page 8515.1-80
February 3, 1986

**UNITED STATES DEPARTMENT OF JUSTICE
FEDERAL PRISON INDUSTRIES, INC.**

**ANNUAL INVENTORY
MACHINERY AND EQUIPMENT**

T-958
APECS Format
(12-1-85)

8000.1
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February 3, 1986

LOCATION	DAILY CASH TRANSACTIONS RECEIPT DISBURSEMENTS	DATE
----------	---	------

DOJ - 412

8000.1
Chapter 8500
CN- 26
Page 8515.1-82
February 3, 1986

DEPARTMENT OF JUSTICE

REIMBURSEMENT TO EMPLOYEE FOR MOVING EXPENSES AND TAX WITHHELD

Chapter 8500
CN- 26
Page 8515.1-83
February 3, 1986

**VOUCHER AND SCHEDULE
OF WITHDRAWAL AND CREDITS**

* 107. PROCEDURES FOR ESTIMATING FPI MONTHLY REPORTS

1. Reasons. Occasionally field locations may experience delays in reporting financial data at month end. Loss of key staff, an institution irregularity, or a computer failure are reasons why it may be difficult to complete all the reports by the established due date. Nevertheless, the Financial Management Division must have the financial data in a timely manner in order to meet reporting deadlines to Corporate Management, the Board of Directors and other Government agencies. Therefore, procedures have been developed for estimating the Balance Sheet (FPI Form 2), Statement of Operations (FPI Form 3) and the Summary of Expenses (FPI Form 4).

2. Requirements. The following requirements must be met before estimating the monthly reports:

a. Estimates shall not be done routinely. If estimates are required repeatedly in order to meet reporting deadlines, operational problems may be present at that location. In those cases, estimating reports would only compound the problem. Therefore, reports shall not be estimated for more than two consecutive months.

b. Whenever estimated reports become necessary, the Business Manager shall notify the Associate Warden (I&E) or Superintendent of Industries who will in turn notify the Controller (via telephone) requesting permission to proceed. The AW(I&E)/SOI shall also notify the Director of Program Management. Written approval from the Controller (EMC message acceptable) shall be maintained on file in the location's monthly workpapers.

c. Reports shall not be estimated for the month of September, the last month of the fiscal year.

3. Estimating Journal Entries. The major impediment to a timely closeout lies in the area of cost accounting. Other journal entries are generally complete and already posted to the general ledger well before the 12th of the month. It is journal entries 18 and 19 that prevent a business office from timely closing of the books. Thus, this section establishes a method for estimating the cost of goods manufactured and the cost of goods sold. Methods of estimating these journal entries may vary depending upon the type of data already available and the nature of a particular operation. However, as a general rule, the gross profit method will be used to determine a factory's cost of sales. This method assumes a relationship between gross profit and sales. The formulas that follow will be utilized to arrive at journal entry 19. *

a. Cost of Sales Formula:

Last quarter cost of sales / last quarter sales = gross margin*
 Gross margin x current month sales = cost of sales

JE 19

51000	Cost of Sales	XXXX	
15010	Finished Goods		XXXX

* Use cost of sales from FPI Form 3, **not** net cost of sales.

For those factories that incur transfer sales, the preceding formula shall be applied by account (i.e., 51000/41010, 52000/42010)

b. Cost of Manufacturing:

Last quarter cost to manufacture/last quarter sales = margin
 Margin X current month sales = cost to manufacture

In order to subdivide the "cost to manufacture" figure into the various work-in-process accounts, an additional computation must be completed. That is, a ratio of direct material, labor and overhead to the total work-in-process available shall be computed and applied to the total cost to manufacture as illustrated.

Example:

Accounts	Material 14010	Labor 14020	Overhead 14030	Total
Beginning WIP Inv (last month ending)	\$ 60	\$ 10	\$ 30	\$ 100
Charges for the Month (journal entries 8,9, 10,12, and 17)	600	100	300	1,000
Total Work In Process Available	\$660	\$110	\$330	\$1,100
Cost to Manufacture = \$800 (derived from cost of manufacturing formula noted above)				
Direct Material	\$ 660 / 1100 = 60%	X 800 =	\$ 480	
Direct Labor	110 / 1100 = 10%	X 800 =	80	
Applied Overhead	330 / 1100 = 30%	X 800 =	240	
	\$1,100	100%	\$ 800	

JE 18

15010 Finished Goods	800	
14010 Material in Process		480
14020 Labor in Process		80
14030 Overhead in Process		240

c. Although most delays in monthly closeouts occur in cost accounting, occasionally problems may arise elsewhere. The Business Manager, in conjunction with the Financial Management Division, shall address these situations on an individual basis.

4. Estimated Journal Entries. The estimated journal entries shall be posted to the general ledger and the appropriate reports generated. At that time the Business Manager must conduct a review to determine the 'reasonableness' of the reports.

a. Specific attention shall be focused on inventory levels, especially work-in-process and finished goods. The Business Manager shall solicit input from the SOI, Factory Manager and Warehouse person. Are the reported figures realistic? If not, the cost of sales or cost to manufacture amount may need revision.

b. Are there any extraordinary or unusual events or transactions that will have an impact on the profit margin? If so, do the reports reflect it? For example, the Factory Manager may be aware that the product mix for the month may have been more profitable than usual.

5. Reporting Requirements. Upon completion of the reports, the Business Manager shall immediately notify the Deputy Controller in the Financial Management Division that the estimated reports are in the system. The Business Office at the field location shall continue to complete the actual monthly closeout. After the actual journal entries have been finished, the accountant shall post them to the general ledger and reverse the estimated entries. The Business Manager shall again notify the Financial Management Division that the estimated reports have been removed from the system and that the actual reports are in.

*

Part 2

FORMS

200. GENERAL

The list of forms under Index and Retention, in this section, is the approved list of FPI Forms. Not included on the list are Special Purpose/Local FPI Forms which are not standardized for all locations but are approved for local use. Facsimiles and instructions on all forms are contained in Section 8540.

201. FPI STANDARDIZED FORMS

These forms have been reviewed and approved in accordance with this section for use throughout UNICOR. Do not print forms deviating from the original without approval of the Washington Office. When such exceptions are authorized, the newly approved forms shall be included in the Manual in proper numerical sequence. Do not mimeograph or reproduce forms without the approval of the Washington Office. Order an annual supply of all required FPI forms not later than September 1st or each year. Such orders shall be marked "Annual Requirements" in the "Time for Delivery" block.

202. SPECIAL PURPOSE/LOCAL FPI FORMS

1. General

Special purpose/local forms may be required at times. Such forms are solely for additional information. They will not be used to change the format of, reduce the information reported, or change the distribution pattern of FPI Standard Forms. Generally, such forms may be used on a trial basis for up to 6 months before submittal to the Washington Office for review. In such cases, place the word "FPI Form - Tentative" in the upper left corner of the form. These forms must be approved by the Washington Office before they are introduced as a standard form for regular use.

2. Procedure for Washington Review

- (a) Product Division or other responsible staff function shall review and approve, then submit a sample of the proposed form to Resources Division in triplicate with a brief statement of its intended use on the reverse side.

(b) Resources Division shall:

1. If approved, assign a number. One copy will be retained for file, one copy returned to the requesting office and one copy forwarded to the Data/Graphics Division for filing and or processing as needed.
2. If disapproved, retain one copy for file and return remaining copies to requisition office. Further instructions or suggestions for a substitute form if any should also be included.

(c) Requesting Office shall:

1. If approved, place the stamped copy in an official file, ring binder or folder as authorization for use of local form. Make such a file available for review by examiners who may make further recommendations or comments at anytime.
2. If disapproved, resubmit with additional justification if you do not agree with Resources Division's decision.

3. Printing

Printing requirements shall be accomplished by the Data/Graphics Division.

203. STANDARD AND OPTIONAL FORMS

Maximum utilization shall be made of Standard and Optional Forms when they will serve the purpose. Order these forms from GSA in accordance with FPMR 101-26.302. A lists of forms may be found in GSA Standard an Optional Forms Facsimile Handbook. The Forms Control and Retention Schedule shall be in accordance with GSA Regulations 3. Appendix B, Subject: General Records Schedules.

204. ENVELOPES

All UNICOR locations shall order envelopes from UNICOR Data/Graphics Division.

205. RETENTION PERIOD

The Index and Retention List, gives the retention period for

each FPI Standard Form. Retention periods for special purpose/local forms shall be determined on date of approval. Any form which is attached to another form or becomes part of a file having a longer retention period shall automatically assume the longer retention period.

Regardless of retention period, no record shall be disposed of until an audit had been made by the Department of Justice auditors or until three years have elapsed.

Retention periods for records pertaining to claims and demands on or against UNICOR, shall not begin until such claims or demands have been settled, (For definitions, safeguarding, retention, and destruction of records see Part 3 this Chapter).

206. FORMS CONTROL

Department of Justice Memorandum 134, delegated the authority to establish and maintain a separate forms control program and to identify a plan for periodic reports thereon to be submitted to Congress. A form is defined as a document printed on or otherwise reproduced with spaces provided for fill-in information and descriptive detail. (Form letters and routing slips are included.)

All FPI Forms are controlled by the Resources Division. Additionally, each Field Office shall establish a local control program with a committee to be responsible for revision, local approval, consolidation or elimination of all local forms. Such committee may consist of Superintendent, Business Manager, the head of the department using the form, etc. Recommendations by the Committee shall be referred to the applicable Product Division or staff offices as in the procedure outlined under Special Purpose/Local forms, this section.

To reduce the opportunity for fraud and abuse, the following blank forms will be secured and controlled prior to issuance:

FPI Form 1034 - Control Voucher for Purchases and Services Other Than Personal.

Optional Form 347 - Purchase Order

Inmate Vocation Accrual Cards

SF-1166 - Voucher and Schedule of Payments

SF-1103 - Government Bills of Lading

SF-1169 - Government Transportation Request

207. INDEX AND RETENTION PERIOD

Form Retention No.	Name	To Set	Copies Period
FPI FORMS (For universal use)			
1	Trial Balance		
5 years			
2	Comparative Balance Sheet		
5 years			
3	Condensed Statement of Operations		
5 years			
4	Summary of Expense		
5 years			
5	Voucher for Inter-Office Transfer of Property and/or Services		4
5 years			
6	Door Check Sheet (In and Out) (Inmate)		
10 years			
7	Shipping Order and Cost of Sales Register		
5 years			
8	Shipping Order		6
3 years			
9	Production Order and Cost Sheet		3
5 years			
10	Monthly Completed Job Order Report		
5 years			
11	Receiving Report		4
5 years			
12	Maintenance and Repair Order		3
1 year*			
13	Equipment Card		
1 year(a)			
14	Abstract of Bids		
3 years			
15	Weekly Finished Stock Report (Original)		
1 year*			
15a	Weekly Finished Stock Report		
1 year*	(Manifold)		
16	Daily Inmate Assignment Report		
1 year*			
17	Order Control Card		3
5 years			
18	Inquiry Transmittal Letter		3

1 year*		
19	Monthly Job Labor Summary	
5 years		
20	Assignment Card (Locator Card)	
none		
21	Monthly Inmate Time Sheet	
10 years		
22	Job Order Register	
5 years		
23	Yardage Tag	
Until material		
		is used
24	Cutting Report	2
1 year*		
25	Certificate of Achievement	
26	(Reserved)	
27	Request for Special Authorization	4
5 years		
28	(Reserved)	
29	Construction Progress Report	
5 years		
30	Report of Survey	4
5 years		
31	Defective Work/Scrap Report	3
5 years		
32	(Reserved)	
33	(Reserved)	
34	Clearance Form	4
3 years		
35	Collection Bill Register	
5 years		
36	Register of Remittances Received	
5 years		
37	(Reserved)	
38	Inmate Payroll Card (Monthly)	
10 years		

*Refer to Para. 205 Retention Period

Form		Retention		Copies	
No.	Period	Name	To Set		
39		Inmate Vacation Request			
	1 year*				
40		Inmate Daily Work Report			
	1 year*				
40a		Inmate Daily Work Report			
	1 year*				
40b		Inmates' Daily Time Ticket			
	1 year*				
41		Inmates' Payroll			
	10 years				
41sp		Inmates' Payroll (Continuation)			
	10 years				
41br		Inmates' Payroll (Special)			
	10 years				
41bsp		Inmates' Payroll (Special) (Continuation)			
	10 years				
42		Certificate of Final Wages			
	10 years				
43		Claim for Compensation-Accident			
	5 years				
44		Yearly Chrono. Work Performance Evaluation Record			
	10 years				
45		(Reserved)			
46		(Reserved)			
47m		Stock Record (Machine)			
	3 years				
47(L) (m)		Stock Record (Machine)			
	3 years				
48		Material Control List			
	5 years				
49		Storeroom Requisition		6	
	3 years				
50		(Reserved)			
51		Summary of Work-In-Process			
	6 years				
51a		Summary or Work-In-Process			
	none				
52		Order Acknowledgment			
	5 years				
53		Quotation Form		7	
	5 years				
54		Special Order Form For Butner Only			
	5 years				

55		Invoice (Original-white)	6
	3 years		
55b		Memorandum Invoice of Shipment	3
	3 years		
56		Daily Record of Sales, Shipment and Production	
	3 years		
57**		Labor Estimate/Time Study	
	1 year*		
58		Schedule of Labor Rates	
	1 year*		
59		Monthly Process Cost Summary Sheet	
	5 years		
60		(Reserved)	
61		(Reserved)	
62		(Debit Memorandum)	
10 years			
63		Report of Inventory-Summary and Reconciliation	
	3 years		
63A		Report of Differences in Inventory	
	3 years		
63B		Report of Obsolete, Excess and Slow moving Items	
	3 years		
64		Physical Inventory (tag)	
	3 years		
65		Delivery Tag	
	3 years		
66		(Reserved)	
66-100 (L) (m)		Distribution Register	
	5 years		
67		Annual Inventory Machinery and Equipment	
	3 years		
68		Recommendation for Award of Accident Compensation	
10 years			
69		(Reserved)	
*	Refer to Para. 205 Retention Period		
**	Hold for one year after change.		

Form	Retention	Copies
No.	Name	To Set
<u>Period</u>		
70	(Reserved)	
71	Letterhead (3 line)	
	various (b)	
72	UNICOR Mailing Labels (Franked)	
	none	
73	Unit Cost Statement	6
	5 years	
73(a)	Unit Cost Statement (worksheet)	
	none	
73(pr)	Unit Cost Statement (print shop)	4
	5 years	
74	(Reserved)	
75	(Reserved)	
76	(Reserved)	
77	Transportation Reserve Register	
	5 years	
78	Report of Anticipated Obligations/ Reimbursements	
	5 years	
79	Status of Order Report	
	1 year*	
79A	Status of Order Report (Manifold)	
	1 year*	
80	(Reserved)	
81	Report of Vocational and Pre- Industrial Training	
	5 years	
82	Job Grading Sheet	
	1 year*	
83	Job Schedule (Not Printed. See Sample Book)	
	1 year*	
84	(Reserved)	
84(m)	General Ledger (machine)	
	permanent	
84(L) (m)	General Ledger (machine)	
	permanent	
85	(Reserved)	
85(m)	Distribution Ledger Sheet (machine)	
	5 years	
85(L) (m)	Distribution Ledger sheet (machine)	
	5 years	
86	Manufacturing Cost Record	
	5 years	
87a	Departmental Payroll Summary	

10 years		
88	(Reserved)	
89	Request for Purchase	3
5 years		
89a	Request for Periodic Purchase	3
5 years		
90	Inmate's Industrial Earnings Statement	8
none		
91	Check transmittal Slip	
none		
92	Shipping Tags	
none		
93	Monthly Pay Card	
10 years		
94	(Reserved)	
94a	UNICOR (Postage Prepared)	
none		
95	UNICOR Shipping Label	
none		
96	Inmate Payroll Change Authorization	3
1 year*		
97	Washington Control Register	
5 years		
98	Daily Register of Prepaid Postage	3
1 year*		
99	(Reserved)	
100(m)	Receiving Report Register	
5 years		
101	(Reserved)	
102	Customer Service Reply Card	
*	Refer to Para. 205 Retention Period.	

Form	Retention	Copies
No.	Name	To set
<u>Period</u>		
102A	Manufacturing Quality Assurance (Stick-on Label)	
103	Customer Service Reply Card (Sign Factories Only)	
104	Customer Service Reply Card (Print Plants Only)	
105	Examination Record	
	5 years	
106	Certificate of Quality Assurance	
	3 years	
	Inspection	
107	Report of Construction Projects	
	3 years	
108	Cash Forecast	
	3 years	
109	Schedule of Accounts Payable	
	3 years	
110	Analysis of Other Income	
	3 years	
111	Analysis of Machinery & Equipment	
	3 years	
112	Analysis of Buildings & Improvements	
	3 years	
113	Analysis of Construction	
	3 years	
114	Analysis of Prepaid & Deferred Expense	
	3 years	
115	Summary of Inmate Industrial Pay	
	3 years	
116	Mode of Transportation Report	
	3 years	
117	Schedule of Idle Machinery and Equipment	
	3 years	
118	Inventory Certificate, Schedule I	
	3 years	
119	Inventory Certificate, Schedule II	
	3 years	
120	Inventory Certificate, Schedule III	
	3 years	
121	Inventory Certificate, Schedule IV	
	3 years	
122	Inventory Certificate, Schedule V	
	3 years	
123	Summary of Debits and Credits to	

Other Accounts
3 years
299-1 Posting Machine Card
3 years
299-61A Posting Machine Card
3 years
1034 Control Voucher for Purchases
10 years
and Services Other Than Personal

Note: Due to the limited usage of FPI Forms 107-123, they will not be printed or maintained by FPI Print Factories. Make photocopies of the samples from this manual, as needed.

* Refer to Para. 205 Retention Period.

THE NEXT PAGE IS 3-1

PART 3

RECORDS

300. DEFINITIONS

Records include all paid, cancelled and voided checks, books, papers, maps, photographs, or other documentary materials, made or received by UNICOR, in connection with corporate transactions and preserved as evidence of the organization, functions, policies, decisions, procedures, and operations, or because of their informational value.

301. SAFEGUARDING.

All records shall be properly identified, initially filed in secure receptacles, and later stored in available facilities accessible only to authorized persons. The hazards of fire, tampering, and pilfering shall be kept to a practicable minimum.

302. RETENTION.

Because all UNICOR records are either on or attached to forms, records shall be retained in accordance with the retention requirements shown in Part 2 of this chapter, after which they may be disposed of, except that:

1. The retention period indicated applies to the issuing office, unless otherwise indicated. However, when any form is attached to, or forms a part of another form or file having a longer retention period the forms attached thereto shall automatically assume the greater retention period.
2. The retention period for records pertaining to claims and demands by or against the corporation shall begin from the date of settlement of such claims or demand.
3. Under no circumstances shall records be disposed of until Department of Justice examiners have completed audits of the location for the accounting period or three years.

303. DESTRUCTION AND DISPOSAL

Pursuant to 44 U.S.C. 367, and 391c, the GSA regulations Federal Property Management Records include therein an

appendix standards and authority to dispose of documents therein. Where applicable, the disposal schedules for FPI records (See Retention Period under Forms) are based on GSA standards of specific schedules have been obtained for application.

For items not included in this section offices may request specific disposal authorization, otherwise no records shall be disposed of.

GSA Federal Property Management Regulations provide for records transfer for Federal Records Centers. The Resources Division should be promptly notified when any such transfers are to be made. If disposal regulations herein are promptly carried out upon expiration of retention periods, the corporation should have ample records storage space and transfers to such centers should not be necessary.

304. NON-RECORD MATERIAL.

Non-record material for which no authority for disposal is required includes extra copies of documents preserved only for information, reference, or exhibition, as well as publications and processed documents. This type of material should be retained only so long as it serves a definite purpose, with proper consideration being given to fire hazards and economical utilization of storage space.

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8000.1
September 8, 1983

Appendix 1
Analysis of Fixed Assets.
For the Fiscal Year Ending Sept. 30, 19XX

SECTION 8518

ACCOUNTING DATA FOR THE PLANNING FUNCTION

INDEX

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104. DEVELOPMENT OF AN OPERATING PLAN	3
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PLANNING, COORDINATION AND CONTROL PROGRAM

100. BACKGROUND

UNICOR was established and is operated to attain certain basic objectives. To achieve those objectives it is essential that effective plans of operation be developed. Expected results of operation must be expressed in monetary terms through forecasts of income and expenditures and receipts and costs for annual periods. This form of plan or budget differs markedly from common Government agencies whose budget is designed to establish fund allocations that must not be exceeded. (Other programs such as employment quality assurance, and inventory control are also forecast.) UNICOR's budget is a comprehensive plan for coordination and control of all segments of operations; factories, product divisions and corporate activities. It is developed through synthesizing the plans of each segment into a unified plan for the corporation as a whole.

The plan of operation relates to both financial and production management. Its data must be based on historical accounting records, monetary projections, and production forecasts for the planning year.

101. OBJECTIVES

UNICOR's operating plan is designed for internal use and thereby serve management needs. The accounting function provides a data source for planning and necessary information for evaluating plan implementation. The objectives of the operating plan are to provide:

1. A detail and summarized picture of the results to be expected from the productive effort for the planning year.
2. A guide for business and factory managers, superintendents, division management and corporate executives that communicate production expectation in monetary terms at all levels of the corporate structure.
3. A performance measurement tool for management in the evaluation of ongoing corporate activity.

102. REASONS FOR OPERATING PLANS

Effective development of an operating plan assures that sufficient investigation, research and study is accomplished to develop meaningful goals and objectives, staffing needs, cash and physical equipment requirements.

The operating plan supplies unified direction toward the accomplishment of projected goals and objectives. Inmate and civilian staffing requirements are correlated with projected goals and objectives to assure that reasonable performance will result in accomplishment of projected goals and objectives. Similarly cash requirements are correlated with projected goals and objectives to assure that sufficient cash will be available when needed. The operating plan projects how the physical equipment available can be effectively used and recommends the action to be taken to obtain additional equipment needs or the action necessary to dispose of equipment items excess to current need.

The planning process provides for coordination among all management levels in its development. That coordination should lead to a well-communicated and well-understood program for the planning year. In addition, an effective plan provides management with effective basis for controlling operations. Review of actual work performed as compared to the plan will disclose deviations that can be analyzed for break-down that led to the deviation and corrective action to be taken to prevent their recurrence.

103. ADVANTAGES AND LIMITATIONS

In order to implement an effective planning, coordination and control program, certain advantages and limitations in a planning process are worthy of consideration by all contributors and users of the program.

1. The advantages include:
 - a. Early consideration of basic objectives and policies.
 - b. Assignment of responsibilities for each function in the production process.
 - c. Top to bottom participation of all management levels in the establishment of production goals and objectives.
 - d. Coordination of production plans among all elements of the corporate activity.
 - e. Putting in writing a course of action that should lead to desired results.
 - f. Concerted analysis of historical data.

g. Management planning for the most economical use of labor, materials, facilities and capital.

h. Timely, careful and adequate consideration of all factors before making important decisions as to the future course of each organization units activity.

i. Development of a common ground between the desires of corporate management and the reasonable expectations of lower levels of management.

j. A structured approach that promptly discloses failures to achieve goals and objectives.

k. A capability to express problems in relationship to identifiable factors so that common understanding of problem situations can be developed.

l. Timely information that allows management to give adequate and timely attention to significant matters that might otherwise be overlooked.

m. Periodic self-analysis of corporate activity.

n. Continual check on the progress or lack of progress toward achieving corporate goals and objectives.

2. Problems inherent in the planning, coordination and control functions include:

a. The probability of significant error in the projection of future activity.

b. Changing conditions may negate the significance of the developed operating plan.

c. Management conclusions resulting from the analysis process may may not be consistently correct and the proposed corrective action not solve the problem.

104. DEVELOPMENT OF AN OPERATION PLAN

Development of an operating plan must be a well-coordinated process involving all levels of management.

1. Corporate management must determine and communicate its goals, objectives and strategic assumptions for the planning year.

2. All corporate divisions and functional units make forecasts based on corporate management requirements tailored to their own particular function.

3. Field units must make forecasts based on division and functional unit plans tailored to their production resources and capabilities.

4. Planning inputs shall include data concerning:

- civilian staff recruitment
- forecasts of sales, earning, inventories, and inmate employment
- actions planned for marketing its products to meet corporate management's goals and objectives.
- other data as requested

Plans should also include any new initiatives and a narrative description of any level assumptions incorporated into the planning process.

5. The Resource Division is responsible for the consolidation and formalization of plans after submission. They shall assure that the plan is sufficient to meet corporate goals.

The corporate planning process is explained in Section 8030 of the UNICOR Corporate Policies and Procedures Manual.

105. COORDINATION

The coordination of effort in implementing UNICOR's operating plan is an essential element of the planning process. The greatest resource available to UNICOR is the human effort. That effort must be directed to specific objectives and must be coordinated among all organizational elements to be effective. To merely plan future operations without effectively communicating those plans to operating units defeats the purpose of the planning process. Coordination must be considered from the standpoint of both internal resources and external conditions. Available information concerning resources and conditions must be made common knowledge to all participants in the planning process.

The operating plan serves as a very important means of communicating expectations. Such communication must effectively explain Division and Corporate Management adjustment of the plans submitted by the operating units. Factory managers cannot be expected to supply meaningful operating plans if they conclude that their submissions will be arbitrarily changed in the follow-on review.

Operating units should be advised that they will not be held responsible for factors beyond their control such as failure to provide production orders to the extent projected; curtailment of planned civilian or inmate workforce due to uncontrollable events; or unprogrammed changes in economic conditions. However, they should be aware of the fact that they will be held responsible for controllable factors. Such awareness may create a tendency to develop operating plans that can be easily accomplished and not provide adequate challenges for an efficient production effort. It will be the responsibility of division and corporate management in operating plan review and analysis to assure that each factory plan provides a reasonable challenge for each operating unit.

106. CONTROLS

Operating plans provide an effective production control mechanism. Ongoing comparison of actual production with operating plans keeps management informed as to the progress being made or not made toward achieving corporate goals and objectives. Corrective action can be promptly recommended and taken to redirect productive effort that is not achieving projected goals and objectives.

Control is exercised by people. Mere development and communication of a plan will not assure its effectiveness. Studies reveal that budgeting (development of an operating plan) is one of the best approaches for obtaining coordination of the various factors essential to the success of

a production activity. Control in UNICOR's planning process involves factory management review and analysis of available data to identify what can be done to meet commitments, or establish justification for deviations from operating plans. Division and Corporate Management must assume an active role in the control phase of the planning process. Production reports must be reviewed, analyzed and compared to operating plans. Significant deviations must be accounted for as justifiable or in need of prompt corrective action. Field visits may be required to obtain sufficient information to propose or explain the action that must be taken to correct identified deficiencies. The results of the review and analysis process must be documented to supply an audit trail and serve as reference material for repeat deviations, future development of operating plans and evaluation of recommended corrective action taken.

The operating plan is developed as a forecast document and as such deviations from the plan and actual operations are expected. Nevertheless, the operating plan should have a sufficient degree or reliability to serve as an effective guidance and control tool for the forecast year. Explainable or unjustifiable deviations should not necessarily give rise to an adjustment of the plan. However, if the operating plan is not serving as an effective guidance or control document in view of changed conditions or deficient forecasting a revised operating plan should be developed and communicated.

Control embraces all segments of the operating plan; cash management, profit and loss estimates, production job cost estimates, equipment acquisitions, and corporate administrative and vocational training expenditures. Common sense departures from the plan are not cause for concern; but unjustifiable deviations must be promptly analyzed and corrective action recommended and implemented. Operating plan control cannot be a mechanical process but requires responsive action in review, analysis, recommended and implemented corrective action.

107. RELATIONSHIP OF BUDGETING TO ACCOUNTING

Since planning cuts across all segments of an organization, it is clearly a management function. Nevertheless, the process is related to and based in part on information developed and processed through accounting records. Procedures must be developed to correlate planning data with operating data so that meaningful plans are developed and operating controls are effectively implemented. Classification of accounts must be common to both the planning document and the accounting records. The functions of accounting in the planning process includes:

- . Equating to all planned transactions in term of;
 - a. Revenues, costs and profit
 - b. Financial position at the end of selected periods
 - c. Sources and applications of funds
 - d. Cash flow through estimated receipts and disbursements
 - e. Expenditures for specific items in the planning process i.e., equipment, administrative expenses, vocational training, travel, etc.
- . Identification of the effect of alternative courses of action being considered in the planning process
- . Effective reporting of performance as compared to the operating plan

108. LONG-TERM PLANNING

Long-term planning is particularly needed for such items as changes in factory lay-out, significant changes in manufacturing methods, addition of new products or deletion of old, and investment in new plans and equipment. UNICOR needs to consider these items for five and ten year periods so that modernization programs and product changes are timely considered and factory productive activity keeps pace with current methodology.

This function should be an ongoing activity from the standpoint of soliciting input from all management levels. The formal planning will be an updating process of eliminating items from five and ten year plans that are not determined to be feasible and adding new items determined to be feasible and warranted.

Responsibility for UNICOR's long-term planning process lies with UNICOR's plans and Policies Division. Formal procedures must be established for factory, Division and Corporate Management input into the long-term planning process. Such input must be an on-going activity or creative and state of the art ideas will not be brought to the attention of the plans and Policies Division. When factory managers are made aware of a new machine, a new product or a new production method that is appropriate for their operation the Product Line Division should be advised so that the idea may be researched and if appropriate added to the agenda for periodic (at least annual) long-term planning meetings.

Discussion of long-term plans should be an additional function of UNICOR's Executive Committee meeting that establishes UNICOR's goals and objectives for the annual planning year. Discussion of the researched ideas submitted during the year will establish their acceptability, merit and consistency with goals and objectives of the corporation. In some instances a proposal may be of sufficient significance to warrant immediate implementation and, therefore, be incorporated into plans for the forecast year.

As a result of these discussions the Plans and Policies Division can update their long-term plan, formalize it for executive management approval and effectively communicate the plan as an advisory to division and factory management so that they can be made aware of the general direction toward which the corporation is headed.

109. BUDGETING

The Resources Division is required to prepare and submit the annual budget for UNICOR in accordance with Office of Management and Budget (OMB) and Department of Justice (DOJ) annual instructions. Budgets are submitted by object classification for (a) total transactions of the fund and (b) each limitation for which there is a separate program or financing schedule. UNICOR spending for Administrative Costs and Inmate Vocational Training are under Congressional spending limitations and require preparation of separate budget schedules.

Administrative Costs are all expenses related to the operation of corporate headquarters. Costs, associated with Product Division expenses or field operations are not included and are not subject to congressional limitation.

Inmate Vocational Training costs are those related to training inmates but are not directly related to any UNICOR operations. Nevertheless, UNICOR has agreed to fund these activities. Funding levels are recommended by UNICOR.

110. REPORTING OBLIGATIONS

1. The UNICOR accounting system is designed to report each month to the Department of the Treasury gross obligations by object class. Each obligation's document issued by UNICOR contains an accounting code which identifies the general ledger control account, and in the case of nominal accounts, it also controls subsidiary accounts which can be converted to OMB object class for reporting purposes. These codes are outlined in section 8501, Chart of Accounts and Accounting Classification Codes.

2. This data is reported on SF-225, Report on Obligations, by each location, transmitted to the Resources Division each month with regular reports, consolidated at the Resources Division, and submitted to Treasury.

3. The financial data for this report is obtained from the current year general ledger transactions and the FPI Form 4, 5 and 78. Further instructions are contained in Section 8540.

111. UNICOR FUNDS SUBJECT TO LIMITATION AND THEIR CONTROL

Limitations recommended by UNICOR are based on a planning/forecasting of operations including the mission, goals and objectives of UNICOR. The budget includes anticipated requirements for continuing activities as well as addition or modernization of programs.

Administrative Costs are monitored by the Resources Division through analysis and comparison of the Monthly Summary of Expense (FPI Form 4) for this function. All variances from the approved budget are reported to the Deputy Associate Commissioner for action. Section 8506, Part 11, Cost Reporting.

Vocational Training funding is allocated by institution and program as determined by the BOP Supervisor of Education. Administration and Control of spending and reports is accomplished by UNICOR field business offices. Spending and budget comparisons are prepared and reported by these offices monthly using the FPI Form 81, Monthly Report of Accrued Expenditures, Vocational Training and Employment Placement Activities as required in Section 8520, Training and forwarded to the BOP Supervisor of Education and Resources Division for review.

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Appendix A: Flow of Audit Report Procedures

AUDIT ACTIVITY

100. INTRODUCTION

The purpose of an audit is to provide a critical review by independent objective professionals who have an authority to identify and report on deficiencies in governmental operations. Audits are frequently classified as one of three types and the scope of the auditors' assignments may encompass one, two or all three of these classifications.

a. Audits may be assigned to determine the degree to which an auditee has accomplished assigned goals and objectives.

b. The assignment may be to determine the efficiency and economy achieved by the auditee in conducting assigned activities.

c. Assignments may be confined to determining the auditee's compliance with higher level of management's documented policies and procedures along with determining the adequacy and effectiveness of controls designed to prevent fraud, waste and mismanagement.

Careful examinations and tests of available data are required to obtain documentary support for all conclusions reached, regardless of the type or scope of audit performed.

Audits of UNICOR operations are performed by the General Accounting Office (GAO), Department of Justice Audit Staff and UNICOR's internal auditors. GAO and Department audits provide external audit reviews, that is, review by professionals from outside UNICOR thereby being wholly independent of control by any level of UNICOR management. UNICOR internal auditors have a lesser degree of independence as corporate management can control the type of review made and the content of published reports. Nevertheless UNICOR internal auditors carry out their assignments with a substantial degree of independence as they are not controlled by the level of management reviewed.

101. GENERAL ACCOUNTING OFFICE (GAO)

The Comptroller General of the United States is charged with the responsibility of performing audits of the accounts and records of UNICOR and making periodic reports to Congress as to the financial position of UNICOR (P. L. 93-604). GAO audits result in the certification of UNICOR's financial statements. While UNICOR management is provided with an opportunity to review GAO's findings before publication, reported matters are not changed unless corporate management can product additional

relevant information or demonstrate an obvious mis-interpretation of the facts by GAO.

GAO auditors review activities at the Washington office and selected field locations before issuing their reports. Scope and schedule of audits are determined by GAO in coordination with the Department of Justice Audit Staff; and UNICOR. (DOJ Order 2900.3A). (F. P. S. 1210.1). Audit Reports of the Department of Justice and UNICOR's internal audit unit are made available to GAO auditors and their content is considered by GAO Auditors in determining GAO's areas of review.

102. DEPARTMENT OF JUSTICE AUDIT STAFF

The Director, Audit Staff, Department of Justice, is charged with execution of the Department audit responsibilities under the direction of the Assistant Attorney General for Administration. (28 CFR 0.75 [h], 0.76 [t]. (DOJ Order 2900.1B)) The primary purpose of audits by the Department of Justice is to provide assistance to UNICOR officials at all management levels in effectively managing their programs and functions. They review field, division and Washington office operations, make critical evaluations, report conditions, and recommend changes or corrective actions. Audits include reviews of the reliability of financial statements; evaluations of the efficiency and economy of management programs and functions; review of the internal control system and the effectiveness of its implementation; determinations as to whether program objectives are being met and producing desired results; and compliance with applicable statutory laws, rules, regulations, and departmental and organizational policies and procedures.

DOJ's annual audit schedule is worked out in conjunction with UNICOR management. An effort is made to avoid UNICOR internal audit activity and DOJ audit activity at the same location during a fiscal year. DOJ's procedure for advising a location of pending review is a telephone call directly to the Warden of the Institution. The Resources Division will circulate DOJ's audit schedule for a fiscal year. However, there can be no assurance that deviations will not be made from that schedule. Field locations must be prepared for the DOJ auditors whether they receive adequate advance notice or not.

DOJ auditors hold an exit conference and discuss their tentative findings with field location officials before leaving the site. After leaving the field site the DOJ audit report is drafted and made available to UNICOR management for comment within a specific number of days. The draft report processes through the Commissioner, Associate Commissioner, and Deputy Associate Commissioner. Personnel in the Office of the Deputy

Associate Commissioner forward copies of the draft report to the Controller and the Office of Inspections. The Controller's office prepares a letter of transmittal for the signature of the Associate Commissioner soliciting a response from the auditee field location. At the same time, copies of the report are forwarded to the cognizant Product Division Manager(s) for response to relevant findings, and information copies are sent to the Corporate Audit Staff. The Controller's office coordinates the receipt of all responses and prepares a consolidated response to DOJ. That response is based primarily on input from the field location audited and any input received from other organizational elements to whom any audit findings and recommendations were directed. The field location copy of the report is directed to the Superintendent of Industries but processed through the Warden. A response for each finding in the draft report must identify the corrective action that has been or will be taken implementation dates supplied. If the audit finding is considered to be in error the Superintendent must supply adequate documentary support for taking exception to the finding. In those instances where the Superintendent is in agreement with the finding but lacks the resources or the authority to take recommended action he must clearly state his position and provide necessary support documentation. The Controller may solicit additional information if the response is deficient or unclear.

DOJ audit will be contacted for clarification of any questionable items brought to the attention of the Controller. Such clarification may require the formality of a close-out conference if problems cannot be readily resolved through telephone contact.

Acceptable responses are formalized by the Controller and forwarded for approval to the Deputy Associate Commissioner and the Associate Commissioner. The approved response is then forwarded to the Commissioner for signature and submission to DOJ audit. Copies of the signed, formal response are sent to the Internal Audit Unit, the Office of Inspection, the applicable Product Divisions and the Superintendent of the audited field location as advisory of commitments made and the type of corrective action taken or to be taken. The field location reviewed and applicable division have a need to know the extent to which their response has been accepted or revised in order to comply with the commitments made. Other organizational elements need to be advised as to UNICOR's response so that they can incorporate the philosophy projected into their operations. For example UNICOR's Internal Audit Unit may need to expand their audit program to incorporate areas of deficiency disclosed or may need to include follow-up on proposed corrective action. The Office of Inspection may determine a need for investigation of the situation as finalized. The need for such an investigation may not have been apparent based upon their copy of the DOJ draft

report. (The flow of draft report procedures is diagrammed in Appendix A.)

Upon receipt of UNICOR's approved written response to the draft report DOJ's Audit Staff will prepare a final report and will include UNICOR's response to draft findings. DOJ's final report may require further corrective action on the part of UNICOR. If so, UNICOR must provide an additional response. Any response required for final report items that were not previously covered will be provided by the Controller. The procedures followed for the final report response will be the same as for the draft report response.

DOJ audit reports will not be cleared until positive corrective action has been taken on all discrepancies reported.

103. UNICOR'S INTERNAL AUDIT PROGRAM

The UNICOR Internal Audit Unit executes its responsibilities under the direction of the Deputy Associate Commissioner. The policy of UNICOR is to maintain an audit program which will supply information that will assist management in effectively managing the various programs and functions of UNICOR. The Internal Audit Unit is assisted in their examinations by field and management personnel having expertise in areas to be audited. Management personnel at field, Division and Corporate levels are expected to cooperate fully in meeting the needs of the UNICOR Internal Audit Unit.

1. Organization. Independence and objective are essential to the effectiveness of the audit program. This is obtained primarily through organizational status and reporting level of the auditors. Therefore:

a. The UNICOR auditors are under the direction of the Deputy Associate Commissioner, Federal Prison Industries, Inc. The staff is comprised of two permanent staff members. Additional assistance is obtained from field and divisional staff as required.

b. The audit unit does not develop procedures, prepare records, install systems, or engage in any operational activity which they would normally audit.

2. Parameters. The following are the parameters under which the audit program will function.

a. Each UNICOR corporate, division and field activity will be audited triennially. The schedule will be coordinated with the Department of Justice audit schedule to insure maximum

coverage and usage of audit resources. Special audits may be conducted at any time as directed by Corporate Management. Division and field locations are encouraged to request reviews if a need exists.

b. The following programs will be used as minimum guidance in the performance of audits:

- . Field operations will be audited utilizing functional guidelines and UNICOR's Field Audit Checklist (See P.S. 1210.2, Management Audits Manual, Tab 8000).
- . Corporate programs and division offices will be audited utilizing functional guidelines and UNICOR's Corporate/Division Audit Checklist (See P.S. 1210.2, Management Audits Manual, TAB 8000).

c. UNICOR audits will address the financial, operational and program areas of UNICOR. Functions subject to review are:

- . Financial/Operational:
General Ledger Accounts
Vouchering Property
Management/Inventory

Procurement
Cost
Production Scheduling/Control
Pay - Civilian/Inmate
Marketing
Planning
Pricing

. Programs:

Personnel - Civilian/Inmate
Safety and Sanitation
Energy Conservation
Quality Assurance
Industrial Relations
Staff Visibility
Training - Civilian/Inmate
Utilization of Inmate Manpower

3. General Audit Procedures.

a. Preliminary planning and research by the audit staff of the organization to be audited is essential to effectively complete the audit on schedule. The audit approach to be used to accomplish this will be:

- . Internal Audit Unit will review prior audit findings (GAO, DOJ, and Regional Program Review Reports) and current financial reports to identify any functional areas requiring special emphasis during the audit. Resources Division, Product Division and Corporate Management will also be consulted to determine if they have any special requests.
- . Field/Division staff detailed to assist with an audit will be notified in advance of the functional areas for which they will be responsible. Each member should become familiar with their assigned areas prior to the audit.

b. Adequate review of functional areas during the audit will involve:

- . Review and appraisal of the soundness, adequacy and application of accounting, financial and other controls.
- . Ascertaining the extent of compliance with established programs and policies.

- . Ascertaining the extent to which Corporation assets are accounted for and safeguarded from losses.
- . Ascertaining the reliability of management data developed within the organization.

The scope of review will be determined by the Internal Audit Unit based upon preliminary review and initial findings in each area.

c. The results and recommendations of the audit will be discussed with auditee management official at a close-out conference to assure that situations and conditions to be reported are factually correct. The results of the audit will be promptly presented in draft form to the Deputy Associate Commissioner with copies of the draft report forwarded to applicable Division Managers for their review in preparation for close-out with the Associate Commissioner. Upon approval of the Associate Commissioner a final report will be prepared for the Associate Commissioner's signature with copies sent to management personnel who are expected to take corrective action and other management officials who may need to be informed as to the report content.

d. Replies to all audits will be made promptly, but not later than 30 days following the date of the final audit report and in detail to the Associate Commissioner, with a copy to the Resources Division and concerned product division manager, for review and evaluation. All directives must be resolved within 30 days of the date of the final audit report otherwise a plan of action must be submitted in accordance with P.S. 1210.2 stating how and when the required corrections are to be made. Any plans or actions taken to correct reported conditions will be evaluated by corporate staff for adequacy. All audit discrepancies must be resolved within six months of the date of the final audit report. No audit report will be closed until positive corrective action on each discrepancy is reported.

e. The Warden being the Chief Executive Officer of the Institution and the Superintendent being the Chief Executive Officer of UNICOR at the location, will be consulted by the examiner in charge concerning any violations of the law, regulations or instructions, as well as any improper procedures, methods or conduct. Likewise, these officials should be advised as to any unusual or outstanding meritorious service or practice which contributed to increased earnings or improved operations.

4. It is the responsibility of the Internal Audit Unit to assure that the objectives of operating management's audit program are effectively accomplished through;

a. Evaluating management's ongoing review of operations, internal controls and financial and production reports.

b. Appraising the adequacy of actions taken by management to correct reported deficient conditions, and continuing follow-up with management on actions considered inadequate until there has been a satisfactory disposition of the matter.

c. Monitoring submission of field and division review reports and evaluating them for adequacy and objectivity.

d. Publishing annual reports concerning common problems and repeat deviations reported during recent audits, and areas of special concern to UNICOR management. Copies of such reports shall be sent to concerned UNICOR activities.

Note: DOJ Audit also issue an annual summarization of common problems reported during the audit year. This information shall also be sent to concerned UNICOR Activities. For maximum effectiveness, the summaries of the UNICOR Audit Staff and the DOJ Audit Staff should be coordinated internally and circulated simultaneously.

104. AUDITEE COOPERATION

Personnel of all organizational elements being audited are expected to provide full support and cooperation to the auditors whether from GAO, DOJ or UNICOR. This cooperation includes freedom of access to all UNICOR activities, records, property and personnel. Prompt consideration of findings and recommendations must be assured along with the implementation of appropriate corrective action as necessary.

105. MANAGEMENT REVIEWS

While management reviews are accomplished by personnel with a vested interest and do not fall within UNICOR's definition of an audit they are expected to accomplish similar results. These reviews are an on-going function and the formality of a written report is required with copies made available to all officials with a need to know. The purpose of this section of the manual is to establish the degree of report formality required.

1. Production Job Reviews. FPI Form 9, Production Order and Cost Sheet provides a section "Cost Summary" that is designed to facilitate review of the success or failure of each production job. As noted in page 3-32 of UNICOR's Cost Accounting Manual, Factory Managers are required to make a detailed review and analysis of this summary and explain any favorable or unfavorable production variances.

2. Monthly Financial Reviews at the Institutions. Monthly re-

views of operations are required in page 2-3 of the Cost Accounting Manual involving the Superintendent, Business Manager, Factory Manager and other concerned personnel. Special attention must be given to FPI Form 9 reported results. Minutes of these meetings are required with copies forwarded to the Resources Division and applicable Product Divisions. Substantive commentary is essential to making these reports a viable management tool. They provide a necessary means of communication between the factories, Divisions, and Corporate management. Corrective action decided upon should be explained. Procedural areas requiring Division or Corporate management consideration must be reported. Statistical data already available in financial reports should not be repeated although reference to financial report data may be required to clarify a reported problem area. These meetings must be held before the 15th of the following month with results reported to the Divisions and Corporate Headquarters by the 20th of the month. Minutes of each month's review of questions facilitates Division preparation for monthly reviews with the Associate Commissioner.

3. Division and Corporate Management Reviews. By the 25th of each month Divisions and Corporate Management discuss general program issues and review key operating statistics for each factory. The results of Division/Corporate meetings as related to each factory are to be transmitted to the field locations by the 30th of the month. Each quarter, Division and Corporate Management make a more in-depth review of factory financial operations than those accomplished at monthly meetings. Quarterly meetings should be held by the 30th of that month with the results of these meetings promptly disseminated to the factories as applicable.

4. Field Location Internal Reviews. Field locations personnel will conduct internal reviews each fiscal year when not audited by UNICOR or DOJ auditors. The Field Audit Checklist's will be used as minimum guidance. A formal report concerning the review will be compiled with copies forwarded to the Associate Commissioner, Federal Prison Industries; Internal Audit Unit; Resources Division; and Product Division(s) for review. If a field review is not required during a particular year, a memorandum will be forwarded to the Associate Commissioner stating the reasons why an audit was not required. The Superintendent of Industries is responsible for the local internal audits. To the greatest extent personnel assigned should have expertise in areas to be reviewed.

5. Division Field Reviews. Each Product Division will conduct a production review of its assigned factories biennially. The review guideline developed should include subjects/items of special interest or concern to division management but should not

duplicate DOJ or UNICOR internal audit activity. Copies of Division Field Review reports will be forwarded to the Deputy Associate Commissioner; Internal Audit Unit; and Resources Division for review and edification. Copies of Division reports that may be of interest to other Product Divisions or Corporate Management shall be routinely transmitted to those offices.

Product Division personnel must file a report on routine field trip visits. Those reports shall be maintained in Division files and be available for Division biennial production reviews, and UNICOR Internal or DOJ Auditor Review.

6. Quality Assurance Reviews. The Corporate Quality Assurance Manager is responsible for conducting program audits to assure compliance with UNICOR's Quality Assurance Manual. These audits are to be performed in conjunction with Division Quality Assurance Managers to the extent possible. Vendor performance records, customer complaint logs, inspection sheet files and defective work/scrap reports will be reviewed and evaluated. Copies of quality assurance audits will be transmitted to applicable Product Division officers and to corporate management.

The Corporate Quality Assurance Manager shall also prepare special reports pertaining Quality Assurance problems brought to his attention. A file of regular audit reports shall be maintained by Division and Corporate Quality Assurance managers for their ongoing review and review by UNICOR internal and DOJ Audit and GAO personnel.

Chapter 8500 , CN-16 , Section 8519
Appendix A
September 8, 1983

APPENDIX A

Flow of Audit Report Procedures

SECTION 8520
TRAINING
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PART 1

INTRODUCTION

100. INTRODUCTION

UNICOR provides formal training programs for inmates through the UNICOR pre-industrial training program and funding of some BOP vocational training and vocational training experimental programs.

The UNICOR pre-industrial training program is designed to provide vestibule or pre-entry job training related to industrial operations at an institution. These programs are established with the expectation that they will provide the skills required for specific industrial operations and increase their productivity and quality of work upon assignment to a UNICOR operation.

Vocational training and vocational training experimental programs are organizational components of the Bureau of Prisons. Vocational training programs include training for inmates in industrial, trade, business or service occupations. The vocational training experimental programs are designed to test the viability and effectiveness of training programs for inclusion in the formal inmate vocational training program in the future. The information in this chapter is included in the UNICOR manual because these programs are funded by UNICOR.

PART 2

UNICOR PRE-INDUSTRIAL TRAINING

200. GENERAL

Many inmates who begin work in UNICOR shops and factories lack work and safety habits and any basic knowledge of the work to be performed. These shortcomings can impede the smooth integration of the inmate into the work force, lower productivity rates, or create serious safety hazards for themselves and their co-workers.

Several UNICOR locations have used pre-industrial training programs to ensure that the inmate had a rudimentary set of skills before his entry into regular factory work. This training has also been called vestibule training to indicate that it occurs before the inmate enters the general work routine of the factory.

Pre-industrial training prepares the inmate to take his place in the work setting as a safer, more productive and knowledgeable worker. UNICOR encourages the use of pre-industrial training programs wherever such training will provide these benefits to the inmate worker and to the factory.

201. REQUEST AND APPROVAL

After consultation with the Warden, the Superintendent of Industries may develop a proposal for a pre-industrial program. Consultation should also take place with the institution's Supervisor of Education to insure that a structured, competency based curriculum is used for the program and that multi-media instructional methods are used.

The outline of the program should be put in narrative form and submitted. The request for funds shall be made on an accompanying RSA. Include a listing of all resources needed to put the program into effect, program evaluation criteria and the total amount of money required.

Copies shall be sent to:

- Manager of Industrial Programs, UNICOR, Central Office
- Affected Product Division or staff office
- Educational Administrator, BOP, Central Office (if involved in the program)

The Manager of Industrial Programs shall coordinate the response by all affected departments.

Upon completion of testing period for approved programs, they will be evaluated and a determination made whether they will become permanent programs.

202. INMATE PAY

Inmates will be paid 4th grade wages during participation in these programs.

203. ACCOUNTING

All expenses of these programs shall be charged to Pre-industrial Training Expense Control, Account 66, using the sub-accounts in paragraph 103, Section 8501. Machinery and equipment purchased for these programs and controlled and capitalized in accordance with the instructions in Section 8508, Fixed Assets.

204. PROCUREMENT

All contracting and procurement will be accomplished through the UNICOR contracting officer or procurement agent in accordance with applicable federal procurement regulations.

Approval of an RSA in which a particular vendor or contractor is mentioned does not imply approval of that particular vendor or contractor for the project. Approval signifies acceptance of the program concept.

PART 3

VOCATIONAL TRAINING

300. GENERAL

Vocational Training (VT) is an organizational component of BOP. The information in this chapter is included in the UNICOR Accounting Manual because vocational training in some institutions is funded by UNICOR. This funding is subject to Congressional Limitation and/or Administrative Limitation as approved by the Board of Directors.

The Administrator, Education Section, Central Office and counterpart personnel at the regional and institution level have the responsibility for formulating, establishing, and operating vocational training programs. These programs should be integrated as closely as possible with existing industry operations, institutional shops, farm enterprises, and UNICOR maintenance and construction projects.

The UNICOR Controller is responsible for the administrative control of funds including review and approval of final allotment authority and apportionment scheduling.

The UNICOR Superintendent of Industries at each field location monitoring a program is responsible for the administrative control of funds including review and approval of procurement and contracting actions, budget review and accounting control, classification and reporting.

301. TYPES OF PROGRAMS

1. Permanent Programs - Those vocational programs permanently established and funded through UNICOR. Program funding includes basic civilian salary, related salary and operating expenses subject to Congressional limitation.

2. Experimental Programs - Those vocational programs established on an experimental basis to evaluate and test possible training programs for permanent funding. These programs are evaluated at the close of specified test periods to determine their effectiveness and whether they should be continued as an experiment, made a permanent program or discontinued. Program funding includes operating expenses and related equipment requirements subject to Congressional limitation.

3. Buildings and Improvements, Machinery and Equipment - UNICOR reviews and approves funding requests for machinery and equipment, and building and improvements for vocational training programs annually, based on recommendations of the Education Administrator, BOP, Central Office.

Office. Allocations are made to each VT program based on program and priority requirements. These funds are not subject to Congressional limitation, but are subject to administrative limitation as approved by the UNICOR Board of Directors.

302. BUDGET AND ALLOTMENT CONTROLS

1. Permanent Programs, Machinery and Equipment, Buildings and Improvements - The Supervisor of Education at each institution shall submit a consolidated budget in duplicate on FPI Form 81 to the Education Administrator no later than April 30, of each year. The budget estimate shall include personal services and operating expenses for Permanent Programs subject to Congressional limitations, as well as machinery and equipment, construction and improvements which, although not subject to Congressional limitation, are subject to administrative control. Explain differences between the current year budget and the requested budget in a brief narrative. Justify machinery and equipment items individually. Include the recommended quarterly apportionments for those items subject to Congressional limitation.

After the Education Budget Committee has evaluated and approved the program budget for each institution, the Director of Education shall submit to the Deputy Associate Commissioner, Financial Management, and the Associate Commissioner through the UNICOR Controller, a consolidated summary of the budget request for approval. Upon approval of the Congressional or administrative limitation as applicable, an FPI Form 81 will be prepared for each institution by the BOP Education Administrator for each request. If disapproved, a letter giving reasons will be forwarded. Notification for approved programs will include the funding level by quarter and type of program, equipment or construction project. These will be forwarded through the UNICOR Controller for approval and signature attesting to the availability of the funds.

One copy of the FPI Form 81 shall be kept by the UNICOR Controller, who is responsible for the administrative control of the funds. He shall establish and maintain records in conjunction with UNICOR field offices to ensure that allotments are not over-obligated and are within the approved apportionment schedule. The BOP Education Administrator will transmit copies of the FPI Form 81 to the (1) Warden, (2) Supervisor of Education, and (3) UNICOR Business Manager.

To provide a degree of flexibility, field locations are not required to request internal adjustments of less than \$1,000 among those items subject to Congressional limitation (Basic Salary, Related Salary, and Operating Expenses) provided accrued expenditures do not exceed the total quarterly apportionment. The "Budget-Current Year" column should not be changed, the over/under adjustment being reflected in the "Balance Available through Current Quarter" column.

The transfer of funds between institutions within a region and/or regions must be requested in memo form and submitted through the Region to the Central Office, Education Administrator. Receipt of a revised FPI Form 81 will constitute approval.

2. Experimental Programs - The Supervisor of Education at each institution shall submit requests for Experimental Program as needed. The request shall include justification, estimated life of the program (test period), the designated date for the evaluation of the program, the criteria for determining whether to discontinue it or make it permanent, a Request for Special Authorization, and FPI Form 81. The request, if approved would be valid for the lifetime of the program and would not require annual approval. As such, there must be an FPI Form 81 for each fiscal year of the program apportioned by quarters. This is needed to control annual allocations for the overall programs as well as to provide a basis for budget control of the individual program.

Program recommendations are submitted from each location, through the Regional Offices, and screened by the BOP Education Administrator and FPI Manager of Industrial Programs. In addition to the narrative application material, the original proposals should include the single RSA, the Form 81's for each fiscal year and the program evaluation criteria. The involvement of the Superintendent of Industries and UNICOR Business Manager in preparing the RSA and Form 81's is required.

Programs recommended by Central Office officials in the preceding step are reviewed and endorsed/disapproved at the Secretary/Deputy Associate Commissioner level and finally approved/disapproved by the Associate Commissioner. If a proposal is disapproved, this decision and explanation will be conveyed by a jointly signed memorandum from the Associate Commissioner to the Warden, with copies to :

- BOP Education Administrator
- FPI Manager of Industrial Programs
- Regional Director
- Institution Supervisor of Education
- Superintendent of Industries

If the proposal is approved, the memorandum is distributed to the same listing, and in addition to:

- UNICOR Controller
- Deputy Associate Commissioner
- UNICOR Business Manager
- C.O. Research

Once approved, the RSA and FPI 81's are forwarded to the UNICOR Controller's office for assignment of an authorization number and signature attesting to the availability of funds.

The package is then returned to the Manager of Industrial Programs for final compilation of all materials for forwarding to the Wardens and others of the distribution list. The program is authorized to proceed. The package should include all relevant information in support of the budget to enable the business office to proceed and procurement action.

The smooth implementation and administration of each experimental program depends upon mutual respect of the responsibilities and good communication and coordination of the Supervisor of Education, the Superintendent of Industries, and the UNICOR Business Manager. The Supervisor of Education must not go too far during the conceptual stage in dealing with potential contractors. He/she should keep the UNICOR Business Manager apprised of initial efforts. The UNICOR Business Manager should be supportive of the intent of the experimental program and, at the earliest possible date after Central Office approval, be prepared to initiate appropriate procurement action. It needs to be mentioned here that procurement regulations do apply and the experimental programs are not exempt from regulatory requirements. Everyone in BOP and UNICOR should be careful to adhere to them. There are situations where a sole-source arrangement is appropriate. However, whenever feasible, competition serves to ensure that the Corporation obtains the best offer possible for any given service. In the absence of such competitive procurement, the Contracting Officer must be able to present a determination of findings justifying the engagement of a sole source contractor. This must pass the test of reviews of government auditors. Mere "convenience" or "preference" on our part is not sufficient justification.

3. Buildings and Improvements (Construction) - Institutions may request individual projects for vocational training which cost in excess of \$2,000. Such requests should not be initiated until after the institution has reviewed its existing space and facilities for possible reprogramming or reallocation of space.

The Supervisor of Education at the field location will initiate the request in coordination with the UNICOR Business Manager and the Facilities Manager. It will then be routed through the Warden and Regional Director to the Education Administrator, BOP.

Upon receipt of requests, the Education Administrator, BOP will review and confer with the Assistance Director, Planning and Development, in relation to long range planning and space study date, prior

to transmittal to the Deputy Associate Commissioner and the Associate Commissioner, UNICOR for approval.

Upon their approval and that of the Board of Directors, notification will be prepared for each institution by the Education Administrator, BOP for each request. Disapprovals will be accomplished by letter and will give reasons for disapproval. Notifications for approved programs will be accomplished by FPI Form 81 and include the funding level and the exact nature of any changes made to original request.

Any projects not completed during the fiscal year for which funding was approved must be resubmitted in accordance with this paragraph to re-establish funding.

4. Machinery and Equipment - Institutions may request funding for machinery and equipment requirements for established programs which UNICOR does not administer.

The Supervisor of Education at the field location will initiate the request in coordination with the Superintendent of Industries. It will then be routed through the Warden and Regional Director to the Education Administrator, BOP. This shall be accomplished no later than March 31 for the following fiscal year.

Upon receipt of request, the Education Administration, BOP will review each and submit a consolidated request to the Deputy Associate Commissioner and Associate Commissioner. Upon their approval and that of the Board of Directors, each institution will be notified of action taken on their request by the Education Administrator, BOP. Disapprovals will be accomplished by letter and give reasons for disapproval. Notifications for approved programs will be accomplished on an FPI Form 81 and will include the funding level, the equipment approved for purchase and any changes made to the original request.

Any equipment not purchased during the fiscal year for which funding was approved must be resubmitted in accordance with this paragraph to re-establish funding.

5. Allotment Control Responsibilities - In addition to the allotment controls required of the Education Administrator, BOP and the UNICOR Controller in paragraphs 1 and 2, each institution has allotment control responsibilities. The Chief Executive Officer of each institution, or his delegated representative becomes the responsible office to see that such allotments are not over-obligated. Hence, all vocational activities are under the general supervision of the Chief Executive Officer at each institution. Bookkeeping for vocational funds is accomplished by the UNICOR Business Manager. Therefore, close

cooperation and coordination shall be maintained between these offices. This is particularly true in connection with the preparation of the annual budget estimates, costs, compliance with procurement regulations, and the classification of purchases.

303. ACCOUNTING

1. Permanent Programs - Expenditures for the program shall be charged to Account 75, Vocational Expense Control. Expenditures for salary and operations shall be classified and distributed to the applicable subsidiary accounts as listed in Section 8501, par. 103. Machinery and equipment expenditures for equipment in excess of \$300 shall be charged to Account 75.39, Vocational Training - Major Equipment. Memo equipment cards shall be maintained on this equipment. Approved expenditures for buildings and improvements projects over \$2,000 shall be charged to Account 75.40, Vocational Training - Building and Improvements. Minor projects under \$2,000 shall be funded from the VT Operation Expense Budget.

The FPI Form 81 shall be used to summarize these costs and report budget status. The "Program" entry shall include the name of the program (Permanent VT Programs). Salary and operating costs shall be summarized from the Form 4 in the applicable blocks for items subject to Congressional limitation. Machinery and equipment, and buildings and construction expenditures shall be summarized in the applicable blocks. The total of operating, salary, machinery/equipment, and building/construction expenditures shall agree with FPI Form 3.

UNICOR field accounting stations will transmit and FPI Form 81 monthly to (1) the institution Supervisor of Education, (2) Regional Education Administrator, (3) Education Administrator, Central Office, and (4) the UNICOR Controller. The Form 4 will be submitted to each quarterly.

2. Experimental Programs - Expenditures for this program shall be charged to Account 76, Vocational Training Experiment Control. Expenditures for operations shall be classified and distributed to the applicable subsidiary accounts as listed in Section 8501, par. 103. Machinery and equipment expenditures for equipment in excess of \$300 shall be charged to Account 76.39. Memo equipment cards shall be maintained on this equipment.

The FPI Form 4, Summary of Expense shall be used to list all expenses for the quarter and year to date including the charges to Account 76.39.

The FPI Form 81 shall be used to summarize each program costs and report budget status. The 'Program' entry shall include the name of the program. The total shall agree with FPI FORM 3.

UNICOR field accounting stations will transmit an FPI Form 81 monthly to (1) the institution Supervisor of Education, (2) Regional Education Administrator, (3) Education Administrator, Central Office, and (4) the UNICOR Controller. The Form 4 will be submitted to each quarterly.

3. Building and Improvements - Approved expenditures for VT building programs at institutions where the established VT programs are not administered by UNICOR shall be monitored by the UNICOR Business Manager. Expenditures shall be charged to Account 75.40, Vocational Training - Buildings and Improvements, and reported monthly on the FPI Form 3 and 81, and quarterly on the FPI Form 4.

4. Machinery and Equipment (M&E) - Machinery and equipment allocations for established programs for which UNICOR does not administer the program shall be monitored by the UNICOR Business Manager. Expenditures shall be charged to Account 75.39, Vocational Training - Machinery and Equipment, and reported monthly in the FPI Form 3 and 81, and quarterly on the FPI Form 4.

The BOP Business Manager shall be advised of all pertinent data relative to the cost and specifications of the equipment for accountability purposes. Any machinery and equipment purchased for locations administered by BOP shall be donated immediately to BOP.

5. General - Maintain a minimum of accounts for vocational activities. At those locations, where there are several industrial operations, the vocational accounts may be reported in any of the manufacturing unit's books.

Any items purchased F.O.B. shipping point that are in transit at the end of the year shall be accrued and charged to the proper expense account prior to year end closing. Credit excess accruals of expenses at the end of the prior year to Account 53.3 in the following year when the correct amounts are recorded. Expense in excess of accruals made at the end of the prior year shall be charged to current vocational expense. Credit discounts on vocational expense items which are in transit at the end of the fiscal year to Account 53.3 in the following year when payment is affected.

304. SURPLUS PROPERTY

Items, either machinery and equipment or operating supplies, may be acquired in accordance with Section 8508. Special authorization on FPI Form 27 is required for VT acquisitions of surplus property in excess of \$1,000. Controls shall be maintained locally by processing all request for acquisitions through the UNICOR Business Manager. The donable element of these items shall not be charged against budget allocations. However, they are to be shown as a footnote of FPI Form 27.

81 (Monthly Submissions) indicating the category (machinery and equipment or supplies) and the appraised value. Items with an appraised value less than \$1,000 need not be reported. Freight or incidental expenses shall be charged to Account 75.

VT machinery and equipment (M&E) in those programs in which UNICOR maintains the financial/budget reports and accountability may be transferred to VT activities at other institutions or donated to UNICOR, BOP, or other government agencies. Request for such actions shall be submitted to the Central Office Education Administrator for review and approval, and coordinated with respective UNICOR Business Manager to ensure proper transfer, documentation and accountability.

305. PROCUREMENT

With the exception of the Experimental Vocational Training Program, UNICOR accounting and budget system, requires that purchases of operating supplies and machinery and equipment be processed so as to ensure delivery not later than the end of the fiscal year. Open purchase orders (undelivered) at the end of the year need not be canceled. However, no authority exists to "carry over" unexpected balances and the expenditure will be charged to the ensuing fiscal year's budget in the month actually delivered. A realistic procurement cycle should be established to preclude such occurrences and a minimum 30 day cutoff date (September 1) for all other purchases should be observed.

All contracting and procurement will be accomplished through the responsible UNICOR Procurement Agents and/or Contracting Officers who must ensure compliance with the Federal Procurement Regulations, FPMR, BOP Procurement Manual and UNICOR policy and procedures Manual for all VT purchases. Mandatory sources of supply - UNICOR, GSA, FSS must be utilized. Specific cases which cannot be resolved at the field level should be referred to the UNICOR Controller for review and approval.

Approval of an RSA in which a particular vendor or contractor is mentioned does not constitute approval of that particular contractor or vendor - only the project concept. All applicable procurement regulations will be followed in implementing the program.

306. CONTINGENCY RESERVE

No reserve fund will be maintained by the Education Administrator in the Central Office. Therefore, costs for items such as change of duty station transfer costs, approved program changes and other uncontrollables must be absorbed by available funds at the institutional level.

307. QUARTERLY REVIEW

At the end of the first three fiscal quarters, appropriate UNICOR and Education personnel at each field location will review their current budget and project actual requirements through the end of the fiscal year. Adjustment recommendations should be transmitted to the Central Office, Education Administrator Through the Regional Education Administrator not later than the 20th of the month following the end of these three quarters. Fourth quarter adjustment recommendations should be transmitted not later than September 1, and will be considered as the final budget adjustment for the fiscal year.

308. AUDIT

Vocational activities and related financial and accounting records are subject to audit by the UNICOR Internal Audit Staff, Department of Justice, and General Accounting Office. UNICOR Business Managers are responsible to ensure that current Corporate, Treasury, GSA, and GAO policies, and regulations are complied with for all vocational training expenditures.

SECTION 8506

COST ACCOUNTING MANUAL

FPI's Cost Accounting policies and procedures are contained in a separate

manual. See FPI's business manager for more details.