U.S. DEPARTMENT OF JUSTICE
Federal Bureau of Prisons

PROGRAM STATEMENT
Requests for Special Authorization

Approved by	William K. Marshall III William K. Marshall III Director, Federal Bureau of Prisons
DPI	FPI
Number	8520.05
Date	September 3, 2026

Summary of Changes

Program Statement Rescinded:

- 8520.04 Authorization for Capital Expenditures (6/18/2015)

Changes:

- Removes outdated references to the Associate Warden (Industries and Education) and Superintendent of Industries.
- Incorporates digital Request for Special Authorization process.
- Simplifies the approval process.

1. **PURPOSE AND SCOPE**

To establish criteria and procedures for submitting Requests for Special Authorization (RSA) within Federal Prison Industries (FPI).

a. **Program Objectives**.

- Requests for authorization to make capital expenditures as well as to acquire any leased/rental items and vehicles will be approved by designated FPI authorities.
- Accurate records of all committed and expended funds will be maintained.
- FPI will have effective controls over major financial commitments and cash disbursements.

b. **Institution Supplement**. None.

2. ITEMS REQUIRING AUTHORIZATION

RSAs are required to be approved prior to acquiring the following classes of items:

a. **Machinery and Equipment (M&E)**. Authorization is required for any acquisition, restoration, or repair of M&E that has an anticipated cost of $10,000 or greater. This applies not only to individual items but also to groups, programs, or equipment projects involving similar or like items.

Example: A Cut and Sew Factory plans to modernize its equipment by replacing its sewing machines. The first phase of the modernization calls for replacing 10 machines at a total cost of $99,000. Although each individual machine costs less than $10,000, the total project is well above that amount. Authorization from FPI corporate management for the project is required.

b. **Computer Hardware and Software**. Authorization by FPI's Chief Information Officer is required for purchasing any computer hardware or software with a value greater than $10,000.

c. **Motor Vehicles**. Authorization is required for all motor vehicles leased, purchased, donated, or transferred from other Bureau or FPI locations. Authorization to acquire forklifts is subject to the requirements for M&E in Section 2.a.

d. **Building and Improvement (B&I) Projects**. Authorization is required for any B&I project having a total cost, including staff and inmate wages, in excess of $10,000.

e. **Factory Activations**. Authorization is required by the FPI Board of Directors for all major B&I or M&E projects associated with factory activation.

f. **Lease or Rental**. Authorization is required for all leases and rentals, regardless of the cost.

g. **Pre-Industrial Programs**. Authorization is required for all FPI pre-industrial programs.

h. **Inventory Purchases Without Customer Demand**. FPI's inventory purchases must be in response to a demand for the inventory that is supported by a firm customer order. Inventory purchases that do not meet these criteria, and are in excess of $10,000, must be authorized in advance through an approved RSA. This requirement exists regardless of whether a factory is within its inventory targets on the current operating plan.

3. COMPLETING A REQUEST FOR SPECIAL AUTHORIZATION

a. **Initiating an RSA**. The requestor will initiate the automated RSA through the RSA portal. The appropriate Branch Chief or General Manager must approve all RSAs before they are forwarded to FPI corporate management for approval.

RSA Type Designation. The automated RSA system will assign a tracking number for all RSAs. Additionally, the RSAs will be designated by request type and asset category. The following is a list of request types:

- Lease/Rental
- Capital Expenditure
- Inventory Purchase

The following list of codes is for the RSA asset category:

M = New Machinery
R = Repair of Current Equipment
D = Replacement of Old Equipment
P = Computer Equipment
V = Vehicles
B = New Building
I = Improvements and Repairs
O = Other (e.g., pre-industrial programs)
F = Factory Activation (note: This code is used for any expenditure related to activation, including M&E, B&I, computer equipment, and vehicles)
S = Safety Stock

RSAs must be complete, accurate, and provide sufficient information for the reviewer and approving authority to identify the item and its purpose. Market research and supporting documentation must be attached to the RSA to support the estimated costs of the request.

Vehicle Acquisition Request (VAR). A VAR is submitted to Central Office with the RSA for the acquisition of any vehicles, including forklifts. The Warden, Operations Manager, Deputy Controller, and Facilities Manager must approve the VAR. The FPI Financial Management Branch (FMB) Corporate Reporting Section will obtain the signature of the Bureau Fleet Coordinator during the asset creation process. See the Program Statement **Facilities Operations Manual** for additional information about purchasing vehicles.

4. ROUTING AND APPROVAL OF REQUESTS FOR SPECIAL AUTHORIZATION

a. **Authorization Requirements**. Authorization requirements include:

- The Operations Manager approves all RSAs and the system forwards the RSA to the appropriate Branch Chief or General Manager for further approval.
- The Chief Information Officer must approve requests for non-production-related Automated Data Processing (ADP) equipment.

- The General Manager must approve computer equipment used for production purposes (e.g., software for computers used in the production of signs).
- The General Manager approves all RSAs related to M&E and B&I for their business group.
- The Deputy Assistant Director must approve all RSAs for purchases over $10,000 that were not approved in the annual operating plan.
- The FPI Assistant Director/Chief Executive Officer (AD/CEO) must approve all RSAs over $250,000 that were not approved in the annual operating plan.
- The FPI Board of Directors must approve requests for amounts greater than $500,000 that were not approved in the annual operating plan. Board approvals are not required for the purchase of raw materials in support of normal business operations. Requested expenditures are submitted to the FPI Board of Directors in a board resolution explaining the project scope, the rationale for the expenditure, and the financial implications.

b. **Requests for Additional Funding**. A modification to the existing RSA is required when the additional funding needed adds more than 5% to the total cost, or more than $50,000, whichever is less. In the RSA portal, the option for additional funding is notated with a blue dollar sign. The process will route a separate request for additional funding but will reference the original approved RSA.

Example: A factory was authorized a funding amount of $2,000,000 to acquire a piece of equipment. It was later determined the equipment had a cost of $2,080,000. An Additional Funding Request RSA for $80,000 must be submitted for approval. While the increase is only 4%, it is more than $50,000, so approval is required.

5. APPROVAL OF PROJECTS RELATED TO FACTORY ACTIVATION AND MAJOR CONSTRUCTION PROJECTS

Authorizations for capital expenditures for factory activations and major construction projects are approved in the operating plan. However, before funds may be expended, the requesting General Manager must submit an RSA for approval.

Amounts approved by the Board are published in the operating plan as major B&I and M&E. Board-approved funds for activation and major construction projects may be allocated over multiple years and are valid through the completion of construction and activation.

6. TRACKING AND DISTRIBUTION OF RSAS

- The Corporate Reporting Section will process the RSA within five business days of the date the completed RSA is received by FMB. RSAs are automatically maintained in the RSA portal by RSA number and approval status.

7. DURATION OF FISCAL YEAR CAPITAL EXPENDITURE AUTHORIZATIONS

Approved authorizations for capital expenditures, other than major B&I and M&E, are valid for that fiscal year only; the funds must be committed (i.e., contract/purchase order issued) in the same fiscal year as approved.

All items purchased with an RSA approved in the current fiscal year must be delivered prior to the end of the same fiscal year (i.e., by September 30th of the year in which the RSA was approved). Authority expires for all purchases not made before September 30. Any expenditures beyond this date require a new RSA.

Any RSAs submitted for approval after August 31 of the current fiscal year must be annotated to indicate if the item will be purchased in the current year or is intended for purchase the following year.

8. REPORTING REQUIREMENTS

The Deputy Controller for the Corporate Reporting Section, or designee, maintains an accurate account of funds committed and expended on approved capitalized RSAs, monitors operating plan authorizations, and updates the corporate financial reports as appropriate.

REFERENCES

Program Statements
Facilities Operations Manual

ACA Standards
None

Records Retention Requirements
Requirements and retention guidance for records and information applicable to this program are available in the Records and Information Disposition Schedule (RIDS) on the Bureau's intranet site.