U.S. DEPARTMENT OF JUSTICE
Federal Bureau of Prisons

PROGRAM STATEMENT
Federal Prison Industries
Cash Reporting and Reconciliation

Approved by	William K. Marshall III William K. Marshall III Director, Federal Bureau of Prisons
DPI	FPI
Number	8534.10
Date	June 22, 2026

Summary of Changes

Program Statement Rescinded: ▪ 8534.09 Cash Reporting and Reconciliation (1/8/2016)
Changes: ▪ Defines roles within the Financial Management Branch (FMB) for performing duties covered by this program statement. ▪ Improves descriptions of tasks. ▪ Removes references to the Program Statement **Check Cancellation - FPI**.

1. **PURPOSE AND SCOPE**

To establish guidelines and assign responsibility for recording cash transactions and reconciling the Federal Prison Industries (FPI) cash balance with the U.S. Department of the Treasury (Treasury).

FPI operates primarily on revenues generated from the sales of goods and services rather than allocations from appropriated funds. These revenues are used for FPI's daily operation and are distributed in the form of staff and inmate salaries, Intra-governmental Payment and Collection (IPAC) transactions, and vendor payments for purchasing goods and services. Therefore, FPI must manage its cash flow effectively through continuous and accurate reporting of cash transactions within FPI's financial information system.

Effective cash management depends upon the timely and accurate recording of information. Strict requirements have been developed to ensure cash transactions and availability are reported accurately to FPI Corporate Management.

a. **Program Objectives**.

- All FPI cash transactions will be recorded and reported accurately to maintain accountability.
- Guidelines will be established for reconciling cash within the FPI financial information system and Treasury.
- Guidelines will be established for disbursing cash in accordance with instructions received from FPI Corporate Management.

b. **Institution Supplement**. None.

2. FINANCIAL MANAGEMENT BRANCH (FMB) CORPORATE REPORTING SECTION RESPONSIBILITIES

a. Computing and reporting daily to the FPI Deputy Controller the amount of cash receipts and cash available for investment.

b. Preparing the Corporate Weekly Cash Report to submit to the FPI Controller. This report must summarize the cash transactions for the prior week and present disbursing options for the upcoming week.

c. Recording interest earned from investment securities purchased by the Treasury into the FPI financial information system weekly.

3. RECORDING TRANSACTIONS IMPACTING CASH

a. **Field Locations.** Field locations may not record transactions directly to any of FPI's cash accounts without authorization from a Deputy Controller. Any transactions affecting cash are processed as follows:

All vendor payments are to be processed through the Accounts Payable module of the FPI financial information system. Payroll for civilians and inmates received via the Central Accounting Reporting System (CARS), including IPAC transactions, are to be processed as "no-check" vouchers.

Locations with chargebacks for customer invoices must forward the applicable information to Central Accounts Receivable (CAR) immediately for entry into the general ledger.

Any receipts in the form of commercial and personal checks are forwarded to CAR.

Treasury payments issued and received by a vendor with erroneous information (i.e., wrong payee name with correct dollar amount, etc.) must be returned to the FMB Disbursement Office.

b. **Centralized Accounts Receivable.** The Deputy Controller, Financial Accounting and Budgeting (FAB), ensures deposits are recorded into the FPI financial information system daily. Depending upon the method in which funds are collected, the following accounts are used:

- Checks, Wide-Area Work
- Flow and Pay.gov collections (111000 Cash Operating in TRES House Bank)
- IPAC Collections (111010 Cash Receipts IPAC)
- Credit Card Collections (111020 Cash Receipts Credit Card)

c. **FMB Disbursement Office.** Disbursement Office staff are to process the following transactions affecting cash:

- Inmate payroll, institution bills received via IPAC, and third-party draft payments are processed as "no-check" vouchers.
- Civilian payroll must be processed in accordance with procedures in the Program Statement **Accounting Procedures for Civilian and Inmate Payrolls - FPI**.
- Treasury checks returned and reimbursements from vendors must be processed in accordance with procedures in the Program Statement **Disbursements and Electronic Funds Transfer**.

4. CASH RECONCILIATION

Accurate and prompt reporting of FPI's cash balance is essential, since operations are financed by the sale of goods rather than allocations from appropriated funds. To ensure accuracy, cash reconciliation must be timely and frequent, and, under FPI's financial management system, it requires coordination between field locations, Central Office, and CAR.

a. **Reconciling Transactions to the General Ledger.** Each location must ensure IPAC billings entered by FMB's Disbursement Office into the general ledger module agree with all charges to the agency location code (ALC) and the Treasury Account Symbol and Business Event Type Code (TAS BETC), as reported by the Treasury.

All unidentified CARS disbursements received by the FMB Disbursement Office must be reclassified to the correct ALC and TAS BETC by an IPAC correction in the same month received. However, if the unidentified charge remains at the end of the month, a journal voucher must be recorded to debit General Ledger (GL) Account 299000, Other Liabilities, and credit GL

Account 111000, Cash Operating in TRES House Bank. This entry must be reversed in the following month and returned to the originating agency's ALC and TAS BETC via CARS.

The Deputy Controller, FAB, ensures all collection transactions entered into the FPI financial information system are reconciled to related reports from external sources (e.g., Treasury check deposits agree with Over-the-Counter Channel Application (OTCnet) deposit tickets from the Lockbox; IPAC collections agree with Treasury reports; credit card collections agree with Collections Information Repository (CIR) reports).

FMB Disbursement Office staff ensure disbursements processed through the FPI financial information system agree with the Electronic Clearing Service (ECS), Third Party Draft, and IPAC billing reports. Civilian payroll entries are reconciled to the National Finance Center (NFC) abstract reports; the FPI financial information system entries for income from investments must agree with reports from Treasury.

b. **Reconciling the General Ledger to FPI's Treasury Balance.** At month's end, CAR runs the account detail in the FPI financial information system for accounts 110000 to 119999 to obtain the cash transactions for the current month. Transactions are sorted by type. This report is then compared to the Fund Balance With Treasury Account Statement in CARS. An additional comparison is made between the general ledger and the CARS Statement of Difference (SOD) module**.**

Statements of differences are to be corrected in the month they are received at the FMB Disbursement Office and at CAR.

The Corporate Reporting Section, FMB uses CARS to report to Treasury all disbursements and any receipts made through the Central Office ALC. In addition, the Corporate Reporting Section is responsible for reconciling the ending monthly cash balance for FPI with Treasury, using the Statement of Accounting transactions from CARS and the SOD module.

5. WEEKLY SPENDING AUTHORIZATION

Disbursements are made in the FPI financial information system. The FMB Disbursement Office must submit a payment proposal in accordance with procedures established in the Program Statement **Accounts Payable - Internal Control Procedures, Prompt Payment and Processing Vendor Payments (FPI)** before payment is made.

REFERENCES

Program Statements
Disbursements and Electronic Funds Transfer
Accounts Payable, Internal Control Procedures, Prompt Payment and Processing Vendor Payments (FPI)
Accounting Procedures for Civilian and Inmate Payrolls − FPI

ACA Standards
Performance-Based Standards and Expected Practices for Adult Correctional Institutions (5th Edition): 5-ACI-1B-07, 5-ACI-1B-08, 5-ACI-1B-09, 5-ACI-1B-10

Performance-Based Standards and Expected Practices for Adult Detention Facilities (5th Edition): 5-ALDF-7D-13

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.