

CHAPTER: 300

Business/Budget

DEPARTMENT ORDER:

301 – Fiscal Management

**OFFICE OF PRIMARY
RESPONSIBILITY:**

AS

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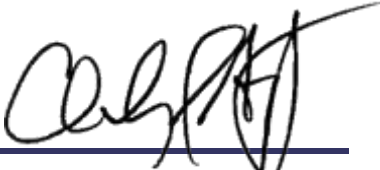
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Arizona Department of Corrections

Department Order Manual





Charles L. Ryan, Director

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PURPOSE

This Department Order establishes a fiscal management system for the maintenance and accountability of all Arizona Department of Corrections (Department) appropriated and non-appropriated monies and funds. The fiscal management system shall be operated within the framework of statutory requirements, fiscal rules and generally accepted accounting principles.

APPLICABILITY

This Department Order applies to all staff whose duties involve the maintenance and accountability of appropriated and non-appropriated monies and funds for the Department. Only sections 1.0 through 4.0 of this Department Order are applicable to private prison facilities.

RESPONSIBILITY

The Department shall comply with the State of Arizona Accounting Manual (SAAM) by the Arizona Department of Administration (ADOA) General Accounting Office (GAO) in all accounting functions.

The Chief Financial Officer shall ensure Business Managers are thoroughly familiar with the SAAM and they sign up and receive the ADOA GAO "Updates and News" emails. The SAAM is available online at <https://gao.az.gov>.

The Division Director for Administrative Services shall ensure Department Orders related to fiscal issues are reviewed annually, after the Arizona State Legislature has adjourned, to incorporate any relevant changes in law concerning fiscal management.

Any questions pertaining to accounting methods or practices shall be referred to the Chief Financial Officer.

PROCEDURES

1.0 RECEIVING ALLOWABLE FUNDS

1.1 Receiving Points – The Financial Services Bureau Accounting Unit and each institutional Business Office shall designate in writing a specific receiving point for receiving allowable funds, including the specific area and position(s). All receiving points must be approved by the Chief Financial Officer. Allowable funds for payment shall include the following:

1.1.1 Cash (i.e., checks, money orders or cash)

1.1.1.1 An endorsement stamp for the Arizona State Treasurer may be obtained through the Financial Services Bureau. Endorsement stamps shall reflect the appropriate bank account name, account number, and facility (i.e., For Deposit Only – Inmate Trust Account, Account # 1234567890 - Facility).

1.1.1.2 All areas receiving cash shall at least annually review the General Internal Controls in SAAM.

1.1.1.3 Cash handling, record keeping and reconciliation duties are separated. Procedures must be approved by the Chief Financial Officer or designee.

- 1.1.1.4 Cash receipt summaries and check logs are prepared and reconciled to deposits on the day money is received.
- 1.1.1.5 Deposits and deposit slips are verified and initialed by a person other than the preparer. A validated deposit slip shall be received for each bank deposit and retained in the files.
- 1.1.1.6 Pre-numbered and sequentially issued cash receipts are used, including those that are "voided" and retained. Voided receipts shall include an explanation.
- 1.1.1.7 Access to petty cash, pre-paid (release) bank cards, and check books is restricted to the Custodian.
- 1.1.2 Credit Cards - The Department shall accept credit card remittances as payments of any amounts due in accordance with SAAM requirements based on the approval of the Chief Financial Officer.
 - 1.1.2.1 The Chief Financial Officer or designee shall review and approve monthly reconciliations.

2.0 DEPOSITS

- 2.1 All cash shall be deposited in accordance with SAAM after receipt. A designated secured file, safe or other storage device shall be used to store received funds.
 - 2.1.1 When cash is received for deposit to local accounts, staff shall prepare a bank deposit slip for the appropriate bank account. Deposit slips for receipts are prepared for each day cash is received, and deposits are made intact to the bank.
- 2.2 Authorized staff may make bank deposits at any branch of the state servicing bank.
- 2.3 Private prison facilities shall follow deposit instructions, as outlined in Department Order #905, Inmate Trust Account/Money System.
- 2.4 Deposits with the Arizona State Treasurer shall contain a copy of the bank validated document and shall be attached to the Arizona Financial Information System (AFIS) deposit document presented directly to the Arizona State Treasurer.
- 2.5 Cash or checks shall not be sent by inter-agency mail.
- 2.6 Cash deposits by institutions shall be securely transported to the bank.
- 2.7 Electronic Fund Payments
 - 2.7.1 The Department's Financial Services Bureau shall:
 - 2.7.1.1 Reconcile the electronic funds payments against the secure deposits vendors' websites.
 - 2.7.1.2 Post the Community Corrections fees to AFIS and submit the deposit forms to the Arizona State Treasurer.

- 2.7.1.3 Community Corrections shall post the electronic fund payments for Community Corrections fees to the offender's Community Corrections Account.

3.0 TAX ON OUT-OF-STATE PURCHASES

- 3.1 Paid to Out-of State Vendors – When an out-of-state vendor bills the Department for sales tax on taxable goods, authorized staff shall pay the tax directly to the vendor.
- 3.2 Paid to the Arizona Department of Revenue – When out-of-state vendors do not charge sales tax on taxable goods, authorized staff shall submit tax payments to the Arizona Department of Revenue (ADOR).
 - 3.2.1 Business Office staff shall complete and process a Transaction Privilege, Use and Severance Tax Return by the monthly due date as set by the ADOA.

4.0 COUNTY REIMBURSEMENT OF TRIAL EXPENSES

- 4.1 The Department shall be responsible for charges incurred in the prosecution of inmates who commit crimes while under jurisdiction of the Department, including while on escape status.
- 4.2 The Clerk of the Court in which the trial is held shall:
 - 4.2.1 Prepare an itemized invoice against the State for the court costs and any other costs or fees incurred by the county for the prosecution and defense of the trial.
 - 4.2.2 Send the invoice to Legal Services, upon the certification of the invoice by the court judge.
- 4.3 Legal Services shall forward the invoice to the appropriate Criminal Investigations Unit Manager or designee to verify the validity of the case(s).
- 4.4 Within ten business days of receipt of the invoice, the Criminal Investigations Unit Manager or designee shall send Legal Services a signed memorandum that provides verification of the case(s) with the corresponding invoice attached.
- 4.5 Upon receipt, the General Counsel or designee shall:
 - 4.5.1 Review the invoice(s) for reasonableness and provide signature approval to pay on the attached memorandum.
 - 4.5.2 Forward the invoice to the Administrative Services Division, Business Manager, who shall designate the source of funds to be used for disbursement.
 - 4.5.3 Forward a copy of the memorandum and corresponding invoice to Central Office Accounting for payment.
- 4.6 The Chief Financial Officer shall ensure approved invoices are paid promptly and a report of payments made is provided to the Director quarterly.
- 4.7 Private prison facilities shall be responsible for prosecutorial charges of inmates who commit crimes while under their jurisdiction, in accordance with Arizona Revised Statute (A.R.S.) §41-1609.04.

5.0 DONATIONS

5.1 Offer of Donation – A person or entity wanting to donate to the Department shall:

5.1.1 Complete the Offer of Gift/Donation, Form 301-1.

5.1.2 Provide monetary donations in the form of cash, checks, money orders, or drafts.

5.2 Accepting a Gift/Donation

5.2.1 The staff member receiving the donation (Accepting Authority) shall:

5.2.1.1 Ensure the donor has completely filled out the Offer of Gift/Donation form.

5.2.1.2 Forward the Offer of Gift/Donation form to the appropriate Approving Authority.

5.2.1.3 Return the donation to the donor if the donation is not accepted.

5.3 Cash Donations

5.3.1 Cash donations shall be:

5.3.1.1 Approved by the Director, Deputy Director or appropriate Division Director/Assistant Director prior to acceptance.

5.3.1.2 Specifically identified and tracked within the Donations Fund.

5.3.1.2.1 Institutions shall not establish individual accounts within the Donations Fund.

5.3.2 Any remaining money donated for a specific purpose that remains shall be re-designated as non-restricted.

5.4 Non-Cash Donations

5.4.1 Non-cash donations shall be:

5.4.1.1 Approved by the Director, Deputy Director, appropriate Division Director/Assistant Director, Warden, Bureau Administrator or their designees.

5.4.1.2 Accepted and documented in accordance with this section and Department Order #304, Inventory and Fixed Assets Management, as applicable.

5.5 Procedures after Acceptance

5.5.1 The Business Manager or designee shall:

5.5.1.1 Maintain a Donated Materials Inventory Log.

5.5.1.2 Maintain the storage and safeguarding of various goods, merchandise or cash contributed for the benefit of programs in accordance with this Department Order.

5.5.2 The Accepting Authority shall ensure:

5.5.2.1 Donated tangible items are not converted for personal use by any individual.

5.5.2.2 Donated tangible items considered as capital or memo assets are processed in accordance with Department Order #304, Inventory and Fixed Assets Management.

5.5.2.2.1 A photocopy of the Offer of Gift/Donation form shall be given to the Bureau/Institution Property Manager.

5.5.2.2.2 The Property Manager shall complete the State Property Receipt/Return, Form 304-2, and forward it to the Accepting Authority.

5.5.2.3 The original copy of the Offer of Gift/Donation form, the State Property Receipt/Return form (for capital or memo assets and the money (for monetary donations or proceeds from sale of donated items) are forwarded to the Chief Financial Officer.

5.5.3 The Chief Financial Officer or designee shall ensure:

5.5.3.1 The Offer of Gift/Donation form is properly completed and the appropriate Accepting Authority accepted the donation.

5.5.3.2 All monetary donations or proceeds from the sale of donated items are deposited with the Arizona State Treasurer in the appropriate Department fund.

5.5.3.3 Capital and memo assets are added to the AFIS Fixed Assets system.

5.5.3.4 The "Status of Donations Fund" report is submitted monthly to the Director.

5.6 Expenditures

5.6.1 Wardens, Deputy Wardens and Bureau Administrators shall annually submit to the Director a list of projects or equipment to be purchased from the Donations Fund for unrestricted donations.

5.6.2 The Director shall approve all requests for purchases and expenditures involving the Donations Fund.

5.6.3 The Administrative Services Division shall process all approved requests for purchases and expenditures.

6.0 EMPLOYEE FUNDRAISING ACTIVITIES

- 6.1 Employee fundraising activities shall occur as designated by each Warden, Administrator or Bureau Administrator for the purpose of raising funds throughout the year for the Employee Fund or various Internal Revenue Service (IRS)-approved charities including, but not limited to the following:
 - 6.1.1 Special Olympics (LETR)
 - 6.1.2 State Employee Charitable Campaign (SECC)
 - 6.1.3 Victims' Rights organizations
 - 6.1.4 Pack to School
 - 6.1.5 Domestic Violence organizations
 - 6.1.6 Women and/or children shelters/organizations
 - 6.1.7 IRS-approved charity - Any other IRS-approved charity deemed appropriate by the appropriate Division Director, Assistant Director, Regional Operations Director, Warden or Deputy Warden.
- 6.2 The Warden, Deputy Warden, Administrator or Bureau Administrator shall designate an Employee Fundraising Liaison.
- 6.3 The Employee Fundraising Liaison shall:
 - 6.3.1 Complete a Fundraiser Request, Form 924-1, for each employee fundraising event.
 - 6.3.2 Upon the approval of the fundraiser, initiate an Employee Fundraiser - Accountability of Funds, Form 301-3.
 - 6.3.3 Ensure the goods, merchandise or cash received is handled in accordance with this Department Order. If applicable, any additional and/or remaining items from an Employee Fundraiser shall be properly stored to sell at a future date or discarded.
- 6.4 Employee Fundraiser – Accountability of Funds Form Usage and Processing
 - 6.4.1 The Employee Fundraising Liaison shall use the form to document the following:
 - 6.4.1.1 Depositing collected funds at the Business Office no less than on a daily basis - Prior to depositing the funds, the Employee Fundraising Liaison shall have another Department employee count the funds and put his/her initials in the Attestation column.
 - 6.4.1.2 Purchasing items or food for the fundraising event - The Employee Fundraising Liaison shall have another Department employee review the receipt(s) and put his/her initials in the Attestation column for each purchase.

- 6.4.2 The Business Manager or designee shall:
- 6.4.2.1 Attest the daily deposit on the Employee Fundraiser – Accountability of Funds form, provide a receipt to the Employee Fundraising Liaison, and ensure the funds are:
 - 6.4.2.1.1 Immediately deposited in the safe.
 - 6.4.2.1.2 Inventoried daily.
 - 6.4.2.1.3 Held until a bank deposit is made by the Business Office staff or returned to the designated Employee Fundraising employee for processing (i.e., purchase of items and/or food for the event, etc.). Bank deposits shall be made in accordance with SAAM.
 - 6.4.2.2 Document on the Employee Fundraiser – Accountability of Funds form when funds are being turned over to the Employee Fundraising Liaison to buy items or food for the fundraising activity or present the donation to the charity or organization, as applicable.
- 6.4.3 Within three workdays of the funds being presented to the charity or organization, the Employee Fundraising Liaison shall complete the bottom portion of the Employee Fundraiser - Accountability of Funds form, and submit it and the receipts to Business Office staff, which shall complete the bottom portion of the form.

FORMS LIST

301-1, Offer of Gift/Donation
301-3, Employee Fundraiser - Accountability of Funds

AUTHORITY

A.R.S. §31-227, Reimbursing County for Expense of Prosecution
A.R.S. §35-131, Accounting System; Reports; Notice of Deficiency; Forms
A.R.S. §41-703, Duties of Director
A.R.S. §41-722, Powers and Duties Relating to Finance
A.R.S. §41-1605, Power to Accept and Expend Gifts
A.R.S. §41-1609.04, Reimbursing County for Expense of Prosecution; Private Prison