



U.S. Department of Justice
Federal Bureau of Prisons

PROGRAM STATEMENT

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Imprest Funds, Collections, and Deposits

/s/

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1. PURPOSE AND SCOPE

This Program Statement (PS) establishes the policies and procedures to be followed for processing imprest fund transactions; collecting and depositing cash, checks, and money orders; and maintaining other negotiable instruments.

a. **Summary of Changes.** This PS replaces Chapters 10588, 10589, 10605, 10610, 10615, 10620, and 10625 of the Program Statement **Accounting Management Manual**.

The following revisions from the previously established policy can be found within this PS:

- Elimination of all imprest fund transactions except for inmate funds.
- Increase the maximum limit of the imprest fund balance not to exceed the average turnover amount for two months.
- Provide guidance on establishing bank accounts needed to cash imprest fund reimbursement checks.

b. **Program Objectives.** The expected results of this program are to prevent the theft of cash and other negotiable instruments, and to properly account for funds collected and held by the Office of Financial Management (OFM) at Bureau of Prisons (BOP) locations.

2. DEFINITIONS

a. **Cashier.** An employee of the Federal Government who is designated as a cashier by a delegating official and is authorized to disburse cash and/or carry out other cash operations.

(1) **Principal Cashier.** The principal cashier is the recipient of the imprest fund and may advance cash to alternate cashiers. The principal cashier has the primary responsibility to conduct cash disbursements and other cash operations.

(2) **Alternate Cashiers.** The alternate cashiers may receive cash advances from the principal cashier and conduct cash disbursements and other cash operations in the absence of the principal cashier.

b. **Business Administrator.** For the purposes of this PS, the title of Business Administrator will be used to represent all of the different titles currently being used to identify the department head of the local OFM or the department head responsible for the budget and accounting operations.

c. **Imprest Fund.** A fixed cash or petty cash fund in the form of coins, currency, or government checks that have been advanced by an official government disbursing office to a designated cashier for cash payment or other cash requirements as specified in the designation or authorization.

3. IMPREST FUNDS

a. **Delegation of Authority.** The Director, BOP, has delegated the authority for cashier appointment and revocation to the following:

- Regional Comptrollers, for Regional and field cashiers.
- Chief, Finance Branch, for Central Office cashiers.

This authority cannot be re-delegated.

b. **Cashier Designation and Revocation.** The SF-211, Request for Change or Establishment of Imprest Fund, is to be used for:

- Designation of principal and alternate cashiers.
- Revocation of cashiers.
- Change to principal or alternate cashier.
- Address change for a cashier.
- Change in amount of the imprest fund.
- Establishment of an imprest fund.

The SF-211 must be prepared in duplicate and forwarded to the appropriate delegating official for signature. A copy of the signed SF-211 must be maintained by the Regional Comptroller for the Regional Office and institutions in his/her region, and by the Chief, Finance Branch, for Central Office. Since the Department of the Treasury (Treasury) is no longer supplying SF-211's, local reproductions are authorized.

c. **Responsibility.** Cashiers are personally liable for all monies coming into their possession. Cashiers must receive, deposit, and account for all cash resources. Under no circumstances are funds received by the cashier to be mingled with private or unofficial funds, loaned, borrowed, used for personal reasons, or deposited into private bank accounts.

All funds must be maintained in the cashier's individual locking drawer within the cashier's safe.

The principal cashier will only advance enough funds to an alternate cashier to allow for uninterrupted services during short absences of the principal cashier or when the volume of work requires an alternate.

The principal cashier must have alternate cashiers sign an Interim Receipt (SF-1165) for the amount of funds advanced to them. The principal cashier must retain this Interim Receipt to account for the full amount of the imprest fund.

The alternate cashier will replenish his/her advance by receiving cash from the principal cashier in exchange for the alternate cashier's paid disbursement documents.

d. **Maintenance of Cash.** Levels of cash must be kept to a minimum amount. If it is found that an excessive amount of cash is being maintained, the Business Administrator of the facility will take action to reduce the fund to a level commensurate with the operating needs.

The Business Administrator, or his/her designee, is required to review the turnover of cash at least every six months. The cash in the imprest fund must be turned over at least once every *two* months. The two-month criteria is mandated by Treasury and cannot be waived. If the review determines the imprest fund needs to be adjusted, an SF-211 must be used to request an increase or decrease of the imprest fund from the designating official.

(1) **Procedures For Decreasing the Imprest Fund**

- An SF-211 must be completed for the reduction in the imprest fund and forwarded to the designating official for approval.
- After the approval is received from the designating official, a receipt and deposit ticket must be completed for the excess funds. The funds must then be deposited with Treasury.
- The deposit must be recorded in the automated accounting system by recording a collection to the current year Salary and Expense (S&E) Appropriation.
- The collection must also be reported to Treasury on the local FMS-224 (formerly SF-224) using Appropriation (41)15_1060.
- An e-mail must be sent to the Accounting Operations Section (AOS), Finance Branch, Central Office, using GroupWise mailbox BOP-ADM/Acct Operations, informing AOS of the amount of decrease in the imprest fund and the month processed.

(2) Procedures for Increasing the Imprest Fund

- An SF-211 must be completed for the increase in the imprest fund and forwarded to the designating official for approval.
- After the approval is received from the designating official, a check for a non-vendor payment must be processed in the automated accounting system, by selecting the voucher type “Imprest Fund” for the amount of the increase. The check must be made payable to the cashier and charged to the current year S&E Appropriation.
- The disbursement must *not* be reported to Treasury on the local FMS-224 (formerly SF-224). The transaction will be reported to Treasury by the AOS.
- An e-mail must be sent to the AOS using GroupWise mailbox BOP-ADM/Acct Operations, informing AOS of the amount of the increase in the imprest fund and the month processed.

e. **Imprest Fund Disbursements.** Effective October 1, 2001, 31 USC 3321-3333 required all federal agencies to eliminate imprest funds except where cash payments were required by law.

The BOP is required by 18 USC 3624 to provide inmates cash gratuities at the time of their release. In addition, cash payments for transportation expenses and inmate personal funds for releases, furloughs, and escorted trips are allowable based on the waiver to the USC provided for in 31 CFR 208. Payments needed to maintain the imprest fund and process deposits, such as check cashing fees and the purchase of money orders, are also permissible.

All disbursements by the cashiers will be numbered using sub-voucher numbers that run consecutively within the same series. The Trust Fund Accounting and Commissary System (Trufacs) will automatically assign sub-voucher numbers for inmate releases.

(1) **Inmate Releases.** All cash disbursements related to inmate releases will be listed on the Prisoner’s Personal Funds and Cash Gratuities Voucher (BP-A0112) and signed by a certifying officer as approved *before* the payment is made. The inmate must sign the voucher at the time he/she receives the funds.

If an after hours release is conducted, the control room officer signs the Interim Receipt Copy of the BP-A0112 taking responsibility for the funds. The control room officer then must obtain the inmate’s signature on the original BP-A0112 when the release funds are given to the inmate. The control room officer returns the original signed BP-A0112 to the cashier the next business day. An Institution Supplement must be published detailing the control and accountability of funds left in the control room for after hours releases.

(2) **Payments Needed to Maintain the Imprest Fund and Process Deposits.** If a cash advance is made to an employee, other than the principal cashier, for a cash purchase (check cashing fees, money orders, etc.), an Interim Receipt (SF-1165) must be completed with the date and amount advanced. The employee signs the stub portion of the SF-1165 when receiving the funds from the cashier. The stub is kept in the cashier’s drawer, and is returned to the employee when the employee returns receipts or cash equal to the amount advanced. Employees must

obtain an original invoice or sales receipt from the vendor that itemizes the items or services purchased. Employees return the necessary receipts or cash within three business days from receiving the advance. When the receipts are submitted to the cashier, they are assigned a sub-voucher number.

(3) **Dollar Threshold.** Payments from the imprest fund may not exceed \$500 for any one transaction except for the following inmate transactions:

- Unlimited cash for the personal funds of individuals being deported as illegal aliens.
- Unlimited cash for the personal funds of unsentenced inmates upon their release from custody.
- Unlimited cash for personal funds of individuals authorized emergency furloughs for the purpose of bedside visits or funeral attendance.

f. **Reimbursement Vouchers and SF-1129.** The principal cashier must prepare and submit a reimbursement voucher at least once per week. In addition, a reimbursement voucher must be prepared on the last working day of each month and whenever there is a transfer of accountability between cashiers.

Each time a reimbursement voucher is prepared, an SF-1129, Cashier Reimbursement Voucher and/or Accountability Report, must be prepared. In addition, an SF-1129 must be prepared any time the imprest fund balance is increased or decreased.

The principal cashier is responsible for preparing the SF-1129 and the reimbursement voucher. The reimbursement voucher must be prepared using the cashier's name (i.e. – Jane Doe, Cashier) as the vendor name and the BOP's tax identification number (TIN). The BOP's TIN is 530205705.

When there is a permanent transfer of the imprest fund, the newly designated principal cashier acknowledges receipt of the imprest fund by inserting the following into the Status of Funds section of the SF-1129:

“Except as noted above, I hereby accept accountability for this imprest fund of \$ (amount)
(signature of incoming cashier).”

If a situation occurs requiring a reimbursement voucher to be prepared during the principal cashier's absence, the imprest fund must be temporarily transferred to the alternate cashier before the principal cashier goes on annual leave, training, etc. The alternate cashier receiving the funds acknowledges receipt by inserting the following into the Status of Funds section of the SF-1129:

“Except as noted above, I hereby accept accountability for this imprest fund of \$ (amount)
(signature of incoming cashier).”

Upon the principal's return, the same procedure is used to transfer the funds back. It is not necessary to prepare an SF-211 to designate the alternate as principal for the temporary transfer of responsibility.

g. **Bank Accounts.** If a local bank requires a site to open a bank account to cash paper imprest fund reimbursement checks or to receive Electronic Fund Transfer (EFT) reimbursement payments, the following procedures must be followed.

Whether or not an institution decides to open a bank account and use EFT, or decides to continue with the paper check process, is entirely a local decision. Either way, the bank account must be at a federally insured financial institution.

According to Treasury regulations, the following must be adhered to when opening a bank account:

- The account must not have the ability to have checks written against it.
- The account cannot have any type of overdraft protection.
- All withdrawals made from the account must be made in cash.
- Only EFT deposits are allowed to be made into the account.
- The account must be in the name of the Bureau of Prisons and include the individual institution name.
- Only employees designated as cashiers or alternate cashiers can have access to the account.
- The bank must be notified in writing the names of the cashier and alternate cashiers that will have access to the account.
- Signature cards must be signed by the cashier and alternate cashiers that will have access to the account.

When opening the bank account, every effort should be made to open an account that will not have a monthly or minimum balance fee. If there is a minimum balance fee, it is a local decision as to whether or not a balance will be kept in the account to avoid the fee. Sites base their decision on the amount of the required minimum balance and how that will affect the amount available for imprest fund transactions. Any amounts in the bank account are considered to be part of the imprest fund balance and will be used to calculate the monthly turnover. The imprest fund cannot be increased to a level that exceeds the allowable turnover amount (see Section 3.d.) to accommodate the monthly minimum balance. Fees should be charged to the financial management cost center in the same manner as check cashing fees.

In addition to the Treasury-mandated criteria listed above, the following must also be followed. When establishing an account, most banks require the site to enter into an agreement, often called a Corporate Resolution Authorization (CRA). The ability to enter into an agreement cannot be delegated below the level of Business Administrator. Since each bank's CRA is distinctively different, the Business Administrator must be sure to read and agree with the conditions and terms of the CRA they are entering. Before signing the agreement, the Business Administrator should ensure that the account is non-interest bearing, the bank will issue monthly statements

detailing the account's activity, and the account does not have any type of automated teller or check card privileges.

The Business Administrator must maintain on file a copy of any agreement that has been entered into with the bank and the documentation provided to the bank showing the names and signatures of the individuals who have access to the account. As changes are made to the accesses, the Business Administrator must keep a chronological file showing the current accesses, as well as the previous accesses.

Available funds must be withdrawn from the bank account at a minimum of once per week. All withdrawals must be made in the same amount as the reimbursement voucher that was deposited, less any monthly or minimum balance fees. In no case should withdrawals be made for partial amounts of a deposit, except for the initial reimbursement voucher where a minimum balance will be left in the account to avoid the related fee.

The Business Administrator must review the bank statements each month to verify that each withdrawal equals the amount of the reimbursement voucher that was deposited (less fees). After signing and dating the statement, certifying that it has been verified, the statement must be kept on file along with previous months' statements. In addition, a photocopy of the monthly statement should be given to the cashier and attached to the back-up support of the last reimbursement voucher that was deposited on that statement. Since the bank account will be available to all cashiers, it is imperative that the Business Administrator closely review the monthly statements looking for any hint of impropriety.

The verification of the monthly bank statements and any amounts on deposit in the bank account must be verified during the quarterly unannounced cash verification required by Section 5.

The bank account must not be used to circumvent the internal controls or safekeeping requirements established in this PS. Additionally, the bank account cannot be used to deposit any other funds, such as mailroom collections, employees' club funds, refund checks from vendors, etc.

4. CASHIER'S OFFICE SECURITY

The cashier's office must be secure and separate from the other offices and must be locked at all times.

Only personnel whose presence is required to conduct official business are allowed in the cashier's office. These individuals must be accompanied by one of the key holders listed in the paragraph below.

a. **Keys.** The Business Administrator, Budget and Accounting (B&A) Officer, Accountant, principal cashier, alternate cashiers, or any other OFM staff member designated in writing by the Business Administrator will be issued personal key rings to the cashier's office or a key to a

Control Center lock box when the key to the cashier's office is a Folger Adams-type key. Only Folger Adams-type keys may be turned in to the Control Center. Cashier office keys maintained in the Control Center must be kept in a lockbox to which only the individuals listed above in this paragraph have keys. Keys other than Folger Adams-type keys must be 24-hour issue keys and must not be turned in to the Control Center.

b. **Safes or vaults.** The cashier must have access to a locking safe or vault. Treasury's Manual of Procedures and Instructions for Cashiers does not allow the use of locking filing cabinets and desk drawers in lieu of a safe.

No employee, other than the Business Administrator, the principal cashier, and the alternate cashiers, will be provided with or have access to the combination of the safe.

The safe combination must be changed annually or whenever there is a change in staff who have access to the safe.

Institution locksmiths, or locally procured services of a locksmith, may be used to obtain the necessary technical instructions to change the safe combination. To maintain complete control, the locksmith will neither know nor have access to the combination to the cashier's safe. The actual setting of the new combination must be personally performed by the principal or alternate cashier.

A log must be permanently posted inside the safe to serve as a record of all combination changes.

Cashiers must ensure the safe is locked before leaving the cashier's office.

c. **Cash Drawers or Cash Boxes.** Each principal and alternate cashier must be provided with an individual locking cash drawer or cash box to which only he/she has access. The cash drawers or cash boxes must be kept in a safe or a vault. Each cashier must keep their individual cash drawer or cash box locked when not in use. Cashiers must maintain their imprest funds in their cash drawer or cash box. A duplicate key or combination for each cash drawer must be sealed in separate envelopes. The envelopes must be signed and dated by the Warden, Regional Director, or Chief, Finance Branch, as appropriate, and must have the following statement typed on them:

“This envelope contains the extra key or combination to the cash drawer or cash box of the principal or alternate cashier. It will be opened only in the presence of two members of the following committee of three:

- Business Administrator.
- One other clerical employee.
- Principal Cashier (witness opening of the alternate cashier's envelope) or Alternate Cashier (witness opening of the principal cashier's envelope).

Signed _____
(Warden, Regional Director, Chief, Finance Branch, as appropriate)”

These envelopes must be kept in the telekey cabinet.

d. **Items Authorized in the Cashier’s Safe.** Only items related to the OFM operations may be stored in the cashier’s safe. Miscellaneous items, such as Combined Federal Campaign donations, inmate or employee valuables, employees’ club funds, etc., may not be kept in the safe. The following items are the only items authorized to be maintained in the cashier’s safe:

- Cash – Including unpaid vouchers and receipts for cash disbursements.
- Drafts.
- Credit Cards – Including telephone, gas, and Government Travel Account (GTA) cards and registers of accountability.
- Government Travel Requests (GTR) – Including registers of accountability.
- Temporary Receipt Books (BP-197) – Including registers of accountability.
- Receipt Books (BP-114) and Registers of Collection.
- Meal Tickets – Including registers of accountability.
- Negotiable Instruments held for employee or inmate pick-up – Including checks and transportation tickets.

5. CASH VERIFICATIONS

An unannounced verification of the cashier’s imprest funds must be performed once each quarter by an employee other than a cashier. The principal and alternate cashiers’ funds must be verified simultaneously or immediately following each other so the imprest funds cannot become mingled between the cashiers.

Cash verifications may be performed by one individual. Two or more individuals may be used if the situation requires additional staff to ensure that funds are not mingled between cashiers. Meal tickets, postage stamps, and other accountable items are to be verified at the same time. The Business Administrator’s inventory of meal tickets and postage stamps must be verified against the Stock Record cards (BP-A0109). Employees who have access to the Business Administrator’s safe will not perform this verification. Stamp inventories held for sale to inmates by Trust Fund staff must also be verified during the cash verification.

Stamp inventories held by Unit Management staff for distribution to indigent inmates must be verified quarterly by the Business Administrator. The review of the Unit Management’s stamp inventory may be performed independently of the unannounced cash verification.

When an unannounced cash verification is performed and funds are on deposit in a bank account (as described in Section 3.g.), the amounts on deposit should not be handled as checks in transit, but as cash on hand. Since the cash cannot be counted, the reviewer must obtain the balance on

deposit either by calling the bank, accessing the account online, or reviewing a passbook. The reviewer also reviews all of the monthly bank statements, or transactions listed in a savings passbook, since the last unannounced cash verification. The reviewer must verify that the deposits and withdrawals from the bank account correspond to the respective imprest fund reimbursement checks. Additionally, the bank account accesses should be verified to determine whether or not they are current and correspond with the cashier designations.

The Regional Comptroller must perform at least one unannounced cash verification each Fiscal Year (FY) at each institution within his/her region. The Regional Comptroller may delegate this responsibility to a member of his/her staff or to an OFM employee at an institution in close proximity to the site being reviewed. The designated employee must have experience in performing cash verifications. In *no* case will the reviewer performing the regional verification work at the institution that is being reviewed. This verification may be accepted as one of the required quarterly verifications performed by the institution. The regional verification will also include a verification of the Business Administrator's inventory of meal tickets and postage stamps, as well as the Trust Fund staff's stamp inventory.

A Verification of Cashier's Cash (BP-A0102) will be used for all cash verifications. The verifications consist of counting the cash and verifying the following:

- Receipts – The amount of cash and negotiable instruments coming into the hands of the cashiers since the last verification.
- Deposits – The deposits of cash and negotiable instruments.
- Negotiable Instruments Log – All negotiable instruments received through the mail must be receipted in by the cashier and deposited.
- Funds on Hand – The balances of cash and negotiable instruments on hand at the time of the verification.
- Drafts – The draft stock on hand at the time of the verification.
- Stamps – The stamp inventory for the Business Administrator and Trust Fund staff.
- Miscellaneous – All other miscellaneous items including meal tickets, GTR's, credit cards, etc.

All completed unannounced cash verifications must be submitted to the Regional Comptroller within 10 days after completion. The verifications will be staggered to allow for the element of surprise.

6. PROCEDURES FOR HANDLING IMPREST FUND OVERAGES AND SHORTAGES

a. **Accounting for Overages.** Any overages will be deposited to the miscellaneous receipts account 151060, Forfeiture of Unclaimed Money.

b. **Accounting for Shortages.** *All imprest fund shortages in excess of \$100, regardless of the cause, must be reported to the Regional Comptroller and the Chief, Finance Branch, immediately upon discovery. In addition, all shortages of a suspicious nature must be reported.*

To reimburse a shortage, a reimbursement voucher is prepared from the current year S&E Appropriation to bring the imprest fund back to the authorized balance. Sufficient documentation must be attached to the reimbursement voucher explaining the cause of the shortage. For all shortages, an employee debt for the accountable officer must be established against the disbursement using the procedures for employee debt outlined in the Program Statement **Debt Management**.

If the Chief Executive Officer (CEO) determines that repayment by the cashier is unwarranted, a request for relief of an accountable officer, signed by the CEO, may be forwarded through the Regional Director to the Assistant Director for Administration. The Assistant Director for Administration will determine if relief is appropriate. Collection procedures will not proceed on the employee debt until a ruling has been made on the request for relief. When a cashier is granted relief, the memo approving relief will be used as support documentation for the cancellation of the employee debt.

If the CEO determines that the cashier is liable or if the Assistant Director for Administration does not grant relief, the cashier will immediately pay back any shortages. Any funds not immediately paid back must be collected from the employee following the employee debt collection procedures outlined in the Program Statement **Debt Management**.

7. COLLECTIONS

a. **Cash Receipts.** The cashier must issue a Cash Receipt, BP-114, for all cash, money orders, or checks that are received. Cash receipts are pre-numbered in triplicate and printed in bound books with 150 receipts per book. The original must be given to the payer, the second copy is attached to the administrative copy of the deposit ticket and used as support for the FMS-224 (formerly SF-224), and the third copy remains in the book.

When it is necessary to void a cash receipt, all copies must be marked “VOID” in large letters, initialed, and dated by the cashier.

The original must be attached to the triplicate copy and maintained in the book. The duplicate copy is forwarded to the accountant who will maintain it with the FMS-224 back-up documentation for accountability.

b. **Negotiable Instruments Log.** When funds are received through the mail (for example, refunds for overpayments or duplicate payments), internal controls must be established to prevent the person who deposits receipts from receiving and opening mail. The Business Administrator must designate a person, other than the principal or alternate cashiers, to receive and open mail.

The person designated to open mail will log in all cash, checks, and money orders received. The cashier will verify the amounts and take possession of the negotiable instruments by initialing the

log. Items that are received that will not be deposited by the cashier (for example, uniform allowances) should not be recorded in the log.

The log must be reconciled with the cash receipts and deposits when the cash verification outlined in Section 6 is performed.

c. **Jury and Witness Fees.** Fees received by an employee for serving on jury duty or for serving as a witness are refunds and must be collected from the employee and applied to the appropriation from which the employee is paid. Any funds received by an employee for actual expenses incurred, such as mileage, parking, meals, etc., may be retained by the employee.

d. **Bid Deposits.** Bid deposits will be handled in accordance with the procedures outlined in the Program Statement **Bureau of Prisons Acquisition Policy**, Part 14.402-70.

e. **Foreign Currency.** Collections received in foreign currency or checks drawn on foreign banks will be converted to United States funds at a local bank, then deposited appropriately.

f. **Meal Tickets.** The meal ticket program consists of either paper meal tickets sold by a cashier or credits purchased on a debit card. Collections of meal ticket sales will be applied to the current year S&E Appropriation (15_1060). A collection of meal ticket funds must be prepared on the last day of the fiscal year to ensure the collection is applied to the proper appropriation.

(1) **Paper Meal Tickets.** A cash receipt must be prepared for each collection of meal tickets sold. The receipt must include the series of numbers, preprinted on the tickets, for the number of tickets that have been sold.

(2) **Debit Card Sales.** Employees can purchase credits from a Cash-to-Card terminal by inserting a debit card and currency in either \$1, \$5, \$10, or \$20 denominations. The Cash-to-Card terminal encodes the credits purchased on the debit card. The Cash-to-Card terminals should be installed in areas that are easily accessible to employees.

Employees can then purchase meal tickets from a Debit Card terminal by inserting a debit card, with encoded credits, into the Debit Card terminal. The Debit Card terminal will deduct the cost of the meal ticket, print a receipt from an attached printer, and show the balance of credits remaining on the debit card. The employee will sign and date the printed receipt and place it in the meal ticket box provided. The Debit Card terminals should be located in the staff dining area.

The debit card inventory will be stored in the cashier's office. Cards will be issued to all employees free of charge. Lost cards will be reported to the cashier so that a replacement card can be issued. Refunds *cannot* be issued for any remaining value on a lost debit card. If an employee is transferring from a debit sales institution to a paper ticket institution, a refund *cannot* be given to the employee for any remaining credits; however, employees are allowed to exchange debit cards among themselves. Because refunds are not allowed, employees should be

reminded to only purchase the amount of credits necessary.

Visitors will not be issued debit cards. A visitor's meal ticket will be purchased by the visitor's escort with the escort's debit card. The escort may collect the amount of the meal ticket from the visitor.

If the visitor is not required to pay for his/her meal ticket, the procedures outlined in the Program Statement **Property Management Manual**, Chapter 10, will be followed. Sites with a supply of paper "Guest Meal Tickets" destroy the supply by following the Report of Survey procedures described in the **Property Management Manual**, Chapter 9.

The local OFM is responsible for the operation of the debit card program. If the debit card equipment breaks down or malfunctions, cashiers may sell paper meal tickets until the necessary repairs are made. It is strongly recommended that institutions keep a supply of meal tickets on hand to sell if the debit card equipment fails.

(a) **Collection Procedures.** The cashier and the Business Administrator are responsible for collecting funds from the Cash-to-Card terminals. The Business Administrator may select a designee who is not a cashier to perform the collections. At complex facilities, the Business Administrator may select two designees. All designations must be in writing. Only the Business Administrator and his/her designee (two at complexes) are allowed to have keys to the Cash-to-Card terminal. A duplicate key must be kept in the same manner as the cash drawer keys described in Section 4.c.

The Business Administrator must collect the funds in the presence of the cashier. The funds must be collected a minimum of once per week or anytime there is a report of a terminal malfunction. The Business Administrator will unlock the Cash-to-Card terminal, remove the funds from the terminal, and place the funds in a bank deposit bag.

After the funds are removed from the terminal, either staff member will attach the Data Collector and take a reading of the collections. The Data Collector is a hand-held computer that reads the Cash-to-Card terminal registering the collections. The cashier and the Business Administrator will return to the cashier's office, where the Business Administrator will turn the funds over to the cashier.

The Register of Transactions report will be printed from the Data Collector. The cashier will then count the funds in front of the Business Administrator and complete the cash receipt. The amount of funds and the receipt will be verified against the Register of Transactions report.

(b) **Cash-to-Card Terminal Malfunctions.** If cash is inserted into the Cash-to-Card terminal and the machine fails to credit the employee's card, the employee immediately reports the malfunction to the Business Administrator. The cashier and the Business Administrator immediately collect the funds from the terminal, as explained above, and verify the malfunction. The cashier and the Business Administrator will verify the loss by comparing the Register of

Transactions report to the amount of funds collected. When it is verified that the collections exceed the transactions, the employee reporting the loss will receive a refund in the amount of the loss. The employee must sign the Register of Transactions report verifying the amount of the refund received. The Business Administrator will then sign the Register of Transactions report verifying the employee's signature and the amount refunded to the employee.

If the collections exceed the transactions, but there are no claims to the money, the funds will be deposited into Miscellaneous Receipts, 151060.

In the event that transactions exceed the collection, a note is to be made on the Register of Transactions report indicating the amount of the shortage. Both the cashier and the Business Administrator sign the report, indicating that they agree with the amount of the shortage. The vendor is contacted immediately to verify the malfunction. The terminal inspection is attached to the Register of Transactions report as supporting documentation.

(c) **Debit Card Errors.** In the case of errors involving the debit card, the Business Administrator will forward the unreadable card to the vendor for a validation reading. The vendor will read the debit card and return it with a validation report. Based on the validation report, the Business Administrator will authorize a refund. When the cashier issues the refund, the employee must sign the validation report, verifying the amount of the refund received. The Business Administrator will then sign the validation report verifying the employee's signature and the amount refunded to the employee.

The refund is made from the funds picked up from the first Cash-to-Card terminal collection performed after the validation report is received back from the vendor. To account for the funds, an adjustment to that day's collections is made on the Register of Transactions report. The validation report and the damaged debit card are attached to the Register of Transactions report as supporting documentation.

Sites possessing a "super reader" machine may use the machine to read the debit card, rather than sending the card to the vendor. Since the "super reader" machine does not print a validation report, the card must be read in the presence of the cashier and the Business Administrator. The cashier will prepare a memorandum to the file verifying the amount read on the card. Both the Business Administrator and the cashier sign the memorandum. To refund the funds, the same procedures described above will be followed; however, the signed memorandum is used in place of the vendor-issued validation report.

(3) **Price Changes.** The Finance Branch, Central Office, will perform a cost analysis each year to determine whether or not the price of a meal ticket should be increased. If a price increase is warranted, guidance will be issued by the Finance Branch concerning the new amount and effective date.

Meal tickets purchased by employees preceding a price increase will be limited to the quantities

necessary to carry the employee through the close of business on the day preceding the effective date of the price increase.

After meal ticket sales have been conducted for the last day before the price change, a collection must be processed for all meal ticket funds on hand from paper ticket sales or from the Cash-to-Card terminals for debit card sales.

For paper meal tickets, after the deposit is prepared, entries must be made to the cashiers' Stock Record cards (BP-A0109) for the final sale at the old price. An adjustment must also be made on the Stock Record to increase the value of the inventory using the new meal ticket price.

g. Debit Vending Machines. In addition to purchasing meal tickets, the debit cards described in Section 7.f.2. may be used to purchase items from Employee Organization vending machines. The readings from the vending machines categorize employee debit card sales under a separate site code. Based on these readings, funds will have to be distributed from the current year S&E Appropriation to the Employee Organization.

When employees use their debit cards in Employee Organization vending machines, the amount of the sales will be improperly recorded as meal ticket collections when the funds from the Cash-to-Card terminal are collected. The total amount of employee sales listed on the vending machine sales report must be disbursed from the S&E Appropriation and paid to the Employee Organization. The vending machine sales report must be attached to the voucher as support documentation.

h. Inmate Funds. The collection of inmate funds is covered in policy issued by the Trust Fund Branch, Central Office.

i. Other Miscellaneous Collections. The following is a partial list of other miscellaneous collections and the appropriations to which they should be collected. Appropriation 15_1060 designates the current year S&E Appropriation.

Damage to Government Property	153220
Freedom of Information Act (FOIA)	153220
All Escorted Inmate Trip Expenses	153220
Interest on Overdue Accounts Receivables	151435
Funds Found on Institutional Property	151060
Pay Telephone Commissions	153220
Photocopying Fees	153220
Employee Rent	15_1060
Employees' Club Space Rental	153220
Sale of Scrap Metals	15_1060
Sale of Salvage Items to be Used for the Purchase of Like Items	15_1060
Recycling Programs (items purchased with appropriated funds)	15_1060

8. REGISTER OF COLLECTIONS

The Register of Collections, AF-116, is a bound book in which all cash receipts must be recorded. Each cashier must maintain a separate Register of Collections. The balance on hand at the end of each day must be shown in the Register and represents the total amount of receipts that have not been deposited. When deposits are processed, the deposit ticket and disposition of funds are recorded in the Register.

9. DEPOSITS

The deposit procedures set forth in this section have been developed in accordance with the Treasury Financial Manual (TFM), Volume I, Parts 5 and 6.

a. **Deposit Ticket.** A Deposit Ticket, SF-215, must be used for all deposits. The deposit ticket consists of an original copy and four carbon copies titled Memorandum, Depository, Agency, and Confirmed. Sites are responsible for obtaining their own supply of SF-215's.

The date placed on the SF-215 will be based on the cut-off time of the depository. (For example, if the depository cut-off time is 2 p.m., any deposit delivered before 2:00 p.m. should have that day's date placed on it. If the deposit is delivered after 2:00 p.m., it should have the next business day's date placed on it.) Deposits are made as late as possible prior to the cut-off time in order to maximize deposit amounts.

A separate deposit ticket must be used for the deposit of Treasury checks. Treasury checks and non-Treasury checks cannot be included on the same deposit ticket.

b. Types of Depositories

(1) **General or Local Depositories.** General or Local Depositories are commercial banks authorized by Treasury to accept deposit tickets. Before using a General or Local Depository, approval must be obtained from the Financial Management Service (FMS). The approval procedures outlined in the TFM, Volume I, Part 5-4000, must be followed. The TFM may be found on-line at www.fms.treas.gov/tfm/.

(2) **Federal Reserve Banks.** The use of a Federal Reserve Bank (FRB) will only be approved if there is not a General or Local Depository available. The FRB will not accept walk-in deposits. Deposits must be mailed using certified mail or delivered using an armored car service.

c. **Frequency of Deposits.** Deposits will be made whenever total receipts reach \$5,000. In addition, a deposit must be made every Thursday and on the last business day of the month, regardless of the amount on hand.

d. **Check Endorsements.** The endorsement of checks must include the following:

- The agency name.
- The words “For Credit to the U.S. Treasury.”
- The date of the endorsement.
- The Agency Location Code (ALC).

If the deposit is mailed to an FRB, Treasury requires that the CASH-LINK Identification Number (CIN) be used in place of the ALC in the check endorsement and in Block 3 of the SF-215. The CIN is a nine-digit number assigned to each ALC by the Federal Reserve. To obtain your location’s CIN, contact the Department of Treasury point of contact for your area identified in Appendix 3 of TFM, Volume I, Part 5-2000. The TFM may be found online at www.fms.treas.gov/tfm/.

e. **Copies of Support Documentation.** All checks, money orders, and other negotiable instruments must be copied (photocopy, microfilm, digital imaging, etc.) front and back before they are submitted for deposit. The copies will serve as proof of receipt and can be used to obtain replacements from the submitter if the deposit is lost or stolen while in transit.

f. **Register of Collections.** When a deposit ticket is prepared, the deposit ticket number must be recorded in the Register of Collections, described in Section 8, clearing the outstanding amount of receipts on hand.

g. **Distribution of Deposit Ticket.**

- (1) **Original Copy.** The original copy is submitted with the deposit.
- (2) **Memorandum Copy.** The memorandum copy is retained by the cashier for accountability.
- (3) **Depository Copy.** The depository copy is submitted with the original copy with the deposit.
- (4) **Agency Copy.** The cashier uses the agency copy as a source document for entering the accounting entries into the automated accounting system, then forwards the copy to the accountant for back-up for the FMS-224 (formerly SF-224) submission.

When the cashier forwards the agency copy to the accountant, he/she also forwards the second copy of the cash receipt (Section 7.a.) and any supporting documents that may have been submitted with the remittances contained within the deposit.

(5) **Confirmed Copy.** The confirmed copy is originally submitted with the original and depository copies in making the deposit; however, the General or Local Depository or Treasury will return the confirmed copy once the deposit has been confirmed. The accountant will match

the confirmed copy to the corresponding agency copy and maintain both copies on file to prove

deposit and confirmation.

h. **Adjustments.** If an error is discovered on a deposit ticket that has already been submitted, the deposit cannot be recalled or corrected. The institution must contact the depository and the depository will prepare either an additional deposit ticket for an increase or a debit voucher (see below) for a decrease.

i. **Debit Vouchers.** In some circumstances, Treasury will refuse to honor a check that has been submitted in a deposit. To show the charge back of funds to the depositor, Treasury will issue a Debit Voucher, SF-5515. The Debit Voucher will be treated as a reduction to the deposits recorded by the institution. The reduction will be recorded in the automated accounting system and reported on the FMS-224 (formerly SF-224).

REFERENCES

Program Statements

P2013.02 Debt Management (12/31/07)
P4100.04 Bureau of Prisons Acquisition Policy (5/19/02)
P4400.05 Property Management Manual (5/26/04)

Other Policy

Treasury Financial Manual (TFM), Volume I
Treasury Manual of Procedures and Instructions for Cashiers
United States Code (USC), Title 31, Chapters 3321-3333
USC, Title 18, Chapter 3624
Code of Federal Regulations (CFR), Title 31, Part 208

ACA Standards

- American Correctional Association 2nd Edition Standards for Administration of Correctional Agencies: 2-CO-1B-05 and 2-CO-1B-06.
- American Correctional Association 4rd Edition Standards for Adult Correctional Institutions: 4-4027, 4-4031, 4-4033, and 4-4034.
- American Correctional Association 4rd Edition Standards for Adult Local Detention Facilities: 4-ALDF-1B-02, 4-ALDF-1B-04, and 4-ALDF-1B-06.

BOP Forms

BP-114 Cash Receipt
BP-A0102 Verification of Cashier's Cash
BP-A0109 Stock Record
BP-A0112 Prisoner's Personal Funds and Cash Gratuities Voucher
BP-A0189 Release & Gratuity Information

Records Retention

For guidance on records and information applicable to this program, see the Records and Information Disposition Schedule (RIDS) on Sallyport.