I. **Authority**

In accordance with 22 AAC 05.155, the Department will maintain a manual comprised of policies and procedures established by the Commissioner to interpret and implement relevant sections of the Alaska Statutes and 22 AAC.

II. **References**

- **Alaska Statutes**
  - AS 33.30.011
- **Alaska Administrative Code**
  - 22 AAC 05.105
    - 4-4044, 4-4045, 4-4047
  - Standards for Adult Local Detention Facilities; 3rd Edition 1991
    - 3-ALDF-1B-04, 1B-18, 1B-19, 1B-20

III. **Purpose**

To establish uniform procedures within the Department to manage prisoner financial accounts.

IV. **Definitions**

- **Offender Trust Account (OTA)**
  - The system, in which prisoner funds are deposited, monitored and disbursed.

V. **Application**

All staff.

VI. **Policy**

A prisoner account will be established and maintained for each prisoner. All prisoner funds will be controlled and monitored through the Offender Trust accounting system. The Offender Trust Account will be used to maintain Prisoner Accounts. Prisoners may receive, upon request, a periodic accounting of all transactions and balances for the time period since the last statement.

VII. **Procedures**

A. **Cash Drawer Security**

1. Maintaining a cash drawer. Each facility shall maintain a secure cash drawer for cash disbursements at release, for cash received at booking, and for cash received from gifts or other sources.

2. Responsibility for cash transactions. The Superintendent will designate an employee responsible for the security of the cash drawer and all cash transactions during that shift. Access to the cash drawer should be limited to one employee with one key. The cash drawer shall be locked when not in immediate use.

3. The cash drawer is an integral part of the OTA System and shall not be used for any other purpose. The cash drawer shall not be used to cash employee checks or
prisoner checks at the time of release; and is not to be used for institutional purposes, including CODs for supplies or equipment.

B. Cash Drawer Replenishment

1. Each facility shall maintain a sufficient cash balance for anticipated cash flow needs. Each facility’s cash drawer has an assigned maximum balance. Weekly replenishment amounts shall increase the cash drawer back up to the maximum balance only. Facilities shall utilize the release reporting function of OTA to monitor upcoming cash outflow needs. The OTA Accountant or designee at the Juneau Accounting Office must pre-approve requests for cash drawer increases and replenishments. Approvals will be emailed back to the facility.

2. The initial cash drawer amount designated per facility may be adjusted if approved by Division of Administrative Services, OTA Accountant and the Finance Officer. Requests for cash drawer adjustments must be submitted in writing to the Juneau Central Office.

3. In order to complete a cash drawer replenishment, the Institutional OTA Coordinator must make a Funds Replenishment Request to the Division of Administrative Services (DAS), OTA Clerk (cc: OTA Accountant), Juneau Central Office via e-mail, before 10 a.m. on the day needed. Once approved, the Juneau OTA Clerk will e-mail confirmation to the requesting facility.

4. The Institutional OTA Coordinator will prepare an OTA Teller check in the amount approved, as follows:
   a. The check will be made out to the employee designated to go to the bank and cash it. The check may **not** be made out to “cash”. The check preparer and the employee going to the bank must be two different people.
   b. The check, accompanied by the written request for cash, must be given to the authorized signers (two signatures are required on all OTA checks) for signatures.

5. The designated employee (payee) shall take the OTA check to the bank and obtain cash.

6. When the employee returns with the cash, it must be counted in the presence of the returning and receiving employee in charge of the cash drawer. Both shall sign the written request for confirmation of processing.

7. The employee receiving the cash shall complete the OTA entry and obtain a screen-print of the OTA Add Currency to Till (screen w_ota_s9_13). At the end of the day, the OTA clerk shall print a transaction listing report from OTA that will verify the cash drawer replenishment amount. This report shall be matched up with the OTA screen-print and given to the OTA Coordinator on site.

8. These documents will establish a cash audit trail and must be retained on site, along with the written request for cash, by the Institutional OTA Coordinator. A designee other than the cash drawer requestor shall maintain verification that the cash drawer replenishment request process was completed.

C. Cash and other Negotiable Instruments at Booking

1. At the time of booking, the prisoner’s cash or other negotiable securities must be relinquished. (Note: Coin or currency of historical value or foreign origin may be inventoried, sorted, and processed as personal property in accordance with Policy 811.05: Prisoner Personal Property.) When a prisoner is received and an inventory
of the articles in their possession or on their person includes cash, the following procedure applies:

a. As early as practical in the booking process the booking officer shall inquire of the prisoner what cash or checks are in their or the transporting officer's possession. The cash must be counted in the presence of the prisoner and the amount noted on the booking record. Checks will be processed in compliance with 2. below. The prisoner shall sign the booking record acknowledging the inventory of all personal property including cash. If an individual is for any reason unable to sign the booking record, it shall be noted on the booking record. In cases where there is a large amount of cash, $500 or more, a second employee shall verify the amount of cash and initial that portion of the booking record.

b. The cash shall be placed into the cash drawer (till).

2. When a prisoner is received and an inventory of the articles in their possession or on their person includes a check(s), the following procedure applies:

a. All negotiable items other than Federal and State checks must be noted on the booking record and the item placed in the prisoner's personal property. Personal checks are NOT accepted for deposit to a prisoner account.

b. If a negotiable item other than a Federal or State check is received at booking, it will be put into the prisoner's personal property. The prisoner may request the item be deposited to his Prisoner account by submitting a 'request for interview' to the property officer. A ten-day hold shall be placed on money orders, cashier's checks and corporation checks. The ten-day hold may be waived by the Juneau Central Office on a case-by-case basis. Requests for waiver may be submitted to the Trust Accountant by e-mail. Federal, State, or City government warrants are not subject to the hold period. No personal checks may be deposited to the prisoner account.

D. Gifts

1. Any cash or checks received for a prisoner from gifts, craft sales, or other sources shall be processed as follows:

a. All cash or checks received for a prisoner are to be documented with a written receipt. You may use OTA receipts in place of a written receipt only if it is issued at the time of receipt. The employee receiving the funds must initial the receipt.

b. The distribution of copies of the receipt are as follows:

(1) One copy is given to the donor, if the donor is present to receive it. Receipts need not be mailed.

(2) One copy remains with the cash or check. Once posted to the prisoner account (OTA), this copy will be given to the prisoner within one working day.

(3) One copy remains at the facility.

2. If the transfer of money is required it must be done using a secured lock box and a logbook. The logbook shall be maintained as follows:

a. The log shall include the date received, the signature or initials of the employee making the entry, the receipt number, the cash or check amount and the recipient's name for each receipt placed in the box.

b. The log shall have a place for the date, time and the signature or initials of the employee taking custody of the contents.
c. The employee shall inventory the contents of the box, compare the contents to the log and shall note in the log any exceptions (additional items or missing items).

d. The employee shall report any inventory exceptions in the same manner as prescribed for reporting the failure to balance a cash drawer as described in section VI.G.3. of this policy.

3. The employee receiving the cash or checks should place them in a locked box or locked drawer until they can be transferred to the designated cash drawer officer. The following steps are to be taken:
   a. The cash shall be counted and the checks reconciled with the receipts by the designated cash drawer officer.
   b. The cash or checks shall be placed into the cash drawer.
   c. The OTA system accounts are to be credited.

E. Cash Drawer Deposits

Each facility has a maximum cash drawer balance. This maximum may not be exceeded for more than two consecutive days. All checks shall be deposited at least twice each week. The deposit will be completed as follows:

1. The designated cash drawer officer shall complete a deposit slip listing each check and all cash. A copy of this slip will be kept at the facility while the original shall go to the bank. (One deposit slip is automatically printed by the OTA system when a deposit transaction is entered.)

2. The deposit must be counted by a second employee who shall confirm the deposit amount. All checks/cash and the original deposit slip will be placed into a polybag or lockable bank bag.
   a. A copy of the deposit slip will remain at the facility.
   b. The deposit will be entered into the OTA system. The OTA deposit record should balance with the deposit slip printed. The deposit entered into OTA shall be taken to the bank on the same day of entry.
   c. The bag shall be locked (polybags are sealed) and transported to the bank for deposit by a designated employee or by an authorized courier.
   d. A copy of the bank receipt must be verified to the deposit slip from OTA and initialed by the on site OTA Coordinator.
   e. The name of the facility must be written on the original bank receipt and sent to the OTA Accountant, Juneau Central Office. A copy should be kept at the facility.

F. Cash Disbursements

Cash disbursements shall be held to a minimum. Any disbursement of cash other than at the time of a prisoner’s release must be approved by the Superintendent or designee on the Departmental approved Cash Disbursement Form 302.12D. Cash disbursements at release shall not exceed the maximum amount as set by the Facility Superintendent or designee. Remaining account balances shall be disbursed by check.

G. Reconciliation of the Cash Drawer

1. Responsibility to balance. The designated cash drawer officer shall determine the total cash and checks on hand in the cash drawer at the beginning and at the end of each shift in the presence of a second employee and shall compare that total to the OTA cash drawer total.
2. If the cash drawer is in balance with OTA, the Balance screen and View Transaction list shall be printed at the end of each shift, signed and dated by the designated cash drawer officer and second employee and then given to the oncoming designated cash drawer officer.

   In facilities where the custodian of the cash drawer is someone other than shift personnel, the cash drawer must be balanced daily at the end of each day. The Balance screen and View Transaction list shall be printed, signed and dated by the custodian and second employee, then forwarded to the Administrative Manager or designated employee for storage on site.

3. If the cash drawer is determined to be out of balance with OTA, the Supervisor shall document the amount and the suspected cause in writing prior to leaving for the day. The Balance screen and View Transaction list shall be printed and attached to the memo. This memo shall go to the Administrative Officer. The Administrative Manager or designee shall begin an investigation immediately after the failure to balance has occurred. The Superintendent shall be informed of the status of the investigation the same day the investigation begins.

   a. If the investigation determines the error is an OTA system error, the investigation report should be given to the Superintendent and the OTA Accountant, Juneau Central Office, with a written request for a cash drawer adjustment.

   b. If the investigation determines the error is a staff error, the Superintendent shall send a copy of the investigation report to the OTA Accountant, Juneau Central Office, and attach the following:

      (1) If the error is a shortage in the cash drawer, the Superintendent or designee shall attach a memo to report if the cash drawer is being reimbursed by the operating budget of the institution or by some other means as determined by the outcome of the investigation. An OTA report showing the balance over/under transaction should also be attached.

      (2) If the error is an overage in the cash drawer, the Superintendent or designee shall have the cash overage deposited into the Offender Trust Account and send a written request to the OTA Accountant to transfer the funds to the State of Alaska.

H. Audits and Maintaining System Security

1. OTA System Audits. The Superintendent shall designate an employee to be responsible for record retention and periodic audit of the Institutional OTA accounts. The employee shall maintain a record of all OTA checks written, all cash drawer replenishments and all cash drawer deposits.

2. Computer terminal security. Every employee should strive to protect the integrity of the employee’s computer by systematically ensuring no one can obtain unauthorized access to the employee’s computer account. These protective steps include:

   a. Maintain the confidentiality of the individual’s password;

   b. Do not permit anyone to operate the system utilizing another employee’s password; and

   c. Sign off of the system when it is not in use.

I. Commissary Purchase and Other Disbursement of Funds

1. All prisoner commissary purchases or other fund disbursements must be approved by the Superintendent or designee before deductions from the prisoner’s account
may occur. All actions which require transfer of funds must be processed in the following manner:

a. Adequate funds must be in the prisoner account to cover a prisoner-initiated transaction in advance of the requested disbursement.

b. Commissary must be signed for by the prisoner upon delivery, noting any refusals, returns and out-of-stock items on the commissary request form.

2. Authorized disbursals to individuals and businesses must be processed as follows:

a. The prisoner shall fill out a Request for Disbursement of Funds, Form 302.12D, listing the prisoner’s name, identification number, amount to be disbursed, and the name and address of the person or business to which the funds are to be sent. The prisoner must also provide a stamped, addressed envelope for each disbursement of this type.

b. The Superintendent or designee shall review and approve or disapprove the request.

c. The Superintendent or designee shall have a check issued for the authorized amount and provide the prisoner with a copy of the completed disbursement form. Another copy of the disbursement form must be placed in the prisoner’s case record, and the original routed to the Administrative Manager or designee.

3. Disbursements for the purpose of disciplinary restitution, cost of care, court-ordered fine or restitution, or other authorized disbursals must be processed as follows:

a. A Request for Disbursement of Funds, Form 302.12D, must be completed by staff initiating the disbursement.

b. The Disbursement of Funds Form must state the specific purpose and authority for which the intended disbursement is being made.

c. A copy of the Disbursement of Funds Form must be provided to the prisoner from whose account the funds are being disbursed.

d. Another copy of the Disbursement of Funds Form will serve as the action document for the transfer of funds and must be retained in the prisoner case record. The original must be returned to the originating staff.

4. A continuous checkbook balance is maintained in the OTA system. It is reconciled monthly by the OTA Accountant at Juneau Central Office (JCO). A copy of the reconciled statements will be kept on file at JCO. Questions regarding facility checking account activity will be directed to the Superintendent or designee at each facility. The Superintendent or designee is responsible for maintaining accurate disbursement records at their facility for audit trail purposes.

J. Outside Banking

Prisoner checking accounts are discouraged. Approval for transactions in an outside checking account will rarely be granted for sentenced prisoners. Prisoners may maintain an outside savings account only under the following conditions:

1. A minimum balance of twenty-five dollars must be maintained in the Offender Trust Account (OTA).

2. All banking transactions require the written approval of the Superintendent.

K. Transfer to a Department Facility

No action required. Funds remain on OTA.

L. Release to a Non-Departmental Facility or Agency
The Superintendent shall develop an SOP that incorporates the following principles:

1. Verification of prisoner account balance by prisoner.
2. Receipting and signatures of fund transfer with copies of receipts and fund transfers retained in the case file.
3. If it is necessary to forward a check to the prisoner after release, a copy of the prisoner account balance must be attached to the check and mailed to the address provided by the prisoner.

M. Release to Street

1. Releasing officer shall print an OTA statement, which shows the prisoner’s account balance. The prisoner must sign the statement and a copy shall be retained in the prisoner case file.
2. If it is necessary to forward a check to the prisoner after release, a copy of the prisoner account balance must be attached to the check and mailed to the address provided by the prisoner.
3. In cases where there is a dispute, the dispute must be documented on the prisoner’s Statement of Account and forwarded to the Administrative Manager.
   Note: Any gratuities earned that month should be expected to be received by the prisoner at the beginning of the following month.
4. In those cases where funds are not being released, the reasons should be documented on the Statement of Account and forwarded to the Administrative Manager.

N. Escape Forfeiture

If a prisoner escapes, a portion of the prisoner’s money in the prisoner’s account may be forfeited by the Deputy Commissioner, for deposit into the General Fund. A prisoner may appeal this forfeiture to the Commissioner.

O. Death of Prisoner

Upon the death of a prisoner all funds will be held in that prisoner’s account, absent deductions approved elsewhere in policy, until documentation is presented to the Department Accounting Section authorizing its release. Persons making a claim to funds in the deceased prisoner’s account shall be referred to the Chaplain’s office for information on how to proceed.

VIII. Implementation

This policy and procedure is effective as of the date signed by the Commissioner. Each manager shall incorporate the contents of this document into local policy and procedure. All local policies and procedures must conform to the contents of this document. Any deviation from the contents of this document must be approved in writing by the Division Director.
April 6, 2011

Joseph D. Schmidt, Commissioner
Department of Corrections

Applicable Forms:
302.12D