

POLICY TITLE: ACCOUNTING PROCEDURES		PAGE 1 OF 4
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CHAPTER 2: FISCAL MANAGEMENT		
	STATE of MAINE DEPARTMENT OF CORRECTIONS	PROFESSIONAL STANDARDS: See Section VII
	Approved by: <u><i>Martin Magnusson</i></u> Signature of Commissioner	
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I. AUTHORITY

The Commissioner of Corrections adopts this policy pursuant to the authority contained in 34-A M.R.S.A. Section 1403.

II. APPLICABILITY

Entire Maine Department of Corrections

III. POLICY

It is the policy of the Department of Corrections to have in place in each of its facilities a system of internal controls that ensures the integrity of all financial transactions and accounting systems. This policy is intended to ensure the safekeeping and proper management of all institutional funds and to require a system of ongoing monitoring of fiscal activities.

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Procedure A: Internal Control of Petty Cash
 Procedure B: Staff Bonding
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V. ATTACHMENTS

None

VI. PROCEDURES

Procedure A: Internal Control of Petty Cash

1. The Business Manager is responsible for the administration of policy relative to collection, safekeeping, and monitoring the use of institutional funds, including vouchers. In carrying out these duties, the following tasks shall be accomplished:
 - a. Maintain security of cash, negotiable funds and require that all funds are stored in safe areas in either the mail room, cashier's office, or Business Manager's office.
 - b. Safeguard the transfer of all cash, negotiable funds, and accounts by:
 1. Issuing receipts for all funds received.
 2. Requiring receipts and documentation for all institutional funds passed from one employee to another.
 3. Physically transferring all funds received to the bank within three (3) days of receipt.
 4. Making the proper logbook entries to reflect the transfer of funds between institutional accounts.

Procedure B: Staff Bonding

1. Blanket coverage is maintained for all employees through the State's Division of Risk Management.

Procedure C: Signature Control of Checks

1. Only Chief Administrative Officers, Business Managers, or designees, are authorized to sign checks.

Procedure D: Monitoring and Reporting

1. Reports of facilities' fiscal activities, including accounting and inventory reports shall be sent to the Service Center Director. The reports are to be prepared by the Business Manager, or designee, upon request, but no less than annually.
2. The report shall list receipts, disbursements and balances for each budget account, including an explanation of any problem areas.

Procedure E: Annual Audits

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1. An annual audit of fiscal activity shall be conducted by non-department auditors, consistent with State law. This audit shall examine the level of compliance with standard financial management and accounting procedures, and the level of compliance with Department and institutional regulations. A detailed report of the audit shall be provided to the Chief Administrative Officers, Service Center Director, and Business Managers.

Procedure F: Accounting Systems

1. Accounting systems shall ensure the current status of appropriations and expenditures.

VII. PROFESSIONAL STANDARDS

ACA:

- ACI - 4-4027** **Written policy, procedure, and practice cover at a minimum the following fiscal areas: internal controls, petty cash, bonding for all appropriate staff, signature control on checks, and the issuing or use of vouchers.**
- ACI - 4-4031** **Written policy, procedure, and practice demonstrate that the procedures for the collecting, safeguarding, and disbursing of monies comply with the accounting procedures established by the governing jurisdiction.**
- ACI - 4-4032** **The accounting system is designed to show the current status of appropriations and expenditures.**
- ACI - 4-4034** **Written policy, procedure, and practice provide that reports of all monies collected and disbursed are distributed to the parent agency and other designated authorities.**
- ACI - 4-4036** **Written policy, procedure, and practice provide for an independent financial audit of the facility. This audit is conducted annually or as stipulated by statute or regulation, but at least every three years. If the facility is a part of a state system, an internal audits section or department of the agency's central administration and/or statutory agency shall be considered independent of the facility to be audited.**
- 4-ACRS-7D-17** **The facility has written fiscal policies and procedures adopted by the governing authority, including, at a minimum, the following: internal controls, petty cash, bonding, signature control on checks, offender funds, and employee expense reimbursements.**
- 4-ACRS-7D-22** **The methods used for the receipt, safeguarding, disbursing, and recording of funds comply with the accepted accounting procedures.**
- 4-ACRS-7D-23** **The facility, at a minimum, prepares and distributes to its governing authority and appropriate agencies and individuals the following documents: income and expenditure statements, funding source financial reports, and independent audit reports.**

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- 4-ACRS-7D-24** There is an independent financial audit of the facility. This audit is conducted annually or as stipulated by statute or regulation, but at least every three years. If the facility is part of a state system, an internal audits section or department of the agency's central administration and/or statutory agency shall be considered independent of the facility to be audited.
- 4-JCF-6B-02** The facility has fiscal policies and procedures adopted by the governing authority including, at a minimum, the following:
1. Internal controls
 2. Petty cash
 3. Public employee blanket bonds
 4. Worker's compensation
 5. Civil liability insurance for employees
 6. Liability insurance for official and personal vehicles
 7. Institutional insurance coverage
 8. Signature control on checks
 9. Juvenile funds
 10. The issuing or use of vouchers
- 4-JCF-6B-05** The collection, safeguarding, and disbursement of monies comply with the accounting procedures established by the governing jurisdiction. All monies collected at the facility are placed in an officially designated and secure location daily. Reports of all monies collected and disbursed are regularly distributed to the parent agency and other designated authorities.
- 4-JCF-6B-06** The facility's accounting system is designed to show the current status of income and expenditures.
- 4-JCF-6B-08** An independent financial audit of the facility is conducted as stipulated by statute or regulation, but at least once every three years.

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