



U.S. Department of Justice
Federal Bureau of Prisons

PROGRAM STATEMENT

OPI ADM/TFB
NUMBER P4500.08
DATE May 4, 2012

Trust Fund/Deposit Fund Manual

/s/

Approved: Charles E. Samuels, Jr.
Director, Federal Bureau of Prisons

1. PURPOSE AND SCOPE

To provide inmates an opportunity to purchase articles or services not issued or delivered as basic care by the institution or of a different quality.

a. Summary of Changes

Directive Rescinded:

P4500.07 Trust Fund/Deposit Fund Manual (4/19/10)

This revision includes the following changes:

- Removal of references to Automated Inquiry Machine (AIM).
- The only first class stamp to be sold in the Commissary will be the "Forever" stamp.
- Addition of MP3 players to items sold in the Commissary.
- New restrictions on the sale of hair dye.
- Addition of Management of Inmate Pre-Release Encumbrances.
- Removal of vending debits.
- Clarification of non-fingerprint identification sales procedures.
- Elimination of credit card accruals requirement.
- Addition of Inmate Release Card to specific processing of inmate withdrawals.
- Elimination of local whereabouts unknown accounts created before July 1, 2004.
- Special attention to operation of laundry equipment and soiled flammable clothing.

b. **Program Objectives.** Expected results of this program are:

- Efficient and reliable commissary, telephone, and laundry services will be made available to inmates.
- The Trust Fund operation will be managed to ensure an efficient, cost-effective, self-supporting program.
- Merchandise, supplies, foods, and equipment will be received, securely stored, and effectively distributed.
- Inmates' funds (Deposit Fund) will be accurately and efficiently maintained.

c. **Institution Supplement Required.** Implementation of this Manual requires development of several Institution Supplements (or a consolidated Institution Supplement) covering requirements for development of local policy at the Warden's discretion. Institution Supplement requirements are in Section 1.2.

2. ACTION REQUIRED

The Trust Fund, Warehouse, Laundry, and Inmate Deposit Fund Programs shall operate according to the procedures in this Manual.

REFERENCES

Program Statements

P1221.66	Directives Management Manual (7/21/98)
P1237.13	Information Security Programs (3/31/06)
P1351.05	Release of Information (9/19/02)
P1600.09	Occupational Safety, Environmental Compliance, and Fire Protection (10/31/07)
P1640.04	Smoking/No Smoking Areas (3/15/04)
P2000.02	Accounting Management Manual (10/15/86)
P2013.02	Financial Management – Debt Management (12/31/07)
P2100.03	Budget Execution Manual (3/8/01)
P2250.02	Accounting – Recording Obligations (4/2/04)
P2350.02	Accounting for Real Property, Depreciation, and B&F Projects (6/22/04)
P3721.06	Employee Organizations (1/21/09)
P4100.04	Bureau of Prisons Acquisition Policy (5/19/04)
P4400.05	Property Management Manual (5/26/04)
P4700.06	Food Service Manual (9/13/11)
P5230.05	Grooming (11/4/96)
P5251.06	Inmate Work and Performance Pay Program (10/1/08)
P5264.08	Inmate Telephone Regulations (1/24/08)
P5265.13	Trust Fund Limited Inmate Computer System (TRULINCS) – Electronic

	Messaging (2/19/09)
P5270.09	Inmate Discipline Program (7/8/11)
P5280.09	Inmate Furloughs (1/20/11)
P5360.09	Religious Beliefs and Practices (12/31/04)
P5370.11	Inmate Recreation Program (6/2/08)
P5380.08	Inmate Financial Responsibility Program (8/15/05)
P5381.05	Inmate Organizations (2/13/01)
P5500.11	Correctional Services Manual (10/10/03)
P5500.12	Correctional Services Procedures Manual (10/10/03)
P5521.05	Searches of Housing Units, Inmates, and Inmate Work Areas (6/30/97)
P5580.08	Inmate Personal Property (8/22/11)
P5800.16	Mail Management Manual (4/5/11)
P5873.06	Release Gratuities, Transportation, and Clothing (8/6/03)
P6031.01	Patient Care (1/15/05)
P6031.02	Inmate Copayment Program (8/15/05)
P6360.01	Pharmacy Services (1/15/05)

Federal Regulations

Rules cited in this Program Statement: 28 CFR 506.1

BOP Forms

BP-109	Stock Record
BP-197	Temporary Receipt book
BP-199	Request for Withdrawal of Inmate's Personal Funds
BP-200	Special Purpose Order Request – Inmate
BP-201	Withdrawal Record, Inmate
BP-383	Inmate Personal Property Record
BP-505	Telephone Number Request – Inmate
BP-A0100	Stores Requisition, Invoice and Transfer Receipt
BP-A0101	Request for Purchase (Delivery/Task Order)
BP-A0111	Report of Survey
BP-A0112	Prisoner's Personal Funds and Cash Gratuities Voucher
BP-A0135	Major Equipment Justification
BP-A0183	Budget Development & Execution Requirements
BP-A0184	Budget Requirements
BP-A0328	Stamps, Negotiable Instrument & Other Returned to Sender
BP-A0407	Acknowledgment of Inmate, Part 1 & 2
BP-A0408	Acknowledgment of Inmate, Part 3 & 4
BP-A0740	Request for Inmate Telephone Restriction
BP-A0904	Trust Fund Renovation/Construction Project Form
BP-A0905	LockBox Field Submission

3. AGENCY'S ACA ACCREDITATION PROVISIONS

ACA Standards

- American Correctional Association 4th Edition Standards for Adult Correctional Institutions,: 4-4042, 4-4043, 4-4044, 4-4334, 4-4335, 4-4336, 4-4337, 4-4338, 4-4340, 4-4342, 4-4379, 4-4497, and 4-4497-1
- American Correctional Association 4th Edition Standards for Adult Local Detention Facilities,: 4-ALDF-4B-02, 4-ALDF-4B-03, 4-ALDF-4B-04, 4-ALDF-4B-05, 4-ALDF-4B-06, 4-ALDF-4C-39, 4-ALDF-5B-11, 4-ALDF-5B-12, 4-ALDF-5C-25, 4-ALDF-5C-26, and 4-ALDF-7D-16
- American Correctional Association 2nd Edition Standards for Administration of Correctional Agencies,: 2-CO-1B-12, 2-CO-1B-13, and 2-CO-5D-01

Records Retention

Requirements and retention guidance for records and information applicable to this program are available in the Records and Information Disposition Schedule (RIDS) system in Sallyport.

CONTENTS

Chapter 1. Definitions and Institution Supplements

Definitions.....	9
Institution Supplements	10

Chapter 2. General Trust Fund Operations

History, Overview, and Nature of the Trust Fund	14
Trust Fund Operations and Controls.....	15
Use of Trust Fund Financial Resources	15
Trust Fund Inmate Workers	21
Purchasing of Non-Resale Items.....	21
Trust Fund Personal Property	22

Chapter 3. Commissary Operations

Security	25
Spending Limitation	28
Items to be Sold in the Commissary	28
Pricing	36
Special Purpose Orders (SPO).....	38
Commissary Sales Procedures	40
Inventory Control	43

Chapter 4. Intentionally Left Blank

Chapter 5. Special Trust Fund Services

General	51
Inmate Copier Service	51
Inmate Washer/Dryer Service	51
Establishing an Inmate Photography (Photo) Program.....	51
Internal Laundry Service Operation.....	53
External Operation (Outside Contractor)	54

Chapter 6. Inmate Telephone System (TRUFONE)

General	56
Telephone Services	56
Requests for Additional Telephones.....	56
TRUFONE Rates	56
System Operations	57

System Maintenance	59
Records Management.....	60
Monthly Reconciliation	60

Chapter 7. Trust Fund Systems Security

Computer Security	61
-------------------------	----

Chapter 8. General Deposit Fund Operations

Accountability of Employees.....	64
Establishment of Inmate Accounts	64
Daily Management of Inmate Accounts	65
Inmate Account Transactions	66
Management of Inmate Accounts with Negative Balances	68
Management of Confiscated Funds	68
Management of Deceased Inmates’ Funds	69
Encumbrance of Inmate Funds	69
Management of Funds of Inmates Whose Whereabouts are Unknown.....	71
Management of Inmate Savings Program.....	72
Management of Inmate Pre-Release Encumbrance	73

Chapter 9. Inmate Accounts – Deposits

Authority to Accept Funds.....	75
Acceptable/Unacceptable Negotiable Instruments	76
Held Negotiable Instruments	76
Negotiable Instruments Requiring Special Handling	77
Receipt of Funds – LockBox	79
Receipt of Funds – Local Institution.....	81
Western Union Quick Collect/MoneyGram Program	82
Accounting for Centralized Processes	82
Inmate Receipts.....	83
Inmate Earnings	83

Chapter 10. Inmate Accounts – Withdrawals

Authority to Withdraw Inmate Funds	85
Approval to Withdraw Inmate Funds	85
Check Tracers and Stop Payments.....	86
General Processing of Deposit Fund Withdrawals	86
Specific Processing of Inmate Withdrawals	88

Chapter 11. Processing Inmate Financial Responsibility Payments

General.....	96
Oversight Responsibility.....	96
Acronyms and SENTRY IFRP Terminology	96
SENTRY Input.....	97
Monthly Cut-off	97
SENTRY IFRP Payment Processing	97
SENTRY IFRP Reports	99
Certification of IFRP Payments	99
Payment Transmission	100
Batch Processing.....	100
IFRP Refunds for Overpayments.....	100
Transferred Inmates	100
Inmates Out on Writ.....	100
Inmates on Escape Status.....	100
Payments	100

Chapter 12. Warehouse Operations

General.....	101
Receiving Procedures.....	101
Purchase Orders	102
Receiving Reports.....	103
Transportation Charges	106
Government Bill of Lading.....	106
Lost and Damaged Shipments	107
Stores Requisition	108
Arrangement of Stores	110
Stock Record Cards (BP-109).....	111
Stores Inventories.....	113
Disposition of Slow-Moving Supplies.....	114
Sanitation/Maintenance of Equipment.....	114
Safety	115
Technical References	115
Key Control.....	115

Chapter 13. Laundry Operations

General Operations	116
Issuing, Cleaning, and Maintaining Accountability of Clothing and Linen.....	116
Laundry Inventory Management.....	118

Health and Safety	119
Laundry Security	119

Chapter 14. Trust Fund Limited Inmate Computer System (TRULINCS)

General	121
Equipment and Supplies	121
Accounting.....	121
Rates.....	122
System Operations	122
Message Controls.....	123
System Maintenance	123
Records Management.....	123

Chapter 1. DEFINITIONS AND INSTITUTION SUPPLEMENTS

1.1 DEFINITIONS

Accountable Property Officer (APO) – Person responsible for custody, record keeping, and use of the SENTRY Property Management System controlled personal property within the employee's assigned location or jurisdiction.

Automated accounting system – The Bureau of Prisons' official General Ledger reporting system.

BOP or Bureau – Federal Bureau of Prisons.

Business Administrator – All the different titles used to identify the department head of the local Office of Financial Management or the department head responsible for the local budget, accounting, and acquisitions.

Cashier – The Federal Government employee designated as a cashier by a delegating official who is authorized to disburse cash and carry out other cash operations.

Committed name – The name entered on the J&C is considered the committed name to be used by the inmate, as well as the Bureau.

Daily – Monday through Friday, excluding Federal Government holidays.

Deposit Fund – The 15X6085 Account designated by Treasury to maintain Federal prisoners' funds (i.e., individual inmate accounts).

Document imaging process – Ability to scan a document, create an image, and attach it to a transaction/inmate record in TRUFACS.

Extract – Process of downloading automated accounting transactions, outside inmate payments, and obligations from TRUFACS for upload into the automated accounting system.

Hot item – Items that are most likely to be pilfered or might facilitate an attempt to escape or disrupt the running of the institution.

IFRP – Inmate Financial Responsibility Program.

IPAC – Intra-Governmental Payment and Collection.

JV – Journal Voucher.

Nightly process – Automated TRUFACS processing of inmate SENTRY data, payments/debts,

IFRP payments, printing of scheduled reports, etc.

OFM – Office of Financial Management.

PO – Purchase Order.

TRUACCESS Requester – A user who may generate electronic requests on behalf of other staff to have access to the various Trust Fund applications.

TRUACCESS Role Manager – A user who may approve or deny electronic requests for the various Trust Fund application(s).

TRUFACS – Trust Fund Accounting and Commissary System.

TRUFONE – Inmate Telephone System.

TRULINCS – Trust Fund Limited Inmate Computer System.

TRUPAID – Trust Fund Payroll Accounting for Inmate Details.

Trust Fund – The 15X8408 Account designated by the U.S. Treasury for programs, goods, and services for the benefit of inmates (i.e., Commissary).

Trust Fund Branch – Office in the Central Office, Administration Division, responsible for Trust Fund and Deposit Fund operations.

Trust Fund Specialist – Trust Fund-funded position assigned directly to the Trust Fund Supervisor and responsible for various Trust Fund-related duties.

Trust Fund Supervisor – Department head responsible for Trust Fund operation at the institution.

User Guide – Technical instructions and guidelines that supplement national policy. User Guides provide consistent procedures for training and oversight.

V-PIN – Added security feature that uses a sample of the inmate's voice, which is collected when the inmate states his or her name during the registration process.

1.2 INSTITUTION SUPPLEMENTS. Institution Supplements are prepared, approved, and reviewed as outlined in the Program Statement **Directives Management Manual** for the areas listed below.

a. **Commissary Operations.** Procedures may be addressed in a Commissary Institution Supplement or as a component of a consolidated supplement on Trust Fund Operations specifying Commissary Operations. At a minimum, the following is addressed:

(1) **Categories of Approved Items.** A list of categories is revised as a part of the annual Institution Supplement review.

(2) **Special Purpose Orders (SPO)**

- **List of Approved Items.** Items may be listed specifically, such as Religious Medallion, or by general categories – vocational/educational books, leathercraft, etc. The SPO process is not used by inmates to purchase personal-use musical instruments, athletic items such as racquets, or any other item not authorized per the Program Statement **Inmate Personal Property**.
- **Approving Official(s).** A position may be designated to approve all SPOs, or approving authority may be delegated to the position responsible for a specific activity; for example, the Unit Manager for items of high dollar value and items that may cause storage problems due to limited space; the Supervisor of Education for correspondence courses, materials for vocational training, law books, etc.; the Supervisor of Recreation for hobbycraft and athletic articles; and the Chaplain for religious articles. Trust Fund staff coordinate with the Chaplain to identify religious articles that may be purchased through the SPO program. Information on approved items is in the Program Statement **Religious Beliefs and Practices**.
- **Monetary Guidelines.** These set monetary limits for approving authority, and limits on the value of individual items, the value of an entire order, the quantity of items on an individual order, and the frequency of orders that may be submitted each month or quarter.

(3) **Inmate Identification/Fingerprint Process.** If the institution does not use inmate identification cards or inmate fingerprint process, procedures to positively identify inmates are established using official picture cards.

b. **Special Trust Fund Services.** These procedures may be addressed in a Special Services Institution Supplement or as a component of a consolidated supplement on Trust Fund Operations specifying Special Services Operations. At a minimum the following is addressed:

(1) Before initiating any service operations, an Institution Supplement detailing local regulations and systems of internal control is developed. The following topics are detailed in the Supplement for each service operation:

- Person(s) responsible for each Trust Fund service operation.
- Method of operation (e.g., outside contractor or internal operation).
- Type of service offered.
- Location of equipment (i.e., Unit 4, first floor) and type of service.
- Method(s) of separation of duties between contractor and institution personnel to ensure amounts due to the Trust Fund are received, verified, and properly recorded.
- Internal controls established for accountability of usage from the equipment.

- Arrangements for contractor escorts, if applicable.
- Disciplinary actions for damage of service equipment or attempts to obtain service without paying.
- Method of determining the price of the service.
- General procedures regarding the service.

(2) **Inmate Photography Program.** These procedures may be addressed in an Inmate Photography Program Institution Supplement or as a component of a consolidated supplement on Trust Fund Operations specifying Inmate Photography Program. At a minimum the following is addressed:

- Times and places that inmate photos will be taken.
- Procedures for picture retakes.
- Procedures for group pictures.
- Other local needs such as limits on the number of photo vouchers and appropriateness of pictures/clothing.
- Procedures to mark used photo vouchers to avoid potential reuse.
- Staff responsible for:
 - Processing digital pictures.
 - Receiving or picking up digital pictures.
 - Reviewing and distributing photos to inmates
 - Photography equipment (cameras, tripods, etc.).
 - Disposition of used photo vouchers.
 - Supervision of inmate photographers.
 - Reconciliation of digital pictures and photo vouchers
 - Oversight of inmate workers.

c. **Inmate Telephone System.** Each institution develops a separate Institution Supplement for local procedures to operate the Inmate Telephone System. In addition to requirements outlined in the Program Statement **Telephone Regulations for Inmates**, at a minimum the following is addressed:

- Institution-specific procedures related to release procedures.
- Hours of operation.
- Inmate telephone suspension.
- Voice recognition registration.

d. **Deposit Fund.** These procedures may be addressed in a Deposit Fund Institution Supplement or as a component of a consolidated supplement on Trust Fund Operations specifying Deposit Fund. At a minimum the following is addressed:

- Night depository procedures.
- Inmate release procedures.

- Special circumstances detailing the return to duty of essential staff who can make transportation arrangements and provide funds for inmates being released at the direction of the courts to comply with release orders.

e. **Warehouse.** These procedures may be addressed in a Warehouse Institution Supplement or as a component of a consolidated supplement on Trust Fund Operations specifying Warehouse Operations. At a minimum the following is addressed:

- Procedures for pickup, receipt, and distribution of articles purchased from blanket charge accounts, where individual Purchase Orders covering each shipment are not available.
- Dates and intervals for issuance of supplies.
- Hot room procedures in the Warehouse to secure Trust Fund merchandise upon receipt.

f. **Laundry Operations.** These procedures may be addressed in a Laundry Institution Supplement or as a component of a consolidated supplement on Trust Fund Operations specifying Laundry Operations. At a minimum the following is addressed:

- Schedule for exchanging clothing and linen.
- Services provided and hours available.
- Procedures for control, use, and storage of chemicals.

g. **Trust Fund Limited Inmate Computer System.** Each institution develops a separate Institution Supplement for local procedures to operate TRULINCS. At a minimum the following is addressed:

- Institution-specific procedures related to release procedures.
- Hours of operation.
- Suspensions.

Chapter 2. GENERAL TRUST FUND OPERATIONS

2.1 HISTORY, OVERVIEW, AND NATURE OF THE TRUST FUND

a. **History of the Trust Fund.** In 1930, Department of Justice Circular No. 2126, titled **Rules Governing the Control of Prisoner's Funds at the Several Penal and Correctional Institutions** (August 1, 1930), authorized and established a Commissary at each institution. The Commissary was created to provide a bank-type account for inmate monies and "for the procurement of articles not regularly issued as part of the institution administration." Circular 2244, **Rules Governing the Control of Prisoners Funds at Several Penal and Correctional Institutions** (January 1, 1932), superseded Circular No. 2126 and established separate U.S. Treasury accounts for the "Prisoners Trust Fund" and the "Commissary and Welfare Funds."

The existence and operation of the prison Commissaries was approved by Congress in 1932 in the Department of Justice's 1933 appropriation bill. In 1934, Congress designated the "funds of federal prisoners" and "Commissary funds" as "trust funds" (31 U.S.C. 1321). Monies accruing to these funds were appropriated and dispersed in compliance with the terms of the trust.

Section 108 of the Department of Justice, General Provisions, Department of Justice, Public Law 104-134 (April 26, 1996), provided that in Fiscal Year 1996 and thereafter, amounts in the Federal Prison Systems Commissary Fund that are not needed for operations are kept on deposit or invested in obligations of, or guaranteed by, the United States. Earnings on investments are deposited in the Commissary Fund.

Section 108 of the Department of Justice, General Provisions in the Fiscal Year 1999 and thereafter Omnibus Bill and Conference Report Language, Public Law 105-277 (October 21, 1998), clarified authority for expenditures from the Commissary Fund for an Inmate Telephone System and for other purposes, regardless of whether such an expenditure is security-related, for programs, goods, and services for the benefit of inmates (not otherwise prohibited by law), including:

- Installation, operation, and maintenance of the Inmate Telephone System.
- Payment for equipment purchased or leased for the Inmate Telephone System.
- Salaries, benefits, and other expenses of personnel who install, operate, and maintain the Inmate Telephone System.

The "Commissary Fund" is generally referred to as the "Trust Fund" and the "funds of federal prisoners" as the "Inmate Deposit Fund."

The Trust Fund's purposes remain essentially the same as when created:

- To maintain inmates' monies (Deposit Fund) while they are incarcerated.
- To provide inmates the privilege of obtaining merchandise and services either not provided by the Bureau or of a different quality than that provided by the Bureau.

b. **Program Overview.** The management of inmate funds and the operation of the Trust Fund are designed primarily for the benefit of inmates. Use of Trust Fund services is, however, a privilege; the Warden or an authorized representative may limit or deny the privilege of a particular inmate. Similarly, the maximum amount that may be expended by an inmate for Trust Fund items or services is a controllable privilege.

The number of times an inmate may visit the Commissary is controlled by the administration of each institution. The number of visits and hours of Trust Fund operations are set in accordance with staff resources, considering time required for office duties, receiving, stocking, cleaning, inventory management, etc.

c. **Sole Agency for Purchase by Inmates.** The institution Trust Fund operation is the sole agency for purchase by inmates of approved articles or services not routinely supplied by the institution.

2.2 TRUST FUND OPERATIONS AND CONTROLS. The Trust Fund (Treasury Account Symbol 15X8408) and the Inmate Deposit Fund (Treasury Account Symbol 15X6085) are the control accounts for Trust Fund operations. These two appropriation-level accounts and their related general ledger accounts are maintained using Generally Accepted Accounting Principles (GAAP), the automated financial accounting system, the Trust Fund Accounting and Commissary System (TRUFACS), and the Inmate Telephone System (TRUFONE). Policy governing the operation of these accounts follows in subsequent chapters of this Manual and the Program Statement **Accounting Management Manual**.

The Assistant Attorney General for Administration may accept gifts or bequests of money for credit to the Trust Fund Appropriation. The authority to accept gifts or bequests has not been redelegated.

a. **Central Office.** The Chief, Trust Fund Branch, is responsible for addressing questions of policy, distributing funds, and allocating positions.

Principal financial statements and an annual report are prepared by BOP staff. The final report is available to the public. Trust Fund financial records are audited or reviewed in accordance with Department of Justice and Bureau of Prisons requirements.

b. **Institution.** The Trust Fund Supervisor has overall control at the institution of the Trust Fund operation.

2.3 USE OF TRUST FUND FINANCIAL RESOURCES. This Chapter details the use of Trust Fund financial resources. The Trust Fund Appropriation (15X8408) administers funds distributed under the following Decision Units, which require expenditures under the designated Cost Centers only:

- **Decision Unit 1.** Trust Fund Commissary Operations (Cost Centers 3214, 3216, 3225, 3230, 3232, and C2); Commissary Renovations (Cost Centers 3220, C7, and V8); Program Review – TF (cost Center 4107).
 - **Decision Unit 2.** Trust Fund Profit Sharing (Cost Centers 3229 and C5 for general profit sharing; S4, S5, S6, S9, and C8 for inmate programs).
 - **Decision Unit 5.** Trust Fund Limited Inmate Computer System (32Q1, 32C9 and C9).
 - **Decision Unit 6.** Trust Fund Training (Cost Center C6).
 - **Decision Unit 7.** Trust Fund Inmate Telephone System Operations (Cost Centers 32C4 and C4).
- a. **Trust Fund Operating Funds.** The Trust Fund uses financial resources for:
- Salaries and benefits for Trust Fund employees.
 - Commissary resale merchandise.
 - Services for the operation of the Trust Fund and Deposit Fund systems.
 - Trust Fund and Deposit Fund systems.
 - Commissary, TRULINCS, and TRUFONE personal property (freezers, safes, shelving, etc.).
 - Commissary, TRULINCS, and TRUFONE operating supplies.
 - Compensation for inmate workers assigned to the Commissary.
- b. **Trust Fund Reserve Funds.** The Trust Fund maintains financial reserves for:
- Renovating Trust Fund facilities.
 - Replacing outdated equipment (capital expenditures).
 - Activating new Trust Fund facilities.
 - Initiating new Trust Fund programs.
 - Responding to unforeseen contingencies (sales merchandise and equipment replacement due to hurricanes, fires, etc.).

Requests for startup funds and positions for activating new facilities (Commissary and TRUFONE operations) are forwarded from the Regional Activation Coordinator or Trust Fund Administrator to the Chief, Trust Fund Branch, about eight months before the anticipated activation date.

c. **Allocation of Funds and Positions (Trust Fund Appropriation).** The Chief, Trust Fund Branch, authorizes funds for Trust Fund operations; they are distributed through the Bureau Budget Execution process. Obligation and accounting regulations for Appropriation 15X8408 are found in the Program Statements **Accounting Management Manual** and **Budget Execution Manual**.

(1) **Annual Requirements.** The Chief, Trust Fund Branch, issues guidelines annually for submitting budget requests for the upcoming year. The following units submit annual requirements: Decision Unit 1 (Commissary Operations), Decision Unit 6 (Trust Fund Training –

submitted by the National Management and Specialty Training Center only), and Decision Unit 7 (Inmate Telephone System).

Annual submissions for Decision Unit 2, Trust Fund General Profit Sharing, may be requested, but are not required; the Chief, Trust Fund Branch, normally distributes these funds. The Trust Fund Branch may provide funding for certain approved inmate benefit programs. Allocation of these funds may be based on equity formulas, submission of proposals, or other processes as the Chief, Trust Fund Branch, determines. Generally, Program Managers for specific areas such as recreation, education, or psychology issue annual budget submission guidelines.

The Trust Fund Supervisor is Cost Center Manager for X4 Cost Centers (Decision Unit 1, Cost Center C2, C7, and V8; Decision Unit 2, Cost Center C5; Decision Unit 7, Cost Center C4) and follows requirements in the **Budget Execution Manual** for assigning a control number and certifying that funds are available for purchases from their cost centers.

Use of the fund control system is optional for purchasing Commissary resale items. In lieu of using the standard system for fund control of resale items, the Trust Fund Supervisor reviews automated accounting system reports at the end of each month to ensure obligations for resale items do not exceed the allotted budget plan for this category. Copies of the monthly review are kept on file. The Trust Fund Supervisor may also be the Cost Center Manager for S&E Cost Center C1, Inmate Services. The appropriate Cost Center Manager is responsible for funds allotted to special inmate benefit programs.

Operating funds for overtime, uniform allowances, inmate pay for Commissary workers, incentive awards, supplies directly related to Commissary operations, and Commissary resale items are normally computed using equity formulas. Modifications to these funding levels and funds for additional object classes are submitted using a Budget Development and Execution Requirements Form (BP-A0183) and a Budget Requirements Form (BP-A0184) or other budget form the institution uses. The **Budget Execution Manual** provides instructions for completing these forms.

The Regional Comptroller consolidates institution annual requests, including salary requests, and submits them to the Chief, Trust Fund Branch.

(2) **Salaries and Positions.** The Chief, Trust Fund Branch, allots approved Trust Fund positions through the Budget Execution process. Positions are normally allotted to institutions based on an equity formula. Requests for Trust Fund positions are routed through the Regional Comptroller to the Chief, Trust Fund Branch, for approval. Funds from the Trust Fund Appropriation are used to fund only the number of authorized Trust Fund positions. At no time may Trust Fund funds be expended for the regular salary of any positions exceeding the number authorized.

(3) **Equipment Requirements.** Funding requests for equipment are prepared with the annual requirements and throughout the year as necessary using a Major Equipment Justification

(BP-A0135), and are submitted through the Regional Comptroller to the Chief, Trust Fund Branch, for approval and assignment of Special Authorization (SA) Numbers. Trust Fund equipment may not be purchased without an SA number.

A special funding request is not required for the amount allotted annually to each site for minor equipment.

(4) **Renovation/Construction Requests.** Funding requests for renovation/construction of Trust Fund areas are prepared with annual requirements and throughout the year as necessary. Negative responses are not required. All items on the Trust Fund Renovation/Construction Project Form (BP-A0904) are addressed.

(5) **Additional Funding Requests.** Institutions requesting funds exceeding the yearly allotment for any designated category (Object Class) (i.e., emergency need for equipment replacement, special needs for telephone services) route the request through the Regional Comptroller to the Chief, Trust Fund Branch, for consideration. In all cases, funds are approved before expenditure by the institution.

The Trust Fund Supervisor ensures the operation is managed within allotted budget resources (funds and positions).

d. **Trust Fund Profits.** The Chief, Trust Fund Branch, reviews the Trust Fund's financial status annually to determine whether funds are available for distribution of profits to institutions. If funds are not available, no distribution is made. If funds in excess of operating expenses and required reserves are available, they may be distributed based on each institution's population and performance measured against established Performance Objectives.

Performance Objectives for the year may be announced in October. The evaluation of performance and determination of the institution's profit-sharing amount are made after the close of the Fiscal Year. The Chief, Trust Fund Branch, distributes funds for expenditure in the next year through allotment advice to the regions.

Note: Profits may not be used for the personal benefit of individual inmates, but to provide benefit or the opportunity to benefit all inmates. In addition, profits may not be used to purchase items ordinarily procured from funds appropriated by Congress for care of prisoners.

(1) **Authorized Expenditures of Trust Fund Profits.** Trust Fund profits may be expended on items, services, and programs as follows:

- **Prizes and Awards** – soft drinks, snacks (such as popcorn, chips, or ice cream), or other non-property items for field day events, recognition gatherings, talent shows, and bingo.
- **Recreation Activities** – movies, cable television, educational tapes and books, board/card games and game tables, and entertainment such as guest speakers, plays, and musical groups.

Note: Funds for purchasing movies and cable television are subject to restrictions. They may only be used to purchase a single premium cable movie television channel or a video license and video rentals.

If the institution has sufficient Trust Fund Profit Sharing funds, additional cable services such as ESPN, MTV, Black Entertainment Television (BET), or Univision (Spanish Channel) may be purchased. However, the institution is still limited to one premium movie channel if the institution does not purchase a video license and rentals.

Satellite dishes may be purchased only when a request is approved by the Regional Director and the Chief, Trust Fund Branch.

- **Arts and Crafts Activities** and instructors for arts and craft activities.
- **Recreation Programs, Equipment, Supplies, and Repairs** – non-electronic score boards, team shirts, non-electronic musical instruments, recreational equipment and supplies, etc., and repairs directly related to the base recreation program not exceeding \$3,000.

Note: If a repair exceeds \$3,000, no Trust Fund funds may be used for any part of it.

- **Educational Programs and Supplies** – self-help and educational videos, equipment for audiovisual centers in libraries, subscriptions to vocational magazines, library books, etc., in addition to the standard items purchased by S&E. Educational programs may include instructors, speakers, and seminars of vocational or life-skill value (job interview skills, resume writing,) job fairs, etc.
- **Inmate Services Items** – microwaves for inmates to use with Commissary-purchased items, washers and dryers for inmate use (provided the institution has a regular institution laundry operation and these services are sold to the inmates), popcorn machines, typewriters and typewriter supplies, etc.

Note: The S&E Appropriation is used to purchase televisions for the housing units. Maintenance and repair of this equipment is also provided from S&E.

- **Holiday Programs** – special seasonal programs, unit and visiting room holiday decorations, inmate holiday gift packages, etc.
- **Inmate Health/Fitness Programs** – instructors and supplies for wellness, nutrition, physical fitness, health fairs, etc.
- **Children's Items/Programs** for children of inmates – games, books, toys, play areas with playground equipment, Family Day Activities, etc.
- **Activities of Inmate Organizations** that the Warden approves under the Program Statement **Inmate Organizations**. This may include a special meal for an inmate organization event provided the meal is provided in accordance with other Bureau policy.
- **Other items** as approved by the Assistant Director for Administration under these guidelines.

(2) **Special Allotments for Inmate Programs.** The Trust Fund may provide special allotments for certain inmate programs. Only the specified amount of the Trust Fund allotment is used to fund each program.

Inmate Performance Pay. Trust Fund provides an allotment for Inmate Performance Pay at institutions. Only the specified allotment of the Trust Fund profit distribution is used to pay inmate salaries (i.e., other profit sharing funds may not be used to fund additional inmates); this allotment may not be used for other profit sharing purposes, or for other Trust Fund or S&E purposes, unless approved by the Chief, Trust Fund Branch.

Base Recreation Operating Costs. Trust Fund provides an allotment for basic operating costs of the Recreation program. This is used for contracts, supplies, equipment, and minor repairs not exceeding \$3,000 related to the mission of the Bureau's inmate Recreation Program, unless approved by the Chief, Trust Fund Branch. This allotment may not be supplemented with other S&E funds.

Note: The S&E Appropriation will continue to be used for staff-related expenditures such as salaries, benefits, travel, and training and for the total cost of any repairs exceeding \$3,000.

Other Inmate Programs. The Trust Fund may provide special allotments for inmate programs such as Bureau Rehabilitation and Values Enhancement (BRAVE), Resolve and Rehabilitate Program, Mental Health Treatment Programs (e.g., Skills Program, Step Down Units, Habilitation Program, Axis II Program), etc. An allotment may be used for contracts, supplies, and equipment related to the program. No funds from these allotments are spent for employee salaries, benefits, travel, or training.

(3) **Prohibited Uses of Trust Fund Profits.** Trust Fund profits cannot be spent for:

- Individual items of clothing or property for inmates – sweat suits, shoes, bedding, etc.
- Instruction (live or broadcast) or training equipment for boxing, wrestling, judo, karate, or other martial arts, or for purchasing bodybuilding or weightlifting equipment.
- Electric or electronic musical instruments.
- Premium movie cable television channels or video rentals that show R, X, or NC-17 rated movies, unless procedures are in place to prevent these rated movies from being viewed by inmates.
- Pay-per-view television events or movies.
- Construction or renovation of buildings, running tracks, gymnasiums, or playing courts and fields. See Section 2.3.c.(4) for approved renovations.
- Security-related items – radios, handcuffs, fences, razor wire, high mast lighting, etc.
- Prepared meals from outside sources – Domino's Pizza, Kentucky Fried Chicken, Burger King burgers/fries, etc.
- Utility expenses – water, electric, etc.

- Medical services, supplies, or medical equipment that are the responsibility of Health Services.
- Barber Shop/Beauty Shop equipment/supplies.
- Basic furniture for living units or the visiting room, such as chairs and tables; in-cell furnishings such as coffee pots or televisions.
- Funds paid directly to inmates, loans to inmates, donations to charities, or dues to national organizations.
- Items or programs that are the primary responsibility of another Department that has S&E funding (Education/Legal/Food Service/Medical).

(4) Questions regarding appropriate uses of Trust Fund profits are directed to the Chief, Trust Fund Branch.

2.4 TRUST FUND INMATE WORKERS. Inmates receive compensation from the Trust Fund Appropriation for work performed in support of Commissary activities. Relatively short absences due to callouts, hospitalization, sick line, etc., do not affect the period covered.

Inmates who refuse to participate in the Inmate Financial Responsibility Program may not work in the Trust Fund operation.

a. **Rate of Pay.** The hourly rate of pay for inmates assigned to Commissary activities is:

\$.55 per hour starting.

.75 per hour after 3 months' service, if warranted.

.95 per hour after 6 months' service, if warranted.

1.20 per hour after 9 months' service, if warranted.

Any increase in pay (not to exceed \$1.20 per hour) is based on the inmate's work performance and availability of funds.

b. **Bonus Pay.** Bonus Pay may be awarded to Trust Fund inmate workers. It may not exceed one-half of the inmate's monthly pay. A recommendation is made by the work assignment supervisor.

c. **Part-time Workers.** Inmates working part-time in the Commissary during the evening and at other jobs during the day may be paid Inmate Performance or UNICOR pay for daytime jobs and Trust Fund pay for evening work. Good judgment must be used when employing an inmate in two areas, considering both work schedules and security conflicts.

d. **Restrictions on Inmate Duties.** Inmates do not access any Trust Fund systems except through TRUFONE or TRULINCS. Inmates do not have access to Trust Fund computer manuals. Inmates never handle other inmates' original Commissary sales receipts, or aid in sales reconciliation procedures. Inmates do not participate in Commissary inventories other than organizing stock to facilitate inventories. Inmates do not handle documents related to the Inmate

Telephone Service, unless authorized in this Manual or other policy.

2.5 PURCHASING OF NON-RESALE ITEMS. Trust Fund funds are used to purchase supplies and equipment directly related to Trust Fund functions. Trust Fund contracts and purchase orders are subject to the same rules, regulations, and limitations governing institution transactions. Funds are not used to procure plumbing, electrical, air conditioning, or any other maintenance equipment and supplies except under the formal Trust Fund renovation process.

The Government Purchase Card Program is used to procure Trust Fund supplies, equipment, and services, as authorized in the Program Statement **Bureau of Prisons Acquisition Policy**.

2.6 TRUST FUND PERSONAL PROPERTY

a. **Purchase of Personal Property.** Capitalized or non-capitalized personal property is not obtained (donated or purchased) without prior approval from the Chief, Trust Fund Branch. The definition of personal property is found in the Program Statement **Property Management Manual**.

Personal property purchased from the Trust Fund Appropriation must be made to support Trust Fund Programs. Normally, requests for personal property are submitted through the annual budget request process. An individual Major Equipment Justification (BP-A0135) is submitted to the Chief, Trust Fund Branch, through the Regional Comptroller. If approved, the request receives a Special Authorization (SA) Number, which appears on the Purchase Order in the Request for Purchase block. The SA Number also provides authority to expend Trust Fund funds for personal property items.

SA Numbers are required for purchase or rental of a copy machine used for inmate copy operations. However, Department of Justice forms are not required when the copy machine is funded through the Trust Fund Appropriation.

b. **Controlled/Capitalized Personal Property.** Controlled or capitalized (more than \$5,000 in value) personal property (see the **Property Management Manual**) purchased from the Trust Fund Appropriation is entered into the SENTRY Property Management System (SPMS) and maintained in accordance with the **Property Management Manual**.

Note: A waiver was granted to the Trust Fund to exclude non-capitalized TRUFACS/TRULINCS computer equipment (computers, printers, scanners, etc.) from the controlled property listing. All other Trust Fund equipment, including TRUFACS equipment over \$5,000, is controlled in the SPMS per the **Property Management Manual**.

c. **Capitalized Personal Property Purchased From Profit Sharing Funds.** Equipment purchased from Trust Fund profit distributions is handled in the same manner as all other capitalized personal property. Upon receipt, the item(s) are entered into the SPMS under the Cost Center where it was purchased. The purchase of capitalized or non-capitalized personal property,

using Trust Fund Profit Sharing funds, does not require prior approval or a Special Authorization (SA) Number from the Chief, Trust Fund Branch.

d. **Personal Property From Surplus Sources.** Personal property may be acquired from surplus sources, following procedures in the **Bureau of Prisons Acquisitions Policy** and the **Property Management Manual**.

e. **Survey of Trust Fund Personal Property.** Trust Fund Branch approval is not necessary before disposal of Trust Fund controlled personal property that has met its life expectancy. A Report of Survey (BP-A0111) is prepared per the **Property Management Manual**.

A copy of the Report of Survey for Trust Fund personal property damaged or lost through unusual circumstances, such as fire or theft, is sent through the Regional Comptroller to the Chief, Trust Fund Branch, promptly after completion, with an explanation of the circumstances.

f. **Transfer of Personal Property.** Equipment, purchased with Trust Fund funds for use in the Trust Fund operation, which is no longer being used should be made available to other Bureau Trust Fund operations before being transferred to a non-Trust Fund Appropriation either locally or at another institution. If efforts have been exhausted for transferring the property within the Bureau, it may be offered as excess property outside the Bureau per the **Property Management Manual**.

■ **Transfer Between Institutions.** Personal property may be transferred from one institution Trust Fund operation to another using guidelines for transferring excess property outlined in the **Property Management Manual** and the SENTRY Financial Management Technical Reference Manual.

Equipment may be transferred from one Trust Fund operation to another without Trust Fund Branch approval using the SPMS Transfer Out (TRO) function using the X4 Trust Fund Appropriation. When the Trust Fund Appropriation is used under the TRO function, entries are automatically posted in the automated accounting system.

Staff responsible for inventory management only use X4 as the appropriation for the TRO function. Transfer through the S&E Appropriation is no longer required.

■ **Transfer from Trust Fund to Other Appropriations.** Institutions planning to transfer personal property from the Trust Fund Appropriation to another appropriation submit a completed Stores Requisition, Invoice and Transfer Receipt (BP-A0100) through the Regional Comptroller to the Chief, Trust Fund Branch, before transfer. This does not apply to equipment purchased under the Trust Fund profit sharing program.

g. **Trust Fund Equipment Priority List.** Annually, institutions develop their equipment needs

along with the budget request for operational expenses in accordance with the **Budget Execution Manual**. Each institution is given a minor equipment budget as a standard part of the initial financial plan for purchasing Commissary-related equipment only. These funds may be expended for minor equipment under one Special Authorization Number (provided with the financial plan), except that these funds are not used to purchase computer equipment or peripherals attached to any Trust Fund system, local area network (LAN), or wide area network (WAN).

An individual Major Equipment Justification (BP-A0135) is required for any requested major or minor equipment (controlled, capitalized, and non-capitalized), in addition to the initial allotment or for any computer equipment. Funding and Special Authorization Numbers for approved items are included in the initial financial plan.

Supplemental requests, including the Major Equipment Justification (BP-A0135), for any major or minor equipment are forwarded to the Chief, Trust Fund Branch, through the Regional Comptroller. If approved, a Special Authorization (SA) Number is assigned. SA Numbers are placed on all procurement documents.

Chapter 3. COMMISSARY OPERATIONS

3.1 SECURITY

a. **Commissary Security.** Security is of high importance to staff involved in Trust Fund operations. Merchandise lost through negligence or theft by inmates reduces funds available for the Trust Fund. The minimum security standards for Commissary procedures are:

- Inmate workers entering or leaving the Commissary are pat searched. Occasional visual searches (strip searches) are authorized and are conducted per the Program Statement **Searches of Housing Units, Inmates, and Inmate Work Areas.**
- A staff member supervises the removal of all trash leaving the Commissary. Boxes and cartons are broken down.
- Inmates who steal merchandise from the Commissary are subject to disciplinary action per the Program Statement **Inmate Discipline Program.**
- No more inmates than staff can effectively manage and control can work in the Commissary. Inmates never work in the Commissary without staff supervision, and are never locked in the Commissary without a staff member present.
- At least annually, or at the Trust Fund Supervisor's request, a Correctional Services staff member performs a complete security review, including a check of the physical facilities of the Trust Fund operation. A written report is sent to the Trust Fund Supervisor. The Trust Fund Supervisor notifies the Chief, Trust Fund Branch, through the Regional Comptroller of significant problems identified in the reviews.

b. **Key Security.** Trust Fund operation keys are "hot" keys and are only issued to designated staff. The Trust Fund Supervisor and employees assigned to the Commissary may have keys to the Commissary and storage areas on a 24-hour check-out basis. Employees not directly assigned to the Commissary or storeroom do not have keys to these areas. A key to the Commissary and storage areas is kept under glass in the control room for emergencies (e.g., fire or refrigeration breakdown).

When it is in the Bureau's best interest that Trust Fund keys remain at the institution, use the following procedures. A special wood/metal box(s) with a glass front, large enough to contain the entire Trust Fund key ring(s), or an individual Trust Fund key ring, is kept in the control room. At the end of each work day, the Trust Fund ring(s) is locked securely in this box. A key to the locked box may be checked out on a 24-hour basis to employees assigned to the Commissary and the Trust Fund Supervisor. In an emergency, the glass may be broken to obtain the keys. After any such incident, a memorandum is sent to the Warden with a copy to the Captain and Trust Fund Supervisor documenting the situation that required emergency access.

c. **Hot Room Security.** Each institution establishes local procedures for a "hot room" in the Warehouse to secure Trust Fund merchandise not directly received into the Commissary. The "hot room" is a secure locked area in the Warehouse separate from other storage areas. Only Trust Fund merchandise is stored there. Inmates are not allowed access to the "hot room" unless

supervised by Warehouse/Trust Fund staff. When Warehouse space is not available, Trust Fund merchandise is received directly into the Commissary. Trust Fund merchandise is never left in an unsecured area.

d. **Merchandise Security.** To ensure that sales items are not concealed inside one another or otherwise mishandled, a staff member passes merchandise through the sales window to the inmate. Staff do not rely on inmate employees for a count of the quantity sold or for item numbers of the merchandise sold.

Exercise care in moving inventory from the Warehouse to the Commissary. When merchandise must be moved across the compound, consider a covered, securable container. No more inmates than can be properly supervised are used to transport merchandise.

Only a reasonable number of items expected to be sold during a sales period are removed from the secure location.

e. **Postage Stamp Security.** Due to the unique risk associated with management of postage stamps in a correctional environment, the following procedures are required. Postage stamps brought to the sales counter are secured in a locking drawer, cabinet, or other lockable container at the sales counter, and returned to the safe when sales are not being conducted. All stamp transfers must be generated utilizing TRUFACS and require both staff signatures. The stamp transfer receipt shall be maintained in the receiver's stamp compartment until the next semi-annual inventory is reconciled.

TRUFACS updates each Warehouse/Trust Fund staff member's stamp inventory automatically as stamps are sold. Each Warehouse/ Trust Fund staff member reconciles the physical stamp inventory to the TRUFACS stamp inventory at the end of the day. Any overages/shortages identified during the physical count are reported in writing no later than the following business day to the Trust Fund Supervisor.

The Trust Fund Supervisor then enters an inventory adjustment in TRUFACS that is added to the other adjustments for that accounting period. The overage/shortage in TRUFACS for that accounting period generates a Semi-Annual Inventory Adjustment. The Trust Fund Supervisor makes all reasonable efforts to ensure the affected Warehouse/Trust Fund staff member's inventories are adjusted in TRUFACS before beginning additional sales.

Note: Under no circumstances may staff members set aside any stamp overage to offset a potential future shortage. Commissary stamp inventory is maintained only in TRUFACS.

f. **Postage Stamp Storage.** A fire-resistant, sturdy, and physically substantial file cabinet/safe with separate combination locking compartments is used to keep the stock of stamps for the Commissary. Compartments are numbered or labeled on the outside door of each. Staff will lock the safe compartment door when stamps are kept in the safe.

Note: Institutions with existing file cabinets/safes with separate key locking compartments may keep them. File cabinets/safes purchased after this Manual’s issuance must contain combination locking compartments.

The file cabinet/safe is kept in a room or office that is secure and separate from the general Commissary stock areas. The safe cannot be in an area where inmates may have an opportunity to tamper with it. Inmates are never in the room/office when the door(s)/compartment(s) are unlocked. Ideal locations include a locked Commissary staff office or “hot room.”

Each staff member handling stamps is assigned a separate compartment with a separate combination lock. Only the individual assigned to a compartment has the combination. The employee seals a duplicate combination to each separate compartment within the safe in a separate envelope with his/her signature and date across the seal. The statement below appears on the envelope; the employee hand-carries the envelope to the security officer, who obtains a Warden’s signature and keeps it in the telekey cabinet:

“This envelope containing the duplicate combination to **(insert employee’s name)** compartment number **(insert compartment number)** of the Commissary safe containing stamps shall be opened only in the presence of the Trust Fund Supervisor, a Union representative, and one of the following staff members:

Business Administrator
Supervisor of Warehouse operations (only if the envelope does not contain the key/
combination to this individual’s compartment)
One other OFM/Trust Fund employee”

Signed _____
(Warden)

Date _____

Procedures listed below are followed when a sealed envelope/compartment is opened:

- Inventory and compare the number of stamps in the compartment with the information in TRUFACS. Document the results of each stamp denomination inventory in the compartment on the TRUFACS Stamp History by User Screen.
- Transfer the contents to another appropriate employee using TRUFACS.
- Have the two employees who witnessed the opening of the envelope document and sign the inventory.
- Provide copies of the inventory to the previous employee who used the compartment and the Trust Fund Supervisor.

No employee, other than the Trust Fund Supervisor and the member of the Warehouse/Trust Fund staff assigned a compartment, has access to the combination to the external door of the safe, if applicable.

Safe combinations are changed at least once each year. Individual compartment combinations are changed whenever there is a change in staff in a Commissary position using the particular compartment. Institution security officers, or locally procured services of a security officer, may be used to obtain technical instructions for changing combinations. A log will be kept indicating date and reason for the change.

The actual setting of the new combination(s) is personally performed by the staff member assigned to the compartment. The security officer must not know the combination.

3.2 SPENDING LIMITATION. It is Bureau policy to allow inmates the opportunity to purchase goods in the Commissary. To eliminate the disparity between affluent inmates and inmates with few resources, a spending limitation is necessary.

The \$320 spending limitation is the maximum amount an inmate is allowed to spend per month on sales items not excluded from the monthly spending limitation, described in paragraph b. below.

The spending limitation may be increased for 30 days by \$50 during the November/December holiday period. The increased spending limitation for each inmate is in effect for no more than one validation period.

a. **Limitations.** Each Warden sets a monthly spending limitation not to exceed the national limitation for Commissary sales. To enable institution management to control or restrict gambling and other illicit activities involving payoffs, local controls (including quantity limitations) may be set to restrict trafficking of Commissary items.

b. **Exclusions from the Spending Limitation.** The only items excluded from the spending limitation are:

- Postage stamps.
- Nicotine Replacement Therapy (NRT) patches.
- Over-the-counter medications as defined in Section 3.3.f(14).
- Kosher/Halal shelf-stable entrees for inmates who are FRP Refuse.
- Copy cards and copy paper.

c. **Revalidation of Spending Limitation.** The spending limitation is automatically revalidated once per month for each inmate except where weekly or bi-weekly validation is used.

3.3 ITEMS TO BE SOLD IN THE COMMISSARY

a. **Item Determination.** Within the following guidelines, the Warden and designated staff

decide, based on the composition and character of the institution population, what items to sell. Items shall complement, not supplement, diet and medical care provided to inmates.

Institutions are encouraged to offer Commissary goods that are acceptable for inmates with religious dietary restrictions. To expand the availability of foods for Islamic and Jewish adherents, when costs are comparable and products meet the needs of the institution, products should be selected from a variety of name-brand foods that have a reliable kosher certification or are free of pork and pork by-products.

In addition, during the week of Passover each year (early spring), inmate requests for certified kosher-for-Passover snacks should be accommodated using normal Trust Fund procedures. Information about the products and certifications is available from the institution Chaplain or the Religious Services Branch, Central Office.

b. **Approved Items.** Each institution establishes items approved for sale through the Commissary. Per the Program Statement **Inmate Personal Property**, a list of all items identified “for local use only” is posted in the immediate Commissary area; these items are identified on the shopping list.

c. **Product Warnings or Caution Labels.** Any product that displays a caution or warning label (flammable or toxic) must be reviewed by the Trust Fund Supervisor and the institution Safety Committee before stocking.

d. **Requests for Review of Questionable Sales Products.** The Warden refers questionable or controversial items under consideration for sale to the Chief, Trust Fund Branch, for final determination.

e. **Quantity of Items.** The selection of Trust Fund items to be stocked should not be so great as to place a burden on the storage facilities, sales space, and staff. The number of total items sold in the Commissary cannot exceed 600, excluding over-the-counter medications.

Note: Soups are considered one item regardless of the number of brands; stamps are one item; cookies are one item; sodas are one item; candy bars are one item; etc. **Make efforts to stock items that have a Universal Product Code (UPC) whenever possible.**

f. **Categories and Examples of Products Approved for Sale in the Commissary.**

(1) **Edible Items**

- Cookies, crackers, potato and corn chips, doughnuts, candy bars, bagged candy, peanuts, mixed nuts, dry cereal.
- Items not requiring refrigeration before opening, such as tuna fish, sardines, salmon, potted meats, Vienna sausage, sandwich meats (Spam, Treet, etc.), dried beef sticks, chip dips, and

processed fruit.

- Frozen items (such as pizza, ice cream, yogurt, sherbet, and ice cream novelties), provided that adequate freezer storage is available before sale. These items may only be sold in such quantities that ensure they are eaten before the need for refrigeration.
- Peanut butter, honey, dry soup mix, bouillon cubes, etc.
- Nutrition bars such as Balance that are **not** marketed as body-building or weight-enhancing and do **not** contain unauthorized supplements. Bars must have less than 25 grams of protein and carbohydrates in one serving size.
- Sugar-free snacks, such as diet carbonated drinks, instant drinks, and candy.

Note: Institutions should ensure that healthier snacks are available. These include: fruit juices, dried fruit, applesauce, fruit snack packs, cup-a-soup, tuna (in water), graham crackers, cheese crackers (low salt), peanut butter crackers (low salt), Fig Newtons, cracker snacks (low salt, low saturated fat), pretzels (no visible salt), instant oatmeal, rice cakes, bagels, dry roasted nuts (unsalted), granola bars (no coconut), low-fat or fat-free frozen yogurt (plain, lemon, coffee, and vanilla), pudding cups (low-fat or fat-free), and other low-calorie, reduced-calorie or fat-free, low-cholesterol or cholesterol-free, and low-saturated-fat or fat-free snacks.

(2) **Kosher/Halal Shelf-Stable Entrees.** The Commissary **must** make available for purchase, or sell through the SPO Program, a minimum of four Kosher/Halal-certified entrees. Individual entrees are in sealed bowls suitable for microwaving and contain the Kosher and Halal certification on the label. Direct questions concerning proper certification to the Religious Services Branch, Central Office.

Note: Inmates are limited to purchasing 14 shelf-stable entrees per Commissary visit, and may not have more than 21 shelf-stable entrees in their possession. However, Wardens may limit the number of entrees stored in inmates' cells to less than 21 for inmates at the ADX Florence, Colorado, or in any special housing unit or hospital, if a limitation is necessary for security and sanitation.

(3) **Beverages and Related Items.** Instant drinks such as coffee, tea, Tang, Kool-Aid, hot chocolate, powdered milk; condiments such as non-dairy creamer and sugar; carbonated drinks such as Coca-Cola, Pepsi-Cola, Royal Crown Cola, and Seven-Up; juices such as apple, orange, grape, pineapple, and grapefruit.

(4) **Postage Stamps.** The Commissary may sell a maximum of five different denominations of stamps. The only first class stamp purchased for resale will be the "Forever" stamp. The Commissary may stock pre-stamped international postage envelopes. The Commissary must have sufficient stamp denominations to allow mailing of domestic letters, letters in excess of one ounce but not requiring an additional first class stamp, foreign mail, packages, registered or certified letters or packages, and any other charges attributable to mail privileges.

Ordinarily, the Commissary sells no more than 20 postage stamps (for first class, domestic, one-ounce mailing), or the equivalent per Commissary visit. An exception may be made where

visits are limited to one per week or less, in which case the Unit Manager may authorize additional purchases based on a demonstrated need.

(5) **Radios.** Only clear digital radios (AM/FM) are permitted for sale after current stock is depleted. Radios are battery-operated, receive only AM/FM frequencies, and are equivalent to a Sony Walkman AM/FM (Digital) – that is, a “Walkman”-type radio/receiver that can only be listened to using earphones, has been approved by the Warden, and has performance and characteristics that comply with Federal Communication Commission (FCC) requirements in 47 CFR, part 15, subpart C.

(6) **Watches.** Watches (\$100 maximum selling price, no stones, electronically unsophisticated [i.e., cannot send or receive signals]) and watch batteries.

(7) **MP3 Players.** In order to provide an additional method to disseminate information, provide educational materials, provide inmates access to music at remote locations and access to culturally diverse music, the MP3 player identified by the Central Office, Trust Fund Branch shall be sold in the Commissary. This MP3 player shall only be ordered from the vendor identified by the Central Office, Trust Fund Branch, to ensure the special security features and interface with TRULINCS function correctly.

The players will have many of the normal features deactivated (Micro SDHC slot, microphone, etc.) for security purposes.

The players will be programmed with security controls which will link each player to a specific inmate. Once the player is activated it will display that inmate’s name and register number.

The player casing will be at least partially clear.

The decision to allow MP3 players in Special Housing Units (DS/AD) or any other special units shall be made locally.

The MP3 chargers (including covers) used to charge the MP3 players must conform to the specifications provided by the Central Office, Trust Fund Branch. The MP3 charger is a 12-port Mini-USB charging station, secured with a cover. The set up of these stations will be determined locally.

(8) **Electrical Appliances.** Fans may be sold on a local-option basis where weather conditions dictate and the electrical system can handle them.

(9) **Miscellaneous**

- Writing supplies (pens, pencils, paper, envelopes, paper, greeting cards, and address books); alarm clocks; word spellers; plastic bowls; cups and hangers; wallets; small purses; athletic and cosmetic bags; tokens for laundry or copy services; and TRUFACS-generated photo

vouchers.

- Playing cards, fingerless athletic gloves, handball gloves, harmonicas, racquet and tennis balls, weightlifting belts/gloves/wraps, and softball gloves.
- Master Lock Padlock #1525 or equivalent that is keyed V-85 is the **only** combination padlock permitted in accordance with the Security Officer's direction.

(10) **Clothing.** The following items may be sold in accordance with restrictions identified in the Program Statement **Inmate Personal Property** and that are appropriate for the institution.

- Athletic supporters.
- Bathrobes (no hoods); males white or grey/females white or pastel green.
- Baseball caps (no logos); males white or grey/females white or pastel green.
- Gym shorts; males white or grey/females white, pastel green, or grey.
- Handkerchiefs; white.
- Headbands/sweatbands; white.
- Knee wraps.
- Socks; white.
- Stockings/pantyhose; females skin tone.
- Sweatpants (cotton/no logos); males grey/females white, pastel green, or grey.
- Sweatshirts (cotton/pullover/no hoods/no logos); males grey/female white, pastel green, or grey.
- T-shirts/sleeveless undershirts (no pockets/no logos); males and female white or grey.
- Underwear; males white or grey boxers or briefs/ females white bras and panties.
- Religious headgear (see the Program Statement **Religious Beliefs and Practices**).

(11) **Shoes.** The following may be stocked or sold through the SPO process:

- Athletic, specialty shoes (i.e., a court, turf, basketball, or running shoe) (\$100 maximum selling price with no pumps, no pockets) in black or white, or a combination of black or white, or with gray markings (no other colors allowed) (2 pr).
- Casual (such as hushpuppies) (1 pr).
- Shower (1 pr).
- Slippers (1 pr).
- Work (ASTM Standard F2412-05 and F2413-05) (1 pr).

(12) **Toiletries.** Common items such as soaps, deodorants, hair grooming supplies, shaving supplies, general cosmetics, and other grooming aids.

(13) **Hygiene Items.** Non-prescription drugs and personal hygiene items that are sold over-the-counter in drug and grocery stores may be considered using these examples as guidelines.

DENTAL PRODUCTS

Toothbrushes
Denture brushes
Dental bridge cleaners such as Dentu-Creme
Toothpaste
Unwaxed dental floss
Floss threaders
Denture adhesive (powder or paste)
(See Section g. on the prohibition on denture cleaning tablets)

MISCELLANEOUS PRODUCTS

Cough drops
Mouthwash (non-alcoholic)
Contact lens solutions
Disposable douche
Suntan lotion
Magic Shave
Wheat germ
Artificial sweeteners such as Saccharin and Nutra-sweet
Band-Aids
Earplugs
Analgesic balm (such as Ben Gay, A-Balm, generic)
Arch Supports (Dr. Scholls)
Corn pads (Dr. Scholls)
Insoles (Dr. Scholls)
Lip ointments (such as Chapstick)
Moisture lotion (such as Keri, Intensive Care, generic)
Medicated rubs (such as Mentholatum, Vicks VapoRub)

PERSONAL HYGIENE PRODUCTS

Deodorants (such as Right Guard)
Bar soaps (such as Zest, Ivory, Neutrogena, generic)
Disposable plastic razors (such as Bic)
Shaving cream
Shaving brushes
Combs and brushes
Feminine hygiene products (such as Tampax)
Hair shampoos and hair conditioners
Laundry soaps/detergents

(14) **Over-the-Counter Medications/Medical Products.** The Trust Fund Branch, with the Health Services Division, makes a list of over-the-counter medications/medical products approved

for sale. This list may be found on Sallyport. At least 25 of these items must be stocked in Commissaries. At no time can expired over-the-counter medications or medical products be sold.

(15) **Sale of Hair Dye.** The following procedures shall only apply to Low Security or higher female institutions where there is an established Vocational Technology Cosmetology Program.

An inmate may only buy a hair dye coloring product that is closest to their natural hair color. The primary colors will be black, red, brown, and blonde.

Hair dye may be stocked or sold through the SPO process.

At purchase, an authorization signed by a Bureau Education staff must be verified to include:

- Date.
- Inmate's committed name.
- Register number.
- Natural hair color authorized for purchase.

This authorization allows the inmate to purchase one hair dye at a time. Trust Fund staff will forward the hair dye and completed authorization form to the Education Department for secure storage.

Hair dye sold will not contain ammonia.

Local procedures will be addressed in a Commissary Institution Supplement or as a component of a consolidated supplement on Trust Fund Operations specifying Commissary Operations. At a minimum, the following is addressed:

- Identify staff to ensure direct staff supervision of inmates while using hair dye.
- Identify procedures for staff who will pick up the hair dye.
- Identify procedures to be used for disposal of unused hair dye.
- Identify the frequency an inmate may purchase hair dye.
- Identify procedures to direct inmates who dye their hair to retake their photo.
- Identify procedures for securing the hair dye after purchase.

At locations where there is not a Vocational Technology Cosmetology Program, similar procedures will be established to ensure proper use and accountability of hair dye.

(16) **Medications for Smoking Cessation Programs.** In accordance with the Program Statement **Smoking/No Smoking Areas**, Nicotine Replacement Therapy (NRT) patches may be sold. NRT patches may be stocked or sold through the SPO process.

At purchase, an authorization signed by a Bureau health care provider must be verified to include:

- Date.
- Inmate's committed name.
- Register number.
- Specific dosage of NRT patches authorized for purchase.

This authorization allows the inmate to purchase one two-week supply of NRT patches at a time while in the program. The Commissary makes available NRT patches (e.g., Nicoderm brand) in several dosages (7 mg, 14 mg, and 21 mg), each sufficient for a two-week supply. No other cessation products such as gum or lozenges are authorized. Trust Fund staff forward the completed authorization form to the Health Services Department.

(17) **Vitamin/Mineral Supplements.** Only the following are authorized:

- Calcium tablets, 250 mg tablets as calcium carbonate (such as OsCal, generic).
- Vitamin tablets, multiple or Vitamin B Complex, one-a-day type, containing no more than 150% of the Recommended Daily Allowance (RDA) of each vitamin (but may contain these minerals at no more than 150% RDA: calcium, phosphorus, iodine, magnesium, copper, zinc, and manganese).
- Vitamin E, capsule (gelcap), not exceeding 400 I.U. per capsule.
- Vitamin C, tablets, not exceeding 500 mg per tablet.

g. **Items Prohibited from Sale in the Commissary.** Certain items are prohibited from sale, for example:

- Tobacco products and smoking accessories.
- Coins.
- Protein/carbohydrate products, any product formulated as a tablet, capsule, liquid, powder, or bar that is described as "high protein," "amino acid," "high calorie," or "high carbohydrate," associated with body building, muscle enhancing, or weight lifting. Examples: Muscle Charger, 90% Protein Powder, Protein Plus, Muscle Majic, Sports Factor, Egg Protein, Hot Stuff, MET-RX, Muscle Stuff, Creatine, Carbo Plus, etc.
- Liquid dietary drinks/powders (Metrecal, Sego, Slender, Ensure, Boost, Slimfast, etc.).
- Prepared meals from outside sources such as Domino's Pizza, Kentucky Fried Chicken, Burger King burgers/fries, etc.
- Any item containing poppy seeds.
- All canned foods.
- Food items that cannot be kept at safe temperatures to prevent the growth of dangerous microorganisms before or after sale. **Potentially hazardous** food means any perishable food that consists in whole or part of milk or milk products, eggs, meat, poultry, fish, shellfish, or other ingredients capable of supporting rapid and progressive growth of infectious or toxigenic microorganisms. **Perishable** food means any food that may spoil.
- Fresh fruit and fresh vegetables.
- Beard trimmers

- Medications, other than those referenced in Paragraphs 13 and 15 above, not specifically approved by the Chief, Trust Fund Branch, and the Health Services Division.
- Medications, other than those referenced in Paragraph 13 for treatment of acne skin conditions, which contain benzoyl peroxide (such as Oxy 10 Lotion, Benoxyl 10 Lotion, Acne 10, and generic benzoyl peroxide lotions and washes).
- Vitamins, other than those listed in Paragraph 16.
- Bromo-Seltzer.
- Products containing olive leaf extract.
- Products for denture cleaning that are effervescent tablets/powders such as Efferdent and Polident.
- Cold medications that contain pseudoephedrine, such as Sudafed.
- Loaves of bread.
- Dietary supplements such as amino acids in the form of tablets, capsules, liquids, or powders; desiccated liver tablets; ginseng; C.O.Q.10; gamma oryzanol, etc.
- Products that contain manufactured L-Tryptophan pursuant to Food and Drug Administration (FDA) direction.
- Any item not approved by the FDA (i.e., garlic pills or tablets, green tea).
- Any item containing hemp seed oil.
- Smoking cessation products other than nicotine patches.
- Electrical appliances, except fans.
- Musical instruments, except the harmonica.
- Lighters or lighting paraphernalia, gas- or liquid-fueled or fueled by flammable material.
- Products in aerosol containers.
- Products containing chlorine as an active ingredient.
- Computer/calculator devices that allow programming or password protection of information.
- Magazines.
- Items with a unit price of \$100 or more unless approved, in writing, by the Warden. This authority may not be re-delegated below the level of Acting Warden.
- Radios capable of picking up shortwave, UHF, VHF, and television bands.
- Combination radio/tape players, recorder/tape players, recorders, compact disc players, video games, computer games, or portable televisions.
- Hair dye at FDC, FTC, MCC, MDC, and all male institutions.
- Containers of crushed red pepper spice.
- Individual MP3 chargers.

3.4 PRICING. The selling price of each item sold in the Commissary is calculated automatically in TRUFACS based on the actual cost and mark-up of the item. Use the following procedures to determine selling prices.

a. **Cost Price.** The cost of an item is established in TRUFACS when the initial Receiving Report is generated. The cost is based on a **sellable unit**, defined as the smallest individual unit sold in the Commissary. In the rare case when the purchase of a non-SPO regular item includes a shipping charge, the shipping charge shall not be included when determining the cost price of the item.

b. **Mark-up and Selling Price Computation.** The mark-up for the selling price of each item ordered and sold in the Commissary is automatically calculated based on the cost and mark-up selected in TRUFACS. The mark-up is based on the following:

0%	See paragraph e. below.
5%	SPOs purchased at retail cost.
30%	Standard/SPOs purchased at non-retail cost.
Pre-Printed	Sales price printed on packaging.
Non-Physical	Selling price of items not physically maintained in inventory (i.e., photo vouchers) is manually entered as appropriate.

Generally, the Federal Government does not pay taxes (State, local, or Federal) on purchases. However, when payment of taxes is required, these steps are followed:

- Divide the total tax charge(s) by the number of sellable units taxed.
- Add the tax per sellable unit to the cost price of the lowest sellable unit.
- Use this amount as the cost price for receiving purposes.

Occasionally, the selling price, rounded to the next highest nickel, may exceed the manufacturer's printed price. Then the selling price must be set at the manufacturer's pre-printed price, even though it may be in odd cents. In instances when the calculated selling price is less than the manufacturer's printed selling price, the calculated selling price is used. Pre-printed applies only to pre-printed, packaged, "across the counter" sales items (potato chips, pretzels, etc.). It does not apply to catalog prices such as those for SPO items (e.g., leather companies' catalogs).

c. **Selling Price Special Purpose Orders.** When it is necessary to purchase SPO items at retail cost, standard mark-up may not be used. **Retail cost** is defined as the cost at which the general public can purchase an item. The selling price is computed by adding a 5 percent "handling charge" or markup and adding shipping charges.

d. **Coupons/Tokens.** Coupons or tokens sold through the Commissary and used to purchase items or services are, without exception, marked up in the same way as stocked items.

e. **Selling Price With No Mark-up.** The following items have no mark-up added to the cost and are not rounded to the next \$0.05:

- Postage.
- Self-improvement textbooks.
- Correspondence courses.
- Tools and materials for educational/vocational training.
- Law books or other legal materials.
- Eyeglasses/reading glasses.

- Religious articles (excludes edible items).
- Smoking Cessation Program materials.
- Passover meals during Passover.

f. **Selling Price Change Trust Fund Merchandise.** Old and new stock may not be maintained at different selling prices. Once new merchandise is received at a price other than the current selling price (either higher or lower), the selling price changes for all identical items in stock.

Example: 17 units selling for \$.35 each are in the Commissary; 120 units of the identical item are received. The new shipment of 120 units cost \$.20 each. The computed selling price is \$.26 each and requires rounding to \$.30 each. In addition, the selling price of the 17 units on hand decreases to \$.30.

g. **Trust Fund Price Lists.** Institutions distribute lists of Commissary items and their selling prices to help inmates prepare shopping lists in advance.

h. **Refunds/Exchanges.** Sales are final after the inmate accepts the item(s), receives the sales receipt, and leaves the Commissary.

i. **Warranties.** Inmates may have damaged warranted items repaired/replaced by the vendor, but items are forwarded to an outside address at the inmates' expense. Items may not be returned to the institution.

j. **Manufacture/Retail Coupons.** Coupons are not honored at the Commissary.

k. **Rebates.** Institutions are not encouraged to solicit cash rebates for merchandise purchases, but to seek the best price available at the time of purchase. If a cash rebate is received, funds are deposited in the Trust Fund appropriation (15X8408) using sub-object code 2670.

l. **Samples.** Non-food product samples received from a vendor are returned to the vendor or destroyed after evaluation. Food samples considered for sale in the Commissary are only sampled by staff designated by the Trust Fund Supervisor. A sample is any item not currently sold in the Commissary.

m. **Promotion/Quantity Discounts.** Items identical to those ordered received with an order as part of a promotion or quantity discount are received via a Receiving Report and the cost per item computed using the total quantity received.

If promotional or discounted items are received after the original order Receiving Report has been processed, a donated Receiving Report is prepared using the latest cost price and selling price for that item. A non-TRUFACS donated receiver is entered into TRUFACS as an inventory adjustment.

3.5 SPECIAL PURPOSE ORDERS (SPO). It is not practical to stock all approved items of a special nature, such as books, hobbycrafts, etc. An SPO is an inmate request to purchase an approved item or items not routinely sold in the Commissary. Periodic reviews are made to determine whether any SPO item should be included as a routine stock item. SPOs are not approved solely for ordering a different color, brand, or quality of an item currently sold. Requests to purchase these items are approved on an individual basis.

Ordinarily, no more than one order is processed per month for any inmate. The maximum dollar amount allowed for SPO items is \$300 (cost price excluding shipping charges) per quarter. Exceptions may be made for projects which require items to be purchased from more than one vendor.

The Warden approves, in writing, individual leather items with a unit cost of \$100 or more for sale to inmates. The Warden also approves leather items whose size could pose a security risk. This authority cannot be re-delegated.

a. **Inmate Procedures.** Inmates desiring special purpose items shall submit a signed Special Purpose Order Request – Inmate (BP-200) to designated staff.

Note: The SPO Request form is used in place of the Request for Purchase (BP-A0101), and the documentation for Inmate Personal Property Record (BP-383). TRUFACS generates a Purchase Card Purchase Order or a Purchase Order and Receiving Report.

b. **Approval Process.** The approving official verifies that the SPO Request form is complete, includes current prices and catalog numbers, and, if the inmate is on FRP Refuse status, that purchase limitations outlined in the Program Statement **Inmate Financial Responsibility Program** are not exceeded.

Note: Inmates in FRP Refuse status may not be denied the ability to purchase Kosher/Halal shelf-stable entrees through the SPO Program.

The approving official ensures that limitations such as frequency of orders, single order maximum dollar amount, or quarterly dollar amount are not exceeded.

Approval is indicated on all copies of the SPO Request. After the approving official signs it, it is delivered to the Trust Fund Supervisor in a secure manner.

c. **Numbering.** TRUFACS assigns the SPO number as a special item number that is sequential following the two-digit fiscal year (FY 05; 05-0040, 05-0041). The item description contains the SPO number and the amount is encumbered automatically when the TRUFACS SPO is created. The TRUFACS-generated SPO number is recorded on the original SPO Request.

Ordinarily, SPOs are entered by close of business on the third workday following receipt by Trust Fund staff.

d. **Markup.** Trust Fund staff select the appropriate markup from TRUFACS based on the type of SPO requested. The calculation for the selling price is based on cost, markup selected, and transportation charges.

e. **Encumbrances/Fund Control.** The inmate's account is encumbered automatically for each SPO ordered in TRUFACS. The Trust Fund Supervisor ensures the SPO Request form is returned to the Approving Official if an SPO was rejected based on insufficient funds, exceeding the monthly quantity limit of SPOs or quarterly dollar limitations, spending limit restriction, or FRP Refuse status.

If required by the Trust Fund Supervisor, the Fund Control system may be used for SPOs.

f. **Procurement Procedures.** The SPO Request form, and any other ordering documents, is sent to Trust Fund staff. Once the SPO is created in TRUFACS, Trust Fund staff attach the TRUFACS-generated SPO to the original SPO Request Form and forward the non-purchase card order to Acquisitions staff to verify and order.

The Government purchase card order is forwarded to the Trust Fund Supervisor for approval, then back to the card holder to order. When possible, SPOs are purchased by Government purchase card by Trust Fund staff.

A copy of the SPO, and any other ordering documents, is sent to the Warehouse.

g. **Receiving.** Upon receipt of the SPO at the institution, a TRUFACS-generated Receiving Report is prepared per normal receiving procedures for Trust Fund resale merchandise.

h. **Selling.** A particular SPO encumbrance is released automatically; funds are deducted from the inmate's account at the time the merchandise is sold to the inmate through regular sales procedures. The inmate signs a sales ticket (unless fingerprint sale). The appropriate number of copies of the SPO Request form is signed at the time the inmate receives the article(s), verifying that the article(s) has been received.

i. **Filing Instructions.** A copy of the SPO Request form is given to the inmate. A signed copy of the original SPO Request form is scanned in TRUFACS and assigned to the inmate's SPO encumbrance (or must be retained).

j. **Transferred Inmates.** SPOs received for inmates who have been released or transferred may be disposed of locally. Examples of disposition include: return to the vendor, sale to another inmate at full markup price, or sale to another inmate at a reduced price. An SPO sold to another inmate applies SPO limitations for that inmate.

3.6 COMMISSARY SALES PROCEDURES

a. Sales Procedures – Non-Fingerprint Identification. The sales person uses the inmate identification card/official picture card to identify the inmate before initiating a sale. Photocopies or the image stored in TRUFACS are not accepted. The sales person keeps the card until completing the sale. Sales are conducted using TRUFACS after positive identification of the inmate:

- Sales to the inmate population are conducted in a secure manner. Inmates do not have access to sales items until they have been charged against the inmate’s account and passed to the inmate by a Trust Fund salesperson (under no circumstances will inmates be allowed to receive any item from the Commissary until the item has been charged against the inmate’s account). Sales to inmate workers assigned to the Commissary are conducted to ensure inmates have no access to purchased items until leaving the Commissary under direct staff supervision. Under no circumstances are inmates allowed to have previously purchased sales merchandise inside the Commissary.
- Manually pre-bagged items are only sold in clear plastic bags.
- Two copies are used as a sales receipt.
- When the sale is completed, one copy of the sales receipt is delivered with the merchandise to the inmate for a complete signature. The sales person retains one copy of the receipt and the inmate identification card/official picture card until the inmate has signed and returned a receipt. The sales person then exchanges the copy and inmate identification card/official picture card for the signed receipt. No receipt can be changed or altered in any way after removal from the printer. If a change is necessary, an additional sales transaction is conducted.

Note: Once the inmate signs the receipt and leaves the sales area, the sale is final.

- Inmates use a nylon mesh bag, if necessary, to bag their Commissary merchandise. Staff may use brown bags to facilitate Commissary deliveries.
- Each sales person places receipts for his/her sales station in numerical order to ensure all are accounted for. Missing receipts are reported to the Trust Fund Supervisor by the close of business the day following the sale. The Trust Fund Supervisor is encouraged to review sales packets periodically to ensure that all tickets are present and investigate any missing receipts.
- After all sales are completed, the “**Cash Drawer Summary**” reports for each sales station are produced indicating the quantity of stamps sold by denomination. TRUFACS posts quantities sold to the Warehouse/Trust Fund staff member’s Stamp History by User Screen.

Warehouse/Trust Fund staff reconcile their physical stamp inventory to TRUFACS using the Stamp History by User Screen immediately following the day’s sales. Discrepancies are investigated and reconciled immediately. Unresolved differences are reported in writing no later than the following business day to the Trust Fund Supervisor. See Section 1.e. for guidance when differences cannot be reconciled.

Salespersons ensure that their individual sales station's "**Cash Drawer Summary**" reports are attached to all sales receipts, and placed in a single expandable envelope. The date range is noted on the front of the envelope.

The Deposit Fund Technician verifies that the "Sales History Report at Selling Price" matches the Commissary Sales Extract from TRUFACS. Upon verification, the Deposit Fund Technician uploads the Commissary Sales Extract from TRUFACS into the automated accounting system.

The envelope(s) are filed in chronological order by sales date range in a secure area.

b. **Sales Procedures – Fingerprint Identification.** The sales person uses the inmate's fingerprint to identify the inmate before initiating a sale. Sales are conducted using TRUFACS after positive fingerprint identification of the inmate:

Note: Sales to incorrect inmates shall be corrected by crediting the appropriate inmate account. No other monetary action shall be taken to correct the accounts.

- Sales to the inmate population are conducted in a secure manner. Inmates do not have access to sales items until they have been charged against the inmate's account and passed to the inmate by a Trust Fund salesperson (under no circumstances will inmates be allowed to receive any item from the Commissary until the item has been charged against the inmate's account). Sales to inmate workers assigned to the Commissary are conducted to ensure inmates have no access to purchased items until leaving the Commissary under direct staff supervision. Under no circumstances are inmates allowed to have previously purchased sales merchandise inside the Commissary.
- Manually pre-bagged items are only sold in clear plastic bags.
- Receipt tape is used as a sales receipt.
- When the sale is completed, the sales receipt is given to the inmate.
- In the event that some sales conducted without the use of the fingerprint process (i.e., SHU, medical, fingerprint exempt), the signed receipt must be collected and filed in a sales envelope.

No receipt can be changed or altered in any way after removal from the printer.

Note: Once the inmate leaves the sales area, the sale is final.

- Inmates use a nylon mesh bag, if necessary, to bag their Commissary merchandise.
- After all sales are completed, the "**Cash Drawer Summary**" reports for each sales station are produced indicating the quantity of stamps sold by denomination. TRUFACS posts quantities sold to the Warehouse/Trust Fund staff member's Stamp History by User Screen.

Warehouse/Trust Fund staff reconcile their physical stamp inventory to TRUFACS using the Stamp History by User Screen immediately following the day's sales. Discrepancies are investigated and reconciled immediately. Unresolved differences are reported in writing no later than the following business day to the Trust Fund Supervisor. See Section 2.e. for guidance when

differences cannot be reconciled.

The Deposit Fund Technician verifies that the “Sales History Report at Selling Price” matches the Commissary Sales Extract from TRUFACS. Upon verification, the Deposit Fund Technician uploads the Commissary Sales Extract from TRUFACS into the automated accounting system.

c. **The Trust Fund Supervisor reviews the following reports daily:**

- **Item Quantity Below Zero Report.** Identify and address any items with a negative quantity on hand.
- **Credit Sales Summary Report.** Review to determine the appropriateness of credit sales transacted on a date other than the date of original sale. The review shall be documented and signed on the report.

d. **National Controlled Items Limits.** Trust Fund Supervisor approval shall be required before bypassing the “lifetime quantity exceeded” warning message during sales.

e. **Sales to Inmates Declared Incompetent.** In limited circumstances, the Warden may authorize Commissary sales for incompetent inmates when deemed advisable for the inmates’ welfare. In these rare circumstances, the Trust Fund Supervisor is given written documentation to support the sale, attached to the original sales receipt and filed by sales staff.

Note: Sales to incorrect inmates due to a failure in the fingerprint software or hardware shall be corrected by crediting the appropriate inmate account after receipt of written approval from the Trust Fund Branch. No other action shall be taken.

3.7 INVENTORY CONTROL

a. **Purchase of Resale Items.** Trust Fund contracts and P.O.s are subject to the same rules, regulations, and limitations governing institution transactions, except that it is optional for institutions to obtain competitive bids for Trust Fund merchandise purchased for resale in the Commissary. In addition, it is not mandatory that Federal Supply Service (FSS) schedules be used for purchase of items for resale.

Per the Commissioner, General Services Administration (GSA), on September 13, 1963, stock items may also be purchased through GSA for resale in the Commissary. When the procurement is not competitive, and specific brands of merchandise are required, exercise care that the procurement is made directly from a manufacturer or distributor who will provide a fair and reasonable cost.

b. **Purchase Procedures.** Warehouse/Trust Fund staff may review a TRUFACS “hot list” to help determine ordering requirements.

In addition, it is recommended that an Item Sales Analysis Report be produced. A TRUFACS P.O. is generated for all resale items purchased, including Government purchase card purchases. A Request for Purchase (Delivery/Task Order)(BP-A0101) is not used for resale purchases.

Based on the TRUFACS-recommended quantity, as well as current and historical sales trends, Warehouse/Trust Fund staff prepares a TRUFACS P.O. to replenish stock and submit to the appropriate approving official. Non-purchase-card P.O.s are forwarded to Acquisitions staff; purchase-card P.O.s are forwarded to the card holder for processing.

The non-purchase-card purchase of resale items, based on requirements submitted by Warehouse/Trust Fund staff, is the responsibility of Acquisitions. Acquisitions staff use the TRUFACS-generated P.O.s as the official P.O. document and process per the Program Statement **Bureau of Prisons Acquisition Policy**.

Upon receiving the official P.O. document from Acquisitions, the Trust Fund Supervisor downloads the non-purchase-card extract from TRUFACS and uploads the extract into the automated accounting system. The Supervisor reviews outstanding P.O.s monthly to ensure accuracy and validity.

c. **Government Purchase Card Procedures for Commissary Resale Merchandise.** Use of the Government purchase card for purchases of Trust Fund resale merchandise is strongly recommended. However, when this method of procurement is used, a Government purchase card is established that is used only to purchase resale merchandise, not for purchases such as Trust Fund supplies.

The following procedures apply for purchases of resale merchandise using the Government purchase card. Refer to the Program Statement **Accounting – Recording Obligations** for guidelines and procedures related to accruals and payments for resale merchandise. General procedures for use of the Government purchase card are found in the **Bureau of Prisons Acquisition Policy** and TRM.

Note: These special procedures are different than the procedures for purchasing other than resale items. These procedures are necessary to maintain control of the Commissary inventory and match costs to revenue properly in the same accounting period.

Warehouse/Trust Fund staff retain a copy of the Government purchase card P.O. until the order is received. Once the order is received and quantities verified, TRUFACS generates a Receiving Report, which is distributed to the purchase card holder along with supporting packing slips and receipts, and to the Warehouse or Commissary for the chronological Receiving Report file.

The cardholder follows procedures in the **Bureau of Prisons Acquisition Policy** for maintaining records and verifying the monthly Memo Statement.

The Approving Official follows procedures in the Acquisition TRM for maintaining records and

reviewing monthly Government purchase card statements.

The Bureau-wide payment to the vendor for all Government purchase card purchases is generated automatically at the Central Office; institutions are notified via the automated accounting system message once the payment has been made. The Program Statement **Accounting – Recording Obligations** describes accounting procedures for establishing the accrual for resale merchandise. Resale merchandise should be purchased and recorded to sub-object 2670. The appropriate automated accounting system report is reviewed before the end of each month to ensure the payments are recorded to the correct sub-object.

The Approving Official maintains the Master Account Summary Reports and copies of monthly cardholder statements with attached documentation, as required in the Acquisition TRM.

d. **Stamp Purchase/Receiving Procedures.** Stamps may be purchased with the Government purchase card. The card holder who purchased the stamps will receive the stamps into TRUFACS prior to being sold.

e. **Cash Purchase Procedures.** Cash purchases for Trust Fund merchandise are not authorized.

f. **Stores From Surplus Sources.** Merchandise for resale in the Commissary must not, under any circumstances, be acquired through surplus channels.

g. **Receipt at the Institution.** Trust Fund merchandise received at the institution shall be inspected and accepted in the same manner as other institution items, except that Trust Fund merchandise may be received using the TRUFACS handheld item scanner. At the institution's discretion, a substitute of a like item may be accepted.

Warehouse/Trust Fund staff ensure that items are received in TRUFACS before being sold.

(1) **Receiving Report Preparation for Resale Items.** A Receiving Report is prepared and the copies distributed as applicable.

If, at the time of receipt of Commissary merchandise, there is a discrepancy between the PO price and the invoice price, staff resolve the difference by contacting the acquisitioner.

If merchandise is determined to be damaged after receipt, and before it is made available for sale, a contra-Receiving Report may be prepared. If replacement goods are later received for the damaged merchandise, a Receiving Report is processed.

(2) **Calculation of Selling Price.** The selling price of each item sold in the Commissary is calculated automatically based on the cost and mark-up selected in TRUFACS.

The cost of an item is established when the initial Receiving Report is generated. In the receiving

process, TRUFACS establishes the selling price based on the selected mark-up automatically and the cost entered. The adjustment for the updated selling price is reflected on the Inventory History Summary and Inventory Value Change Reports in TRUFACS.

h. Balancing and Reconciliation of Commissary Inventory. The Trust Fund Supervisor ensures that Commissary sales, inventory adjustments, and Receiving Reports are reconciled with the Standard General Ledger monthly. Verifications are conducted when the Trust Fund extracts are performed – these include a comparison of the TRUFACS/automated accounting system extract to the corresponding TRUFACS report.

In addition, all Trust Fund extracts may be compared to the Inventory History Summary Report. The staff member performing the extract documents the verification of all daily extracts by signing and dating the Extract Report. The TRUFACS Extract Report is attached to the automated accounting system sub- certification report and filed.

During an inventory period, if the physical inventory of a specific item reveals a difference when compared to the TRUFACS Stock Status Report, an inventory adjustment may be processed. Differences identified in the inventory period must be researched before processing an inventory adjustment. Copies of inventory adjustments are kept in the Inventory File; the originals are filed in the Inventory Adjustment File.

i. Inventory Limitations. The Trust Fund Supervisor maintains a fresh and adequate stock of merchandise. The Supervisor makes periodic comparisons of the sales history and the minimum and maximum order points established in TRUFACS, and reviews order points to prevent under-/overstocking. If order points are insufficient, the shelf quantity in weeks may be adjusted. To ensure that operating funds are not tied up in excessive inventory, stock limitations are set as follows:

- **Regular sales merchandise** – 2.0 times the monthly average sales at cost for the last two quarters.
- **Stamp inventory** – 2.0 times the monthly average sales at cost for the last two quarters.

The Trust Fund Supervisor ensures these limitations are not exceeded.

j. Inventory Maintenance. Trust Fund staff review the Item Sales Analysis Report and items stocked in the Commissary routinely for those that are slow-moving or nearing expiration. Before initiating a TRUFACS Report of Survey:

- When possible, prepare a Contra-Receiving Report for outdated items or items damaged in shipment and returned to the vendor for credit. If the vendor refuses to accept the merchandise for exchange or credit, full documentation outlining the steps taken to return it must accompany the Report of Survey. If possible, a statement in writing from the vendor indicating refusal to accept the merchandise should be obtained.
- If an item cannot be sold at its original selling price, but is still sellable, offer it for sale at a

reduced price, rather than surveying the item with no realized value. The Trust Fund Supervisor determines the reduced price in advance of the sale.

k. **Survey Procedures.** When Commissary merchandise is damaged in our care, unfit for resale, or destroyed through an unusual cause such as fire or inmate disturbance, a Report of Survey is processed per the Program Statement **Property Management Manual**. The Board of Survey approves Reports of Survey before final disposition of the merchandise.

When merchandise is lost due to theft or suspected theft, a Report of Survey is prepared per the **Property Management Manual** except that the amount of the survey is recorded in the automated accounting system as an inventory shortage. This is done in TRUFACS by selecting the current inventory period March/September Inventory Difference Adjustment Type. TRUFACS generates the entry for the automated accounting system through the extract process.

If surveys for unsalable merchandise at cost exceed .0015 times the actual regular Commissary semiannual sales at cost in any one inventory period, a memorandum and copies of the Reports of Survey are submitted with the Trust Fund March/September Inventory Differences Report from the Warden to the Regional Director, explaining the necessity for the survey(s) and what action is being taken, if appropriate, to reduce surveys in the future. A copy of the memorandum and Reports of Survey is submitted with the Trust Fund March/September Inventory Differences Report to the Chief, Trust Fund Branch.

If merchandise is lost due to major theft, natural disaster (fire, hurricane, etc.) or inmate disturbance, the Comptroller is notified immediately. The Comptroller reports any known details (type of loss, estimate of damages, actions taken) immediately to the Chief, Trust Fund Branch.

l. **Transfer of Commissary Merchandise to Other Institutions.** If the Commissary has excess stock in original condition, and efforts to return the merchandise to the vendor or sell it at a reduced price have been exhausted, the Trust Fund Supervisor is authorized to contact other institutions to transfer the merchandise, per the **Property Management Manual**.

Excess merchandise is offered to other institutions at a predetermined price, not to exceed 25 percent below original cost; the gaining institution pays transportation charges. The gaining institution processes a PO. The losing institution prepares a Stores Requisition, Invoice and Transfer Receipt (BP-A0100), generates an inventory adjustment using adjustment type of Sales to the Institution, and processes an IPAC charge to the gaining institution and enters it into the automated accounting system. A copy of the BP-A0100 is the supporting document and is attached to the TRUFACS inventory adjustments identified above.

m. **Transfer of Commissary Merchandise Within the Institution.** Commissary merchandise may be transferred within institution appropriation activities (i.e., Food Service, Recreation). Such transfers should be infrequent and only due to a specific need. The Trust Fund transfers the items to the institution at cost. An approved Stores Requisition, Invoice and Transfer Receipt (BP-A0100) is the source document to perform the transfer and support the inventory adjustment

type Sales to the Institution, and process a DVP charge to the gaining cost center and enter into the automated accounting system. TRUFACS does not generate an extract for this transaction; the appropriate entries are entered into the automated accounting system. A copy of the BP-A0100 is the supporting document and is attached to the TRUFACS inventory adjustments identified above.

n. **Inventory Adjustments.** TRUFACS Inventory Adjustments are signed by the Trust Fund Supervisor.

o. **Inventory Preparation.** Any time during the month of March and during the month of September an itemized physical inventory of merchandise in the Commissary is performed. The Commissary may close for the time needed to reconcile the inventory.

The inventory must be done no later than the close of business on the second to the last workday of the second and fourth quarters of the fiscal year. The inventory is used to document the semi-annual automated accounting system inventory entry, which is extracted and uploaded in the automated accounting system on the last workday of each inventory period by Trust Fund Branch staff.

The centralized inventory extract reflects all inventories as of midnight the previous day. A final Stock Status Report is generated in TRUFACS on the first workday of the inventory period, before any inventory transactions taking place. The Stock Status is recorded as “Final Semi-Annual” and kept in the inventory file. It is recommended that the semi-annual Stock Status Report be scheduled to generate automatically.

Before the inventory, the Trust Fund Supervisor ensures the following documents are processed in TRUFACS and entered in the automated accounting system:

- Receiving or Contra Receiving Reports for merchandise.
- Reports of Survey for damaged or outdated merchandise.
- Sales information through the current period.
- Stores Requisitions for sales of merchandise to institutions.

p. **Conducting the Physical Inventory.** Ordinarily, OFM staff make the official count of Commissary inventory (merchandise and stamps) using the TRUFACS handheld scanner for merchandise, and the Manual Inventory Worksheet for stamps. The inventory is reconciled to ensure the accuracy of the physical count.

The inventory is counted by two different individuals or teams. One individual or team is designated the Official Inventory Team and shall exclude staff who were assigned to conduct Commissary sales, who did maintain TRUFACS inventory during the two quarters, who did take part in the Official Inventory Team count during the previous inventory, and who fell under the supervision of the Trust Fund Supervisor. The Trust Fund Supervisor designates the second individual or team to conduct a count to be compared to the official count or to help with the reconciliation.

The Official Inventory Team signs the inventory worksheet for stamps and the Inventory Count Report. Inmates do not participate in any way during the physical inventory, but may organize stock before the inventory.

The following steps are taken when conducting an inventory:

- Count items in all areas where Commissary merchandise is located (main institution, camp, special housing unit, etc.).
- After merchandise is inventoried, upload the physical counts in TRUFACS, which calculates the variance for each item counted or not counted. Conduct recounts until no items appear on the Physical Inventory Variance Count Report.
- Reconcile differences between the two inventory counts and between the final count and the system count. Following reconciliation, **only** members of the Official Inventory Team sign the Inventory Counts Report, the Manual Inventory Worksheet for stamps, and the “final” Stock Status Report.
- Produce a final Stock Status Report after completing the inventory adjustments.
- Upon completing the physical inventory, file the signed Manual Inventory Worksheet for stamps, Inventory Counts Report, end of inventory period inventory adjustments, and final Stock Status Report in the inventory file.

q. **Semi-Annual Inventory Accounting Requirements.** The Trust Fund Supervisor ensures the final Inventory Adjustment Extract is uploaded in the automated accounting system before the end of the accounting period.

r. **Semi-Annual Reporting Requirements.** The Inventory Tolerance Report is forwarded at the close of the semi-annual inventory to the Regional Comptroller.

Regional Office staff review the report for excessive inventory differences and to ensure institutions remain within acceptable tolerance levels. The tolerance level for inventory differences is calculated by multiplying .0025 times the last six months’ sales at cost. If the inventory tolerance is exceeded, a memorandum is submitted from the Warden to the Regional Director explaining the inventory difference and what action is being taken, if appropriate, to reduce the inventory difference in the future.

The Regional Comptroller forwards a copy of the memorandum from the institution to the Chief, Trust Fund Branch, within 20 days of the semi-annual inventory. If appropriate, and based on circumstances surrounding the difference, the Regional Director or the Chief, Trust Fund Branch, may request a full review of the inventory difference. If the review reveals neglect, mismanagement, or fraud on the part of staff, action is initiated.

If inventory differences exceed the tolerance level for two consecutive inventories, the institution must perform monthly inventories until the problems are resolved. Results of the monthly inventories are reported to the Regional Comptroller, who monitors the institution’s progress.

When inventory differences have been resolved, and at the Regional Comptroller's discretion, monthly inventories may be discontinued.

Chapter 4. THIS CHAPTER LEFT BLANK INTENTIONALLY

Chapter 5. SPECIAL TRUST FUND SERVICES

5.1 GENERAL. Copier, washer/dryer, and photography services for the inmate population may be operated in the institution at the Warden's discretion under the Trust Fund Program. These services are conducted using sound management practices and have necessary internal controls to ensure that the Trust Fund recognizes all sales, commissions, or other revenue and that waste, fraud, and abuse are minimized.

Copier and washer/dryer services operate with a coinless card system. The inmate photo service uses the TRUFACS-generated photo voucher.

Annually, the Trust Fund Supervisor reviews the internal operation to determine whether an adjustment in price is necessary to keep it viable. This written evaluation contains the type of service, associated costs, and price. The Trust Fund Supervisor forwards a copy to the Trust Fund Branch with the annual Trust Fund budget request.

5.2 INMATE COPIER SERVICE. Copier service is provided by an outside contractor that allows the copy card to purchase copy services. The contractor may provide a special copy card for sale in the Commissary. The card's cost is negotiated with the contractor and marked up as a regular inventory item in TRUFACS.

5.3 INMATE WASHER/DRYER SERVICE. A program may be established to provide personal washer/dryer services. It may be an internal or external operation.

a. **Internal Operation.** The responsibility for an internal operation resides with the Trust Fund Supervisor. Equipment, maintenance, and supplies are purchased/leased by the Trust Fund. Procedures in Section 5 apply to an internal laundry service operation.

b. **External Operation.** A contract with an outside contractor is established to provide washers and dryers, debit card readers, and equipment maintenance. Procedures in Section 6 apply to an external laundry service operation.

5.4 ESTABLISHING AN INMATE PHOTOGRAPHY (PHOTO) PROGRAM. If the Warden chooses to operate an Inmate Photo Program, it is funded through the Trust Fund and uses the TRUFACS-generated photo voucher that sells for one dollar each. A Commissary photo voucher may be transferred and redeemed from one institution to another. Each voucher entitles an inmate to one photo only. Institutions shall not accept double prints from the vendor.

a. **Responsibilities.** The Trust Fund Supervisor manages financial aspects of the program (i.e., purchase of equipment, payment for processing, accounting for sales).

Another department, such as Recreation, may supervise and conduct taking inmate photos.

b. **Equipment/Supplies for the Photo Program**

(1) **Camera Equipment.** Cameras are purchased by the Trust Fund. All cameras are digital. Maintenance or replacement of equipment is the Trust Fund Supervisor's responsibility.

(2) **Supplies and Processing.** The cost of photo processing and associated supplies will be charged as a Trust Fund cost of goods sold expense.

Only standard size (i.e., 3 x 5 inch or 4 x 6 inch) photos are offered. No reprints or enlargements of photos may be processed.

(3) **Control of Photo Supplies Inventory and Property.** Internal controls are established to maintain accountability of disks and control the process from issue of disks to distribution of photos. These include:

- A daily work log (showing exposure number, inmate's committed name, and 8-digit register number) with supporting photo vouchers.
- Locked storage of supplies.
- Distribution procedures that acknowledge inmate receipt of finished photos, etc.

c. **Inmate Photographer.** If an institution elects to employ an inmate photographer, he/she is paid from the Trust Fund Appropriation at a rate of \$0.55 or \$0.75 per hour. Documentation for the monthly payroll for the inmate photographer is submitted to the Trust Fund Supervisor.

d. **Photograph Procedures.** Inmates present a Commissary photo voucher to the photographer in exchange for having a photograph taken. The photographer accepts the photo voucher and has the inmate sign the log with committed name and register number next to the exposure number of the picture to be taken. The log is used to distribute pictures and acknowledge receipt.

After a photo session, the photographer returns the camera, logs, disks, signed photo receipts, and retake vouchers for the number of pictures taken to the staff supervisor. Staff review the log and reconcile the photos taken to the number of photo receipts provided to ensure extra pictures were not taken. Any discrepancy is resolved immediately. Used photo receipts and retake vouchers are destroyed after reconciliation is complete.

e. **Accounting for the Inmate Photo Program**

(1) **Recording the Inmate Photo Program Equipment.** Equipment purchased for the Inmate Photo Program is accounted for in accordance with the Program Statement **Property Management Manual**. Cameras and other minor equipment are coded to Sub-object Code 31MN.

(2) **Recording Other Costs (Government Purchase Card).** Costs associated with the photo

program, such as processing and supplies, are charged to Sub-object Code 2670 using the Government Purchase Card.

(3) **Recording Accounts Payable (Purchase Order).** Staff process the appropriate entry into the automated accounting system using Transaction Code 2015 for processing and other supplies associated with the program.

(4) **Recording Vendor Payments (Purchase Order).** Staff process the appropriate entry into the automated accounting system to record the vendor payment.

5.5 INTERNAL LAUNDRY SERVICE OPERATION

a. **Request for Approval.** Before initiating an internal laundry service operation, the institution forwards a request for approval from the Warden through the Regional Comptroller to the Chief, Trust Fund Branch. The request analyzes the costs and projected revenues for the internal operation, including:

- Projected selling price of service being offered.
- A written funding request for supplies and equipment (Major Equipment Justification [BP-A0135]).
- Equipment repairs, maintenance costs, and other costs associated with the service for a one-year period, including costs of an annual maintenance agreement with an outside contractor, use of inmate workers to maintain and repair equipment, and use of staff from another department to conduct repairs. Costs include training, hourly wage for repair time, and estimated number of hours.
- New equipment is energy-efficient, as indicated by an Energy Star label.
- Projected use of service items for a one-year period.
- Expected revenue to be generated over a one-year period, including price charged to the inmate per use multiplied by expected usage over one year.
- Expected income to be generated in year two.
- Projected payback period for start-up costs.
- Refund policy.
- Location and security of equipment.
- Method of recording income and expenses on a monthly basis by type of service offered.

b. **Accounting Procedures.** Spreadsheet templates are provided to record costs and revenue for services after contacting the Trust Fund Branch Operations Section.

(1) **Revenue.** Inmates purchase laundry cards through the Commissary. The revenue equals the value of the laundry cards sold.

(2) **Costs.** Purchase Orders, Journal Vouchers, and Government Purchase Card orders to incur costs associated with a service are processed in the automated accounting system using SOC 2697 – Vending Machine Items. Costs associated with a service program, except for startup

equipment, are charged to SOC 2697. Costs in SOC 2697 are recorded in the automated accounting system General Ledger Account 6500.16 – Cost of Goods Sold – Debit Card/Vending.

This cost of goods account records costs for all types of service. Manual procedures and records must be established to record the cost for each type of service.

5.6 EXTERNAL OPERATION (OUTSIDE CONTRACTOR)

a. **Contract for Service Operations.** When an institution chooses to provide services through an outside contractor, the institution complies with contracting regulations and directives in this Manual. The Trust Fund Supervisor serves as Contract Monitor. The Statement of Work contains, at a minimum:

- Percentage of profits or commission received on each service. Generally, the percentage of profits or commission from any service should not be less than 15 percent of the service selling price.
- Price of each service.
- Location of the service equipment.
- Procedures for installing and servicing equipment.
- New equipment is energy-efficient as indicated by an Energy Star label.
- Description of the process for submitting reports and initiating payment to the contractor.
- Procedures for sales auditing to ensure that the correct percentage of profits is received.
- Language that relieves the Government of any liability arising from any service.
- Specifications for service equipment (including debit card readers).
- Security and escort requirements.

b. **Verification of Sales and Commissions.** The Trust Fund Supervisor ensures that the Trust Fund receives the appropriate revenue for the operation of an external service program. Procedures and staff verification responsibilities are established to ensure the institution maintains records regarding sale of services and commissions received for service operations.

c. Accounting Procedures for an External Service Operation

(1) **Revenue.** Inmates purchase cards from the Commissary. This transaction is recorded as revenue through TRUFACS and is uploaded to the automated accounting system General Ledger Account 5100.11 – Revenue from Goods Sold – Trust Fund Regular sales. Manual procedures and records must be established to record the revenues for each type of service.

(2) **Costs.** The contract awarded to an outside contractor for services is processed in the automated accounting system using SOC 2697 – Vending Machine Items. The contractor provides a monthly invoice for the total amount of services sold. Payment is processed for the invoice amount less the commissions earned.

SOC 2697 costs are recorded in the automated accounting system General Ledger Account

6500.16 – Cost of Goods Sold – Debit Card/Vending. This cost of goods account records costs for **all** types of service. Manual procedures and records must be established to record the cost for each type of service.

d. **Security Requirements.** Contractors servicing equipment within the institution are subject to security requirements. To prevent inmates from unplugging or disabling the equipment, a direct-wire electric power supply is used. The equipment may be enclosed so that inmates only have access to the control panel and exit chute.

Chapter 6. INMATE TELEPHONE SYSTEM (TRUFONE)

6.1 GENERAL. The Bureau provides a Trust Fund Inmate Telephone System (TRUFONE) for inmates to supplement written correspondence to maintain family and community ties.

To ensure the Trust Fund's financial integrity and for institution security, inmates place all personal telephone calls over TRUFONE and may not circumvent it via call forwarding/automatic electronic forwarding, three-way calling, or any other means. The only exceptions are identified in the Program Statement **Telephone Regulations for Inmates**.

All calls processed through TRUFONE are recorded.

a. **Responsibility.** The following individuals have primary management oversight responsibilities for TRUFONE:

(1) **Trust Fund TRUFONE Coordinator.** The Chief, Trust Fund Branch, is the Bureau's TRUFONE Coordinator. He/she is the resource person for Bureau staff, other components of the Department of Justice, law enforcement agencies, and the public.

(2) **Trust Fund Supervisor.** The Trust Fund Supervisor has responsibility for TRUFONE operation at the institution. The Trust Fund Supervisor monitors TRUFONE operations and maintains accurate TRUFONE information. He/she is also the System Supervisor and maintains internal controls, system integrity, and other aspects related to TRUFONE security and operations.

b. **Staff Use of the Inmate Telephone Service.** Staff members may not make calls via TRUFONE except as outlined in Section 6.5.f. for system testing and trouble resolution.

6.2 TELEPHONE SERVICES. The Trust Fund Branch procures TRUFONE services (local, collect, long distance, and international) through a national General Services Administration (GSA) contract.

6.3 REQUESTS FOR ADDITIONAL TELEPHONES. Requests for additional telephones are forwarded from the Warden through the Region to the Chief, Trust Fund Branch, for approval.

6.4 TRUFONE RATES

a. **Direct Dial Rates.** Direct dial TRUFONE rates are set to encourage financial responsibility and family ties, and to ensure the Trust Fund Program remains financially solvent. The Chief, Trust Fund Branch, with the Assistant Director for Administration's concurrence, sets telephone rates. The Assistant Director for Administration approves any significant modifications to direct dial rates (other than those required by routine cost variances).

- Rates for domestic and international calls are set at a standard per minute flat rate for each type of service. Rates are standard throughout the Bureau regardless of location.

- Wardens ensure that information concerning direct dial rates is kept on file in the institution (e.g., law library, inmate library, units).

b. **Collect Call Rates.** Collect rates are charged in accordance with TRUFONE contract requirements. The called party may be given collect rates before accepting a collect call. The billed party may obtain collect rates by contacting the service provider.

c. **Prepaid Collect Call Rates.** Prepaid collect calls are available to provide the called party the opportunity to receive collect calls when normal collect calls are not available. Prepaid service is extended to all recipients to reduce the cost of receiving collect calls. Prepaid collect rates are charged in accordance with TRUFONE contract requirements.

6.5 SYSTEM OPERATIONS

a. **TRUFONE Access.** Inmates are responsible for accessing their TRUFONE account using their PAC number and voice recognition process where applicable. Staff register the inmate for voice recognition, where available, prior to allowing access to place telephone calls.

b. **TRUFONE Funds.** Inmates are responsible for transferring funds from their Commissary account to their TRUFONE account.

They may transfer funds twice per day from their Commissary accounts to their TRUFONE accounts via the TRUFONE interactive voice response (IVR).

Inmates are responsible for tracking their Commissary and TRUFONE account balances via the IVR.

Funds are transferred in whole dollar amounts only.

Once funds are transferred, they may not be transferred back to inmates' Commissary accounts except by Trust Fund staff in the following circumstances:

- Inmates are released.
- Inmates on telephone restriction for more than 30 days may request in writing that their TRUFONE funds be returned to their Commissary account. This is a one-time transaction for the entire balance of their TRUFONE account.
- In rare or unusual instances as the Warden deems appropriate. In these circumstances, Trust Fund staff are given written documentation to support the transfer.

c. **Inmates with a Public Safety Factor (PSF) for Serious Phone Abuse.** Inmates with a PSF for serious phone abuse are initially assigned a "Y" in the PSF field; their accounts are disabled per the Program Statement **Telephone Regulations for Inmates**, until a Request for Inmate Telephone Restriction Form (BP-A0740) is received from Unit Management staff.

d. **Processing Requests for Inmate Telephone Restriction (BP-A0740).** Upon receipt, Trust Fund staff create an Inmate Class of Service (COS) for each type of restriction(s) and assign the appropriate COS to the inmate.

If a termination date is provided (not to exceed 30 days), the BP-A0740 is kept in a temporary file. The file is reviewed each business day for pending termination dates. Trust Fund staff obtain the Warden's approval for reinstatement or continued restrictions every 30 days.

BP-A0740 forms are permanently kept as an image within TRUFACS.

Additional guidance on telephone restrictions can be found in the Program Statement **Telephone Regulations for Inmates**.

e. **Inmate Access to TRUFONE Account Information.** Inmates are responsible for transferring funds and tracking their TRUFONE account balance along with their Commissary account balance. Inmates are given written instructions for using the interactive voice response to access their balances. Inmates may also access the cost of the last completed telephone call and the minutes remaining for that month via the telephone.

TRUFONE account statements are not regularly provided to inmates. Inmates requesting a statement are charged \$3.00 for each 30-day period requested.

Trust Fund Specialist processes the completed Request for Withdrawal of Inmate's Personal Funds (BP-199). The BP-199 includes the specific 30-consecutive-day period for which the statement is requested.

The Trust Fund Specialist prepares the statement and delivers it to the inmate in a secure manner. Account statements are only processed for the most recent 12 months.

f. **Inmate Telephone Numbers**

(1) **Telephone Number List.** Inmates with access to TRULINCS generate and maintain their lists. All other inmates follow the process below.

Unit Management staff deliver the Telephone Number Request – Inmate form (BP-505) to Trust Fund per the Program Statement **Telephone Regulations for Inmates**.

When an inmate requests deletion of a telephone number that is blocked, the number is marked as inactive on the inmate's telephone number list while retaining the block.

Note: Information on the BP-505 is governed by the Program Statement **Release of Information**.

(2) **Requests for Blocking of Telephone Numbers.** TRUFONE provides three types of telephone number blocks: Bureau-wide, facility-wide, and inmate-specific. Documentation about blocks is permanently kept as an image within TRUFACS.

Ordinarily, written requests from the Associate Warden or a proposed recipient of an inmate call for blocking a telephone number are processed within one working day after receipt. If specified, these blocks are placed on a specific inmate account; however, if a specific inmate is not identified or where the request specifically states, a block can be placed to prevent any inmate at the facility from placing a call to a specified number.

Note: Requests for blocking may not be processed by deleting telephone numbers from an inmate account.

Bureau-wide Block. Requests for Bureau-wide blocks are forwarded to the Central Office Intelligence Branch for processing.

Facility-wide Block. Trust Fund staff place blocks by entering the telephone number in the TRUFONE Facility Telephone Number Control Screen.

Inmate-Specific Blocks. The number is marked with the reason for the block, not deleted from the list. When a number is blocked at the recipient's request, the block may be removed only on receipt of a written request from the called party.

Removal of Called Party Block. When a telephone number is blocked by the called party via the telephone, staff only remove the block when a written request from the called party is received, along with a copy of a telephone bill, per the Program Statement **Telephone Regulations for Inmates**.

(3) **TRUFONE Refunds.** Trust Fund Supervisors may approve refunds for the following:

- New or revised area codes.
- New or revised local exchanges.
- Faulty signals from foreign countries resulting in international calls being charged but not connected.
- Telephone service problems that interfere with communication.
- Potential refunds for reasons not identified above are sent from the Trust Fund Supervisor to the Chief, Trust Fund Branch, for approval. The request includes documentation of the situation and research conducted to conclude that a refund is appropriate.

g. **TRUFONE "Test" Account.** A test account has been established to enable TRUFONE staff to conduct system testing.

6.6 SYSTEM MAINTENANCE

a. **Emergency support.** Available 7 days a week, 365 days a year from 7:00 a.m.-9:00 p.m. EST. For emergency support institution staff call Trust Fund Branch TRUFONE staff, at 202-514-2555 during office hours (7:00 a.m.-3:30 p.m. EST). For after-hours support contact the TRUFONE duty phone.

b. **Non-Emergency Technical Assistance.** For non-emergency support use the Trouble Ticket System or call Trust Fund Branch TRUFONE staff.

c. **Telephone Replacement.** For replacement telephones use the trouble ticket feature, which directs a request to the contractor without delay.

d. **Hardware and Software Updates/Improvements.** The Trust Fund Branch implements hardware and software improvements. Institution staff are encouraged to provide input and ideas for improving the system and services.

6.7 RECORDS MANAGEMENT. The following documents are kept as images in TRUFACS.

(1) **TRUFONE Suspension and Restrictions.** This section contains documentation from the Disciplinary Hearing Officer (DHO) and Unit Discipline Committee (UDC) pertaining to inmate telephone suspensions, telephone limitations, and Requests for Inmate Telephone Restriction (BP-A0740).

(2) **TRUFONE Blocks.** The following documents are kept under the title TRUFONE Blocks:

- Written requests from Associate Wardens for blocking an inmate's telephone number.
- Requests from the called party for placing or removing a block on their phone number, including removal of called-party blocks.

(3) **30-Day Temporary File for Request for Inmate Telephone Restriction (BP-A0740).** A file is kept in the TRUFONE office for tracking temporary (30-day) telephone restrictions. Temporary restrictions are discussed in the Program Statement **Telephone Regulations for Inmates.** Trust Fund staff review this file each business day to determine the need to remove a temporary restriction.

6.8 MONTHLY RECONCILIATION. Each month the Trust Fund Supervisor and Accountant jointly complete a monthly reconciliation. The grand total from the Monthly TRUFONE Reconciliation Report is reconciled with General Ledger Account 5200.15 – Revenue from Services Provided – TRUFONE and the TRUFACS Trial Balance.

Chapter 7. TRUST FUND SYSTEMS SECURITY

7.1 COMPUTER SECURITY. This chapter details guidelines for maintaining computer security and ensuring data confidentiality, integrity, and availability throughout the Trust Fund wide area network (WAN) and local area network (LAN).

Diligence in maintaining a secure system environment and ensuring that data is protected is essential to the system's efficient operation. The primary areas of concern to maintain a secure system at the institution level include access control, physical and environmental protection, media protection, and incident response. The following guidelines shall be followed for all Trust Fund systems.

(a) **Access Control.** Managing user accounts is important to the security of the system. Ensuring users are properly authorized with the appropriate access permissions is critical. Access Control is enforced by TRUNet Security. To create a user account an electronic request shall be generated by a TRUACCESS Requester. The electronic request shall be approved/denied by a TRUACCESS Role Manager. User forms shall be created automatically based on the request and approval process. The automated user form shall be maintained electronically within TRUACCESS. In addition to the account management procedures the following access control requirements apply:

- Only authorized staff may have direct access to any Trust Fund application.
- Users shall have one user ID per staff member. Social Security Numbers will not be used.
- Annually, the user level or group assignment of each user account is required to be reviewed. This process will help to ensure each user maintains the least privilege necessary to perform his/her duties. The deadline for completing this procedure shall be set to March 1st of each year.
- Accounts for recently separated or terminated employees shall be disabled within 24 hours.
- **Inmate Access.** Inmates are prohibited from operating any Trust Fund computer equipment with the exception of inmate phones, and TRULINCS workstations designated for inmate use.

(b) **Physical and Environmental Protection.** In order to protect the system from unauthorized access and ensure the proper functioning of computer equipment and hardware, it is important to have physical and environmental controls in place. The following requirements apply:

(1) **Computer Room.** The area where a file server and/or telecommunications hardware is used to process/store sensitive data shall be designated as a computer room. The computer room shall be secured to prevent tampering with data and misuse of equipment. This room shall be monitored for environmental conditions to prevent equipment damage. This includes HVAC and electrical concerns.

Computer rooms shall have a secure lock on the door and access shall be restricted to appropriate staff. An Access Control List (ACL) shall be maintained to designate those staff that have been authorized to have access to the computer room.

The Trust Fund Supervisor must submit to the CEO for approval an Access Control List (ACL) for the designated Trust Fund Computer Room, identifying personnel authorized for unescorted access. As the approving authority, the CEO need not be listed.

The ACL must contain:

- The date and signature of the current CEO.
- Names and position titles of individuals authorized for unescorted access (general position titles, such as Communications Technician or IT Manager, without a corresponding staff name are not permitted).

The ACL must be:

- Posted at all Computer Rooms and Data Centers, clearly visible prior to entry.
- On file with any key-issuing authorities.
- Located on the outermost door to the Computer Room or Data Center.

Staff members listed on the ACL may serve as escorts for persons not listed.

(2) **Visitors Log.** Anyone entering the Computer Room or Data Center not on the ACL must be logged. The log must contain the name and signature of the visitor, name of the escorting staff, and the date and time entering and exiting the Computer Room.

Prior ACLs and Computer Room/Data Center visitor logs must be maintained by the ISO for the prior 12-month period.

(3) All information technology (IT) equipment used to access the system or provide communication on the system, including computers, switches, etc., shall be maintained in a secured area. If the device must be kept in a common area (i.e., commissary sales area) then the device shall be secured to minimize access.

(4) All monitors shall be positioned to avoid casual view of sensitive data.

(5) All workstations and peripherals shall be protected at all times from logon until logoff. When workstations are unattended, users shall be logged off the network or the workstations shall be locked by pressing CTRL-ALT-DEL and ENTER. The potential for unauthorized access shall be limited to the extent possible.

(c) **Media Protection.** Media is defined as any storage device or report that contains sensitive data and information pertaining to the system. This includes, but is not limited to, electronic or hard copy of reports, hard drives, floppy drives, CDs, etc. Media shall be:

- Secured when not being used.

- Labeled “Sensitive but Unclassified” or “SBU.”
- Only provided to authorized individuals who have a “Need-to-Know.”

(d) **Incident Response.** IT security violations pertaining to the Trust Fund Branch systems shall be reported immediately; i.e., password sharing, computer hacking, software viruses, theft or loss of equipment or data, and/or social engineering (an attempt to manipulate staff in order to divulge sensitive information regarding the IT system). The Trust Fund Supervisor will report all violations to the IT Security and Audit Compliance Section of the Trust Fund Branch.

(e) **Other.** The following areas of concern are also important to ensure the security of the system:

- Additional software programs or hardware not authorized by the Trust Fund Branch may not be used on any Trust Fund system.
- Problems with hardware or software shall be reported to the Trust Fund Branch by opening a trouble ticket.
- **Anti-Virus Management.** Trust Fund Branch staff shall manage anti-virus protection for Trust Fund workstations.
- Workstations must be powered on in order to receive the anti-virus protection updates and system patches. Staff restart the system and leave the workstation powered on when activities have completed for the day. Monitors may be turned off.
- **Contingency Plans.** Contingency Plans are maintained by the Trust Fund Branch. In the event of loss of any Trust Fund system, equipment, and/or data regardless of the severity of the situation, the institution shall contact the Trust Fund Branch. At that time, Trust Fund Branch staff shall take appropriate steps to restore the system(s) back to normal operation.

Chapter 8. GENERAL DEPOSIT FUND OPERATIONS

8.1 ACCOUNTABILITY OF EMPLOYEES. Employees whose duties include handling monies belonging to inmates or who make entries to Inmates' Deposit Fund accounts are liable for the accuracy of their work. Staff are held responsible for the proper disposition (entries) of funds.

a. **Resolution of Errors.** Most staff errors are explainable and must be corrected immediately. Errors such as entering the incorrect inmate name or 8-digit register number on the receipt, depositing funds to the incorrect account, and selling or withdrawing from the incorrect account(s) are corrected by:

- **Posting a Corrective Transaction(s).** A correcting transaction is made and documented regardless of the current balance in the inmate account(s). Negative balances are managed per Section 5.

Any correcting entries are documented with reference to the source of the error. Funds received subsequently apply automatically to any negative balance, if applicable. If sufficient funds are received, eliminating a negative balance before the inmate's release, no further action is necessary.

- **Initiating Debt Management Procedures.** If correcting entries creates a negative balance on an inmate account that cannot be resolved before the inmate's release, debt management procedures are initiated per the Program Statement **Financial Management - Debt Management**.

b. **Restitution by Employee(s) Involved.** Staff provide restitution to the proper Inmate Deposit Fund account for any negative balance occasioned by their error or negligence, after debt management procedures have been exhausted.

8.2 ESTABLISHMENT OF INMATE ACCOUNTS

28 CFR § 506.1 What is the purpose of individual inmate commissary accounts?

The purpose of individual inmate commissary accounts is to allow the Bureau to maintain inmates' monies while they are incarcerated. Family, friends, or other sources may deposit funds into these accounts.

Inmate accounts are established and maintained automatically through the nightly process. The account is created initially at the inmate's designated location. The nightly process updates TRUFACS with changes to the inmate's TRUFACS account, including housing unit, living quarters, and IFRP status changes. These are effective in TRUFACS the day after the nightly process.

8.3 DAILY MANAGEMENT OF INMATE ACCOUNTS

a. **TRUFACS Facility SENTRY Update Report.** The staff member who enters Inmate Deposit Fund transactions into TRUFACS reviews the TRUFACS Facility SENTRY Update Report each day. This report identifies inmates' accounts in the following categories:

(1) **New.** Newly created TRUFACS accounts. At a minimum, verify the following information: Administrative Hold Indicator, No Power of Attorney, and Maximum Allowed Deduction Percentage for Debts.

(2) **Transfer Out.** Inmates have been transferred to their new location. No account maintenance is required.

(3) **Transfer In.** Inmates have transferred in from another facility. The TRUFACS General Information and the account balance of transferring inmates should be reviewed to ensure institution staff are aware of any unique circumstances. Normally, unique circumstances are referenced in the comments field; any negative balance and debts owed has a document image associated with the transaction or transaction type.

(4) **Release.** Inmates have been released from Bureau custody in SENTRY and TRUFACS. No account maintenance is required. The Deposit Fund Technician reviews released inmate accounts that have a non-zero balance weekly and processes funds accordingly.

(5) **Needs Released.** Inmates have been released in SENTRY, but must be released manually in TRUFACS. In addition to being listed on the Facility SENTRY Update Report, TRUFACS displays a SENTRY/Needs Released message upon user login when there are inmates in this category. Needs Released inmate accounts are processed from the TRUFACS release screen daily. The account status code changes automatically to Release when the release has been done.

Additional TRUFACS inmate account maintenance is done as the need arises for such items as Sort Codes, Spending Limit Overrides, Weekly or Bi-weekly Re-validation, Restricted Spending Limit, Item Restriction, Comments, etc.

b. **Personal Access Code (PAC).** Inmates are given a unique 9-digit PAC for access to their individual account and instructions on using the ITS system. A PAC is generated automatically when an ITS account is created. Staff are not required to print PACs for inmates transferred from other Bureau institutions.

PACs are delivered to inmates in a secure manner. Staff advise inmates that their PACs are confidential and should not be shared with other inmates, and they should report a compromised PAC immediately to Unit Management staff. Unit Management staff notify the Trust Fund Supervisor of a compromised PAC. Trust Fund staff restrict access for the affected account immediately.

Staff inform inmates that a \$5 fee is charged when a replacement PAC is required.

8.4 INMATE ACCOUNT TRANSACTIONS

a. **Recording Inmate Deposit Fund Transactions.** TRUFACS is used to record Inmate Deposit Fund account transactions. Generally, transactions are completed within two business days upon receipt of the source document. IFRP Withdrawals are processed automatically upon posting of UNICOR pay. The IFRP function is initiated immediately following the Inmate Performance Pay posting and reconciliation to collect IFRP payments. See Chapter 11 for further IFRP processing instructions.

TRUFACS assigns each Deposit Fund transaction a unique internal control number, U.S. Treasury payment number, cash sub-voucher number, debt number, and/or transaction receipt numbers. Source documents are grouped and processed by transaction type or reference number. The staff member posting an income or withdrawal JV assigns the JV number before posting. A total amount for each transaction type and/or reference/payment number is determined for control purposes.

This total is compared to the total transaction listing from TRUFACS to ensure the proper amount(s) have been posted. Each payroll type is assigned an individual JV number. Debt numbers assigned by TRUFACS are in the following format: YXXXD001 (Y is current fiscal year, XXX is the institution's alpha code initializing the debt, D is the identifier for a debt, and 001 is the numerical counter). When funds are collected by the TRUFACS automated process, an Automated Debt Payment Report and JV prints with the TRUFACS assigned debt reference number.

After each transaction is totaled and verified, extracts are performed for the specific document(s) processed. Supporting documentation is forwarded to the Certifying Officer or Approving Official as appropriate for certification. Local procedures are established for control and verification of data processed and uploaded into the automated accounting system from TRUFACS.

The time frames for performing extracts are as follows:

Extract Type	Extract Requirements
Commissary Sales Extract	Daily
Inmate Outside Payment Extract	BP-199 – immediately after processing; Release – U.S. Treasury Checks – after the inmate has departed from the institution; Debt Payments – immediately after notification that payment is ready (Automatic

	Debt Payment Report).
Inventory Adjustment Extract	Immediately upon completion of the adjustment.
TRUFONE Withdrawal Extract	Daily.
JV Extract	Daily/Weekly/Monthly at institution's discretion.
Outside Income Extract	When the balance equals or exceeds \$5,000 or weekly (on Thursday).
Purchase Order Extract	Upon completion of the Procurement Process. Use to establish the obligation.
Reimbursement Voucher Extract	Weekly. Inmates who have not yet left the institution at the time of the extract shall not be included.
TRULINCS	Daily.

When a posting error is discovered, the transaction is voided and re-entered using the exact reference number used in the original entry, with the exception of negotiable instruments posted locally. Correcting entries for locally posted negotiable instruments requires the original receipt number with a prefix of "9" as the reference number. Voiding entries removes and replaces the incorrect transaction from the extract file if the correction was made before extracting the transaction(s).

If the correction was made after the extract was performed, the voided and re-entered transaction is included in the new extract file. The only exception is a U.S. Treasury check payment transaction. Once an extract has been performed in TRUFACS for a U.S. Treasury payment transaction, the voiding entry is not included in the new extract file, but is included on the TRUFACS Trial Balance Report.

Note: A voiding entry for a U.S. Treasury payment transaction removes the original record from the extract file if the extract was not performed before processing the voiding transaction. U.S. Treasury payment transactions containing errors are deleted in the automated accounting system before sub-certifying, or through PACER after sub-certification.

U.S. Treasury checks sub-certified in the automated accounting system which were erroneously voided in TRUFACS require an Administrative number to correct. Institution staff must contact the Trust Fund Branch, Deposit Fund staff, via the trouble ticket system to request the

Administrative number.

b. Inmate Account Balance Inquiries. Inmates are instructed to use TRULINCS to view their account balance and transactions or to use the Inmate Telephone System to access their account balance. Although inmates are allowed to make inquiries concerning their account transactions as prescribed locally, institutions are not required to provide TRUFACS receipts to inmates for withdrawals (excluding Commissary sales) and income transactions.

c. Accounting for TRUFACS Deposit Fund Transactions. TRUFACS generates JVs as required along with automated accounting entries for transactions that affect inmate funds. The only exceptions are transactions requiring an accounts receivable entry or requiring corresponding entries affecting the Salaries and Expenses Appropriation.

8.5 MANAGEMENT OF INMATE ACCOUNTS WITH NEGATIVE BALANCES.

Documentation relating to creation of a negative inmate account balance is scanned and attached to the transaction that created the negative balance. Scanned documentation includes a memorandum from the Trust Fund Supervisor notifying the Warden of the negative balance, explaining events leading to the negative balance, and identifying corrective steps. A negative balance created as a result of a LockBox correcting entry does not require Warden notification. Trust Fund Branch Deposit Fund staff provide supporting documentation in cases of LockBox errors/entries resulting in negative account balances.

Upon TRUFACS transfer of a negative balance, the gaining institution receives the negative balance with the inmate account record and images of all scanned documents for reference. The Trust Fund Supervisor, or the staff member responsible for oversight of Deposit Fund activities, reviews the images related to the inmate's account balance to determine if the documentation explains the negative balance.

See Section 8.1.b if a negative balance is a result of a staff error. If the negative balance is not the result of staff error, only the above-referenced memorandum to the Warden is necessary while the inmate is in custody. If funds are not recouped before release, debt management procedures are initiated per the Program Statement **Financial Management – Debt Management** when the inmate is being or has been released.

8.6 MANAGEMENT OF CONFISCATED FUNDS. Funds in an inmate's possession are delivered promptly to the Deposit Fund Technician/Cashier. The Warden, or authorized representative, provides in writing a determination whether the funds are considered confiscated funds or credited to an inmate's account.

Confiscated funds are deposited immediately to Miscellaneous Receipts Account – Forfeitures of Unclaimed Money (151060).

Funds credited to an inmate's account are processed through TRUFACS using the income type Confiscated Fund Return. The written determination is scanned into TRUFACS using the

document imaging process. The JV, along with the written determination, is the source document for transactions processed.

The income entry transaction process that credits funds to an inmate's account generates the JV and accounting entries to be extracted and uploaded to the automated accounting system.

Funds found in an institution that cannot be attributed to a specific inmate are delivered to the Accounting Section and deposited to Miscellaneous Receipts Account – Fines, Penalties, and Forfeitures (151099) after investigation.

8.7 MANAGEMENT OF DECEASED INMATES' FUNDS. Comptroller General Decision No. A-44008, dated August 26, 1933, concerning the disposition of a deceased inmate's funds, asserted that under certain conditions, payment of the balance remaining in the inmate's Deposit Fund account may be made to the individual designated on the Acknowledgment of Inmate Form without referring the claim to the Government Accountability Office (GAO), if it is believed that the person designated may be trusted to make proper disposition of the effects of the deceased inmate, including funds credited to his/her account.

This does not include funds that may be payable to the inmate for services rendered and not yet paid. If the inmate dies with monies due from the United States, payment is not authorized except to a legal representative of the estate or in accordance with the laws of descent and distribution of the state of domicile (most recent legal residence).

a. **Claims for Funds of Deceased Inmates.** Claims received against funds of deceased inmates are handled at the institution level per 4 GAO 3500. Institutions may submit claims to the Trust Fund Branch Deposit Fund Section for GAO settlement only when doubt exists as to:

- The amount or validity of the claim.
- The person(s) properly entitled to payment under the laws of the domicile of the decedent.

In such cases, the institution transmittal states the doubt that exists, and is accompanied by a Claim Against the United States for Amounts Due in the Case of A Deceased Creditor (SF-1055) and/or Acknowledgment of Inmate, Part 3 & 4 (BP-A0408) and a copy of the death certificate.

If there is urgent need for payment of a balance under \$100 in a deceased inmate's account, and if conditions as outlined in the paragraph above are satisfied, the amount may be disbursed from TRUFACS with the Trust Fund Branch Chief's written approval. Copies of the BP-A0408 are attached to such vouchers in lieu of the usual withdrawal request. Documentation is attached to the payment in TRUFACS through the document imaging process.

b. **Unclaimed Funds of Deceased Inmates.** Procedures for processing "whereabouts unknown" inmates are followed when disposing unclaimed funds of deceased inmates with no relatives or claimants for the funds.

8.8 ENCUMBRANCE OF INMATE FUNDS. Encumbrance of inmate funds for various reasons is essential. Careful consideration is given before any action; encumbrances are not made indiscriminately. An encumbrance may be made for various reasons (i.e., to ensure inmates do not seriously deplete their funds before release, disciplinary measures, inmate's request, claims). Encumbrances are at the Warden's discretion or the result of a disciplinary hearing sanction. This

authority is not delegated below the Associate Warden. Funds the Warden encumbers may only be released upon his/her approval or upon inmate release.

a. **Recording.** It is essential to document all encumbrances. A memorandum signed by the Warden is prepared indicating the amount to be encumbered and the reason for the encumbrance. If the funds to be encumbered are a result of a Disciplinary Hearing Sanction, the signed DHO Sanction replaces the memorandum.

The original memorandum is forwarded to the Deposit Fund Technician, who establishes the encumbrance. The memorandum is imaged in TRUFACS and assigned to the encumbered record.

Upon the inmate's transfer, the gaining institution has access to the comments and document image associated with the encumbrance.

b. **Funds Received Locally from Unauthorized Correspondent.** If funds from unauthorized correspondents are received and opened inadvertently by Mail Room staff, they are returned to the sender using a Stamps, Negotiable Instrument and Other Returned to Sender Form (BP-A0328). A copy of the form is forwarded to the inmate and to the inmate's central file. If the sender's name and address cannot be established, the funds are disposed of as follows:

(1) **Checks.** Checks are returned to the financial institution on which drawn, by the Mail Room Officer using a Stamps, Negotiable Instrument and Other Returned to Sender Form (BP-A0328). The sender may make a claim to the financial institution or the inmate may make a claim as payee and receive payment upon release.

(2) **Money Orders.** U.S. Postal Money Orders are returned to the Post Office with a letter requesting the funds be placed in their Suspense Account awaiting claim of the sender or claim of inmate as payee and other pertinent facts. The letter and Postal Money Order are mailed to the:

Money Order Branch
P.O. Box 82452
St. Louis, MO 63182-2452

The Post Office keeps records to approve a claim if one is submitted under established procedures. Other money orders are returned to the issuing office, by the Mail Room Officer, using a Stamps, Negotiable Instrument and Other Returned to Sender Form (BP-A0328). It is the issuing office's responsibility to retain the money orders until a claim is made. In either situation, copies of the

BP-A0328 are forwarded to the inmate and to the inmate's central file.

c. **Funds Received Via the LockBox from Unauthorized Correspondent.** Institution staff may encumber funds posted to an inmate's account via the LockBox from an unauthorized correspondent. Following the encumbrance, staff notify the Trust Fund Branch Deposit Fund Section by entering a ticket directly into the trouble ticket system. The message includes:

- Inmate's committed name.
- 8-digit register number.
- Date of transaction.
- Reference number.
- Amount.
- Circumstance.

Depending on circumstances, the Trust Fund Branch Deposit Fund staff may void the deposit made to the inmate account and follow procedures outlined in Section 8.8.b(1) or 8.8.b(2). Funds returned to the sender, U.S. Post Office, or financial institution are made by U.S. Treasury check. A letter and copy of the original negotiable instrument are forwarded to the person or organization receiving the funds.

8.9 MANAGEMENT OF FUNDS OF INMATES WHOSE WHEREABOUTS ARE UNKNOWN. The U.S. Treasury Financial Manual for Guidance of Departments and Agencies, Chapter 3000 of Part VI, titled Payment of Unclaimed Monies and Refund of Monies Erroneously Received and Covered, provides the basic directive for the disposition of funds for inmates whose whereabouts are unknown.

Claims for funds deposited six or more years ago into whereabouts unknown are not processed or disbursed. Management of funds for inmates identified whereabouts unknown are managed by the Trust Fund Branch Deposit Fund Section.

a. **Processing Activities for Whereabouts Unknown Accounts.**

(1) **Local Processing.** Each institution determines the current or last known location of any inmate who has funds on a TRUFACS account but has been released. Management of the inmate's remaining balance is conducted as described below.

Inmates in SENTRY as Prolonged-In-Transit for 120 days automatically have their TRUFACS account status changed to SENTRY Release. When an inmate account changes to SENTRY Release status because it has reached 120 days of Prolonged-In-Transit in SENTRY, research is done to find the inmate's current location and an attempt(s) made to disburse the funds. Attempt(s) to locate the inmate are documented in the comments field of the TRUFACS Inmate Release Screen.

If an earnest attempt to locate the inmate fails, the account balance is processed through the

TRUFACS Release Screen by selecting the release type of Transfer Whereabouts UNK. (A sort code of WUNK Transfer Out is automatically assigned to the account).

When the release type “Transfer Whereabouts UNK” is used, the inmate’s status changes to Released, and the account transfers from the institution to the Trust Fund Branch Deposit Fund Section “Whereabouts Unknown Funds Received Account,” pending disposition. The accounting transactions for this transfer are included in the daily inmate transfer record identified by the “WH” prefix assigned as the reference number. At this point, the funds become the responsibility of the Trust Fund Branch Deposit Fund Section.

Note: Inmates returning to Bureau custody whose account balances were transferred to the Trust Fund Branch Deposit Fund Section or to U.S. Treasury suspense accounts receive their account balance the next business day following the SENTRY change. A Public Voucher for Purchases and Services Other Than Personal Form (SF-1034) is not required for these funds to be returned to the institution. TRUFACS generates a reversing entry for inmates in the 90-day category, and a “claim” transaction from the appropriate suspense account for inmates whose account balance transferred to Fund XH or ZE to Fund PF, Central Office. Trust Fund Branch Deposit Fund staff generate a TRUFACS transfer to the designated institution.

(2) **Central Office Processing.** The inmate’s account balance is held for 90 days in the Trust Fund Branch Deposit Fund Section. On the 90th day, after the account record has transferred to the Trust Fund Branch Deposit Fund Section, TRUFACS generates a JV and an automatic transfer from Inmates Deposit Fund, PF (15X6085), to either Payment Unclaimed Money, Fund XH (20X6133), for amounts of \$25 or more, or Forfeitures of Unclaimed Money and Property, Fund ZE (151060), for amounts less than \$25. The JV is reported by the Trust Fund Branch Deposit Fund Section against Agency Location Code 15-10-0903 and the accounting transactions post to the Trust Fund Branch Deposit Fund FMIS Trial Balance. The JV transferring funds to the 20X6133 account includes the notation, Unclaimed balances under 31 U.S.C. § 725p, p-1.

Claims made by inmates not returning to a Federal institution for amounts previously classified as whereabouts unknown are forwarded to and processed by the Trust Fund Branch Deposit Fund Section. Before disbursing funds, the inmate-claimant must provide either a completed SF-1034 or a letter containing his/her register number, committed name, address, and signature. Upon receiving the claim, the Certifying Officer processing it certifies the claim’s validity.

When processing the claim, TRUFACS generates the appropriate JV, disbursing the claimed amount from Fund ZN for amounts less than \$25 and from Fund XH for amounts \$25 or greater, collecting to Fund PF. The Trust Fund Branch Deposit Fund Section then processes a U.S. Treasury payment to the claimant. The processed claims are kept with the JV as backup documentation.

8.10 MANAGEMENT OF INMATE SAVINGS PROGRAM. Inmates should be encouraged to participate in a continuous savings program and regularly set aside a portion of their

funds. Savings may be in the form of a passbook savings account, certificate of deposit, money market accounts, or U.S. Savings Bonds.

a. **Saving Accounts.** Inmates may open an account and deposit funds to a recognized financial institution. Unit Management staff assist inmates establishing such accounts. Any passbook, certificate, checkbooks, etc., received as a result of this account are kept with the inmate's central file. Inmates are not permitted to withdraw passbooks, certificates, checkbooks, etc., from the central file to draw personal checks for other individuals or organizations.

However, when approved, an inmate may withdraw savings to be deposited in the inmate's institution Deposit Fund account. A cashier's check or money order must be requested by the inmate to be withdrawn from the financial institution where the savings account has been set up. The requested cashier's check or money order is mailed to the LockBox for posting to the inmate's Deposit Fund account.

b. **Savings Bonds.** Unit Management staff assist the inmate in purchasing a savings bond which, subject to approval, may be in the name of:

- The purchaser.
- A dependent.
- A beneficiary.
- The inmate and a dependent as co-owner.

Information on the bond application, with the BP-199, is signed by the inmate and, after approval by the Unit Manager, submitted to the Accounting office. The BP-199 executed for the purchase price of the bond is withdrawn from the inmate's account just like any other withdrawal. A TRUFACS withdrawal is done, payable to the "Federal Reserve Bank" or "Treasurer of the United States" (if the application is to be submitted to the Treasury for issue), for the total purchase price of bond applications.

Note on the Request for Withdrawal of Inmate's Personal Funds (BP-199) that the check is to be returned to the institution. The check and bond application are then sent to the financial institution or Treasury for issuing bonds and mailing to designated addresses.

(1) **Bond Retention.** No provision is made for retention of bonds or issue of "Safekeeping Receipts" at the Federal Reserve Banks, U.S. Treasury, or the Bureau. Inmates must have bonds sent to individuals outside the institution.

(2) **In Possession Upon Commitment.** If savings bonds are in an inmate's possession at commitment, he/she is instructed to mail them to an individual outside the institution.

(3) **Received Through the Mail.** Bonds received through the mail are returned to the sender by the Mail Room Officer using a Stamps, Negotiable Instrument and Other Returned to Sender Form (BP-A0328) and certified mail return receipt requested (see the Program Statement **Mail**

Management Manual).

8.11 MANAGEMENT OF INMATE PRE-RELEASE ENCUMBRANCE. The Inmate Pre-Release Encumbrance allows inmates to encumber (set aside) funds prior to their release from custody. Inmates set up the Pre-Release Encumbrance by utilizing TRULINCS. Inmates must designate a percentage of their income (outside source, payroll, and/or both) they want applied to their Pre-Release transfer. Inmates must designate a target Pre-Release Encumbrance Balance. Funds will continue to be encumbered towards the Pre-Release Encumbrance balance until the inmate is released from custody or requests via TRULINCS to stop the encumbrance. Once funds

are transferred, they may not be transferred back to the available balance except in the following circumstances:

- Inmates are released.
- In rare or unusual circumstances as the Warden deems appropriate. In these circumstances, the Trust Fund Supervisor will be given written documentation and process the transfer.

All outside source income and payroll received by an inmate will be applied to outstanding debts prior to being encumbered towards the Pre-Release Encumbrance.

Pre-Release Encumbrance balances will be utilized when IFRP payments are processed if necessary to meet the required minimum payment determined on the Inmate Financial Responsibilities Contract signed by the inmate.

Pre-Release Encumbrances will transfer with the inmate if transferred to another Bureau of Prisons facility.

Chapter 9. INMATE ACCOUNTS – DEPOSITS

9.1 AUTHORITY TO ACCEPT FUNDS. Inmate funds are deposited to the U.S. Treasury per the U.S. Treasury Financial Manual, the Program Statement **Accounting Management Manual**, and this Manual.

- a. **Deposit of Funds.** The Deposit Fund Technician or the agent representing the LockBox deposits inmate funds into the Inmate Deposit Fund (15X6085).
- b. **Deposit of Inmate Earnings.** Sources of inmate earnings include UNICOR, Trust Fund, and Inmate Performance Pay and awards. These funds are posted to inmate accounts as described in Section 9.10.
- c. **Acknowledgment of Inmate.** The Acknowledgment of Inmate, Part 1 & 2 (BP-A0407) contains a Power of Attorney assignment that gives the Bureau authority to endorse negotiable instruments for deposit to the Inmate Deposit Fund account. If an inmate refuses to sign the BP-A0407, staff flag the inmate's account as No Power of Attorney and scan the unsigned form.

Funds received through the LockBox for an inmate with “No Power of Attorney” authorized are not deposited but returned to sender if an address is available. If an address is not available, the original instrument is returned to the financial institution that issued it. Only cash upon commitment may be deposited for inmates flagged “No Power of Attorney.”

- d. **Endorsement.** The Deposit Fund Technician/Cashier and the LockBox agent are authorized to endorse negotiable instruments only for the purpose of depositing negotiable instruments in the U.S. Treasury for the personal credit of the inmates. Refer to Section 9.4.b for joint-payee procedures.
- e. **New Commitments.** New commitments are instructed, during the institution's Admission and Orientation Program, to notify their family and friends of the following procedures:

(1) LockBox Procedures

- Acceptable negotiable instruments (see Section 9.2.a) are sent to the LockBox processing center identified in Section 9.5.
- The inmate's committed name and 8-digit register number are identified as part of the address on the outside of the envelope and on all negotiable instruments.
- Personal checks, cash, and any negotiable instrument not payable in U.S. dollars cannot be accepted.
- **Any enclosures received with the negotiable instruments (letters, pictures, etc.) will be discarded.**

(2) **Western Union.** Inmates are given Western Union Quick Collect Program procedures to forward to family and friends upon arrival at the designated institution or during A&O.

9.2 ACCEPTABLE/UNACCEPTABLE NEGOTIABLE INSTRUMENTS

a. **Acceptable Negotiable Instruments.** The Bureau accepts these negotiable instruments for deposit into Deposit Fund accounts:

- Money orders.
- U.S. Government checks (Federal, state, county, municipal).
- Foreign negotiable instruments payable in U.S. dollars only.
- Business checks.

The inmate's committed name (no nicknames) and register number **must** be printed legibly on all negotiable instruments and on the outside of the envelope that contains the negotiable instrument.

b. **Unacceptable Negotiable Instruments.** The following items **will not be accepted** and will be returned to sender or the issuing agency, or deposited into the U.S. Treasury Miscellaneous Receipts Account:

- Negotiable instruments that do not contain both a valid committed name **and** 8-digit register number.
- Negotiable instruments with expired dates.
- Negotiable instruments that appear suspicious in nature or appear to have been altered.
- Personal checks.
- Foreign funds and other negotiable instruments not payable in U.S. dollars.
- Cash received through the mail.
- Mailings not containing sender information.
- Mailings to the LockBox that do not contain valid inmate committed names **and** 8-digit register numbers on the envelope.
- Counter checks.

9.3 HELD NEGOTIABLE INSTRUMENTS

a. **Held Negotiable Instruments.** A 15-day hold is placed automatically on negotiable instruments, except those in paragraph 9.3.b. below. Foreign negotiable instruments payable in U.S. dollars are held for 45 days.

The hold period begins on the date the transaction is posted to the inmate account as an outstanding negotiable instrument. The amount of the outstanding negotiable instrument is reflected on the inmate's account balance (but not the available balance) until the hold period expires.

(1) **Release of Held Funds.** Funds placed on hold are posted automatically to the inmate's account when the hold period expires.

(2) **Adjusting Release Dates.** Institutions are authorized to adjust the system-calculated

release date of an outstanding negotiable instrument if an error was made during processing.

b. **Negotiable Instruments Without Holds.** Ordinarily, the following items are not held and funds are immediately available to the inmate. However, some negotiable instruments may require a hold if they are deemed a financial risk:

- U.S. postal money orders.
- U.S. Government-issued checks (Federal, State, county, municipal).
- Privately contracted correctional facility checks.
- **Postal** money orders issued by Anguilla, Antigua and Barbuda, Bahamas, Barbados, Belize, British Virgin Islands, Coronado, Dominica, Grenada, Montserrat, St. Christopher, Nevis, St. Lucia, and St. Vincent and the Grenadines.
- Canadian postal money orders payable in U.S. dollars.

9.4 NEGOTIABLE INSTRUMENTS REQUIRING SPECIAL HANDLING

a. **Endorsed or Mutilated Checks.** Endorsed or mutilated checks are not included on a schedule of canceled checks. The U.S. Treasury examines the facts relating to each endorsed check that has been returned after negotiation by the payee. This is required to protect the rights of the endorser, who may be holder in due course.

Also, the Treasury examines the facts relating to mutilated checks; such checks must be in their possession to issue new ones to the payee or claimants.

Consequently, a separate schedule is prepared for endorsed or mutilated checks showing the number and amount on each and indicating the action to be taken. In each case, the U.S. Treasury gives the administrative office a disposition of each undeliverable check returned. Following receipt of the returned check notice, remailing, cancellation, or deposit in the U.S. Treasury is authorized as indicated.

b. **Joint-Payee Checks.** Joint-payee checks received are not credited to an inmate's account or permanently retained in the institution to preclude liability for endorsement. Whenever a joint-payee check is received, it is recorded in a Joint-Payee Check Register, which includes:

- Date received.
- Date of check.
- Amount of check.
- Financial institution's routing number.
- Name of drawer.
- Drawer's account number.
- Names of joint payees.
- Disposition (Unit Management staff initials and date).

The Cashier is responsible for maintenance of the register and security of the check on receipt at

the institution. When received through the LockBox, the joint-payee check is forwarded to the Trust Fund Branch Deposit Fund Section where it is logged into the register and forwarded to the institution.

Upon receipt of a joint-payee check, the Unit/Case Manager is notified and every effort made to send the check out of the institution within two business days. The Unit/Case Manager contacts the inmate to determine the disposition of the check.

The inmate is advised that the check cannot be processed or retained in the institution and that the inmate is to make any arrangement for disposition of the check's proceeds with the other joint payee through correspondence.

A letter of transmittal is prepared, with copies for the Deposit Fund Technician/Cashier (to support the disposition entry), inmate, and the inmate's central file.

Note: Use the following examples below as guidance for preparing transmittal letters.

Example (a): Used to return or forward the check to the other joint payee when the inmate has placed his/her endorsement on the check that was originally received by the inmate, was in the inmate's possession at the time of commitment, or was sent by the other joint payee **and** the inmate refuses to endorse the check sent by the other joint payee:

“Enclosed is a check dated _____ in the amount of \$_____ payable to (show name of joint payee exactly as written on check) issued by (show name of payer). (a) (show name of inmate) has placed his/her endorsement of the enclosed check, and it is forwarded to you for further handling. Any proceeds of this check returned for his/her use should be in the form of a money order, cashier's check, certified check, etc., but do not return the attached check, as it cannot be negotiated. (b) (show name of inmate) has refused to endorse the enclosed check, and it is forwarded to you as it cannot be retained at this institution.”

Example (b): Used to return the check to the payer when the inmate has it in his/her possession at time of commitment or received it directly from the payer and the inmate refuses to endorse the check for forwarding to the other joint payee **or** the inmate has endorsed the check that was forwarded to the other joint payee, who returns the check unendorsed:

“Enclosed is your check dated _____ in the amount of \$_____ made payable to (show exactly as written on check). (Name of joint payee refusing to endorse the check) has refused to endorse this check. As we cannot retain or negotiate the check, it is being returned. Any correspondence pertinent to this matter should be directed to the joint payee involved.”

Distinctions should be made between joint-payee checks that require the endorsement of only one payee to negotiate and those that require the endorsement of all joint payees. For example, checks

written payable to “John or Mary Doe” and “John and/or Mary Doe” require only the endorsement of the inmate. This type of check is handled in the same manner as any other check after the inmate has endorsed it. Checks written payable to “John and Mary Doe” require endorsement of both parties to negotiate and are handled as joint-payee checks.

c. **Returned Checks.** If a check posted to an inmate’s account is returned by the U.S. Treasury on a debit voucher or notification of credit advice from the LockBox for insufficient funds (NSF), the amount of the returned check plus any service charges incurred is removed from the inmate’s account immediately. If a negative balance is created, immediate action is taken as required in Chapter 8. The original NSF check is filed with the debit voucher.

d. **Questionable or Evidence Funds.** If, at the time of admission, information is furnished by the Deputy U.S. Marshal, or has otherwise been received, regarding a question with respect to funds received with the inmate, one of two courses of action is followed:

(1) **Evidence Funds.** If the funds are required as evidence in a case, they are not accepted.

(2) **Other Than Evidence Funds.** If a claim exists on the funds other than as evidence, such as for theft, embezzlement, etc., the funds are received in the usual manner. The receipt issued bears the provision “Unavailable Pending Determination of Legal Ownership.” The funds are deposited into the U.S. Treasury Miscellaneous Receipts Account pending a determination.

e. **Insurance, Trust, and All Other Similar Settlement Checks.** Endorsement and deposit of insurance, trust, and similar checks are generally considered as acceptance of settlement. Whenever such negotiable instruments are received locally, they are held in the Mail Room and the Unit/Case Manager notified. When received through the LockBox, the check is forwarded to the Trust Fund Branch Deposit Fund Section, where it is logged into the check register and forwarded to the institution Business Administrator/Trust Fund Supervisor to be processed by the discipline responsible for Deposit Fund activity. If the inmate desires to accept settlement, he/she endorses the check and it is processed locally. If the inmate refuses to endorse the check, it is returned to sender with a letter indicating the inmate refused to endorse.

f. **U.S. Treasury Checks.** U. S. Treasury checks should not be deposited at the local level unless the check has been forwarded from the Trust Fund Branch for an inmate’s signature. This does not include checks scheduled by the institution to come back c/o Cashier or returned from the payee to be canceled. All other U.S. Treasury checks should be forwarded to the following address:

Trust Fund Branch
Deposit Fund Section
ATTN: Financial Assistant
320 First St., NW, Room 5004
Washington, DC 20534

9.5 RECEIPT OF FUNDS – LOCKBOX. The Bureau has an Interagency Agreement with the U.S. Treasury to operate a LockBox Program.

a. **Receipt of Inmate Funds.** Funds for deposit to inmate accounts (Inmate Deposit Fund) are sent to the LockBox at the following address:

Federal Bureau of Prisons
Insert Inmate's Committed Name
Insert Inmate 8-Digit Register Number
PO Box 474701
Des Moines, IA 50947-0001

Example:

Federal Bureau of Prisons
John Doe
12345-678
PO Box 474701
Des Moines, IA 50947-0001

Note: The **only exceptions** to this procedure are in Sections 9.6 and 9.7.

The inmate's committed name (no nicknames) and register number **must** be printed on all Bureau-approved negotiable instruments (a list of these is in Section 9.2.a.), **and** on the outside of the envelope.

Negotiable instruments or mailing envelopes that do not have the inmate's committed name and 8-digit register number are returned to the sender if an address is available. If an address is not available, funds are deposited into the U.S. Treasury Miscellaneous Receipts Account.

b. **LockBox Procedures.** Inmates' family and friends send negotiable instruments to the LockBox. The LockBox receives mail seven days a week, excluding Federal holidays, and processes negotiable instruments the same day they are received.

Negotiable instruments are verified to ensure they are Bureau-approved. Inmate names and register numbers are verified with SENTRY data.

The Bureau receives electronic funds and images of negotiable instruments/envelopes to facilitate staff monitoring of inmate funds.

TRUFACS distributes funds to each inmate's account after the nightly process. Funds are available to the inmate the following day.

Negotiable instruments negotiated in error by the LockBox, or that do not have a valid committed name or register number, are not returned to sender until after any hold period expires.

c. **LockBox Inquiries**

(1) **Inmate.** Inmates are advised to direct LockBox inquiries to local Trust Fund staff. Trust Fund staff contact the Trust Fund Branch Deposit Fund Section for support only after they have exhausted local avenues to address the inquiry.

Note: Institutions do not communicate directly with the U.S. Treasury or the LockBox contractor.

(2) **Public.** Inmates are instructed to advise their family and friends who have inquires on funds sent to the LockBox to call 202-307-2712 for assistance **after enough time has passed for the mail to reach the LockBox.** Family and friends may need to place a tracer on these funds with the originator of the negotiable instrument.

9.6 RECEIPT OF FUNDS – LOCAL INSTITUTION. Funds received through the mail at the institution for credit to the Inmate Deposit Fund are returned to the sender with a letter containing the LockBox address. Funds received at the institution may be processed locally or forwarded to the LockBox for processing only in unusual or special circumstances:

- Funds received from a self-commitment inmate.
- Funds received from inmates on escorted trips or furlough returns.
- Cash funds received from inmates escorted by the U.S. Marshals.
- Insurance, Trust, and similar settlement checks.
- Joint payee checks (only those requiring one signature; i.e., John **or** Mary Doe).

a. **Funds Forwarded to the LockBox.** The LockBox deposits inmate funds upon receipt. Funds received by the LockBox are processed the day they are received and posted to the inmate's account the following day. A LockBox Field Submission Form (BP-A0905) is required for negotiable instruments made out to multiple inmates and forwarded to the LockBox.

Funds forwarded to LockBox are in the form of an acceptable negotiable instrument (see Section 9.5.b.). Copies of the negotiable instruments and BP-A0905s are kept.

A single negotiable instrument made out to multiple inmates sent from institutions to the LockBox is rejected by the LockBox and returned to the Trust Fund Branch Deposit Fund Section when:

- It is received without a BP-A0905.
- The value of the negotiable instrument(s) and the BP-A0905 are not in balance.

b. **Funds Processed Locally.** Inmate funds processed for deposit locally are receipted on a Temporary Receipt (BP-197). A register of these receipt books is kept and stored with the BP-197s in the Cashier's Office, in the safe or a securely locked cabinet. When a book is issued, the register indicates date of issue and is signed by the receiving staff. When the book is returned, the date is indicated on the register. The staff member issuing the BP-197 is accountable for receipted funds.

Completed books are stored. An individual receipt number register is kept for each book. As the yellow copies of the BP-197, including voids, are received with the schedule of collections, they are checked off the register. The Accounting Section ensures that all receipts, including voids, are accounted for. Once funds are posted to the inmate's account, the Accounting Section files the BP-197.

Funds received from inmates are entered on the BP-197. The staff member completes and signs the BP-197. The original receipt is given to the inmate. The staff member totals daily receipts and verifies the cash collected. The funds and the yellow copy of the BP-197 are sealed in an envelope; the staff member writes the amount and signs his/her name across the seal. Only funds belonging to inmates are placed in the depository. The second carbon copy (blue) remains in the receipt book as a permanent record.

c. **Night Depository Procedures.** The night depository is located in a secured area and constructed to prevent access to funds through the outside deposit slot. The depository consists of a double locking device. Two separate locking devices are required for complete depository security.

Each Deposit Fund Technician/Cashier and alternate maintains a key to one lock on his/her personal key ring along with his/her cash drawer keys. Under no circumstances are these keys turned into the Control Room. A duplicate of the Deposit Fund Technician/Cashier's depository key is kept in the same manner as the duplicate key to each cash box per the Program Statements **Accounting Management Manual** and **Correctional Services Manual**. The other key required to open the depository is kept on a separate key ring in the Control Room.

d. **Pick-up of Funds.** The institution shall establish local procedures to ensure that funds receipted via BP-197 are deposited within one business day. The Deposit Fund Technician/Cashier, accompanied by the Business Administrator or designee, opens the depository and verifies the contents of the envelopes by comparing the amounts with the enclosed receipts. As each envelope is opened and verified, the Deposit Fund Technician/Cashier initials the blue copy of the BP-197, accepting responsibility for the funds. The Deposit Fund Technician/Cashier processes the funds in TRUFACS using the BP-197 as the reference number.

9.7 WESTERN UNION QUICK COLLECT/MoneyGram PROGRAM. Ordinarily, funds sent to an inmate via the Western Union Quick Collect/MoneyGram Program are posted to the inmate's account within two hours of the transfer, if it was initiated between 7:00 a.m. and 9:00

p.m. EST. Fund transfers after 9:00 p.m. EST are posted by 7:00 a.m. the following day. Funds received may be viewed by the inmate on TRULINCS immediately after the posting.

9.8 ACCOUNTING FOR CENTRALIZED PROCESSES. LockBox and Western Union Quick Collect funds are processed in the automated accounting system and reported to the U.S. Treasury by the Trust Fund Branch Deposit Fund Section. Funds processed by the Deposit Fund Section affect each institution's automated accounting system Trial Balance by debiting General Ledger Account 1190.30 and crediting General Ledger Account 2400.10. These funds are reflected on the institution's automated accounting system FMS 224 in the Trust Fund Receipts column and are used to complete the local monthly proof check.

9.9 INMATE RECEIPTS. Inmates will not be issued receipts (except BP-197) at institutions where inmates may view receipt information utilizing the TRULINCS terminals.

9.10 INMATE EARNINGS. Inmates may earn UNICOR, Trust Fund wages, or Inmate Performance Pay. Inmate Performance Pay and Trust Fund Pay are processed using TRUPAID. Individual receipts are not issued to inmates for pay earned. **Pay may not be posted on the first day of any month.**

a. **Inmate Performance Pay.** Inmate Performance Pay is processed per the Program Statement **Inmate Work and Performance Pay** and is submitted to the Inmate Pay Coordinator by the fifth workday after the end of each pay period. Inmate Performance, Trust Fund, Drug Abuse Program, and Psychological Services pay are posted during the same processing. **Pay must be posted by the 10th day of each month to ensure timely processing of IFRP payments.**

The Deposit Fund Technician performs the JV extract for the inmate pay and uploads it to the automated accounting system after the pay is reconciled.

b. **UNICOR Pay.** UNICOR furnishes each inmate a monthly statement of earnings. UNICOR pay is posted monthly. When the UNICOR email file is processed, payments for active IFRP contracts that are based on the required percentage are calculated, and payments deducted and stored for the nightly process. The UNICOR pay process calculates the percentage to apply to IFRP. If the IFRP deduction does not meet the \$25 minimum requirement, the process deducts available funds (available before pay posting) from the inmate's balance. If the minimum IFRP requirement is not met, the inmate is flagged as "IFRP Refuse" by Unit Management staff in SENTRY per the Program Statement **Inmate Financial Responsibility Program**. The nightly process flags the inmate as IFRP Refuse and applies the appropriate spending limit.

Before posting UNICOR pay, two IPAC numbers are required. The first is used as the Payroll Reference Number and UNICOR billing. The second is used as the IFRP Reference Number. The IFRP IPAC reference number is used for UNICOR IFRP only.

UNICOR pay is prepared monthly with each inmate's committed name and 8-digit register number. The UNICOR email file is forwarded to the Deposit Fund Technician no later than close

of business on the third work day of each month. The Deposit Fund Technician processes the pay by the 10th day of each month. The Deposit Fund Technician runs a TRUFACS UNICOR Pay Report by current pay month/year with an income type of UNICOR Payroll, which shows a transaction listing of the pay posted from the upload. This report is then compared to the UNICOR printout; any differences are researched and corrected immediately.

OFM staff bill UNICOR, via IPAC, promptly upon posting UNICOR pay. TRUFACS generates the automated accounting system entry through the JV extract for the collection to the Inmate Deposit Fund, PF, 15X6085.

c. **Trust Fund Pay.** Trust Fund pay is forwarded by the Trust Fund Supervisor to the Inmate Pay Coordinator after it has been certified and marked ready for extraction.

d. **Advance Pay.** Inmates receive all personal funds at the time of their release. Staff post an advance pay transaction at least three days before the inmate's release. The Deposit Fund Technician reviews and posts to the inmate's account any valid advance pay transaction using the Inmate Release function in TRUFACS. The Deposit Fund Technician extracts the advanced pay at least monthly.

e. **Multiple Payments.** Inmates may receive wages from more than one pay department if both are based on an hourly wage and inmates are paid only for hours actually worked. The Inmate Pay Coordinator uses the TRUPAID Multiple Pay/Restriction Report to verify duplicate payments.

f. **Accounting for Inmate Pay.** Accounting for pay is only partially automated in TRUFACS. The Deposit Fund Technician performs a TRUFACS JV extract to upload into the automated accounting system. The extract generates the JV accounting entries to record the collection to the Inmate Deposit Fund, PF. A manual entry to record the disbursement of these funds is entered in the automated accounting system when the collection is uploaded. Payroll reports and backup documentation are filed in the Deposit Fund Monthly File with the pay.

Chapter 10. INMATE ACCOUNTS – WITHDRAWALS

10.1 AUTHORITY TO WITHDRAW INMATE FUNDS. No funds are withdrawn from an inmate’s account without his/her prior consent except as noted below. The inmate’s prior consent is his/her signature; it is required to authorize withdrawals, except:

- To correct administrative errors.
- For court-ordered PLRA filing fees.
- For medical care co-pay payments.
- For release payments.
- To process “whereabouts unknown” accounts.
- For transfers to Bureau facilities.
- For phone transfers.
- Processed for accounts of deceased inmates.
- Processed for inmates deemed incompetent.
- Processed for debit vouchers.
- Processed for payments over cancel.
- Processed for Internal Revenue Service (IRS) tax liens.
- For TRULINCS transfers.
- To comply with Federal court orders.

The requirement for prior inmate consent includes withdrawals for committed fines, attachments, liens, or any other legal process for the satisfaction of claims. Exceptions are IRS Tax Liens (see Section 5.1) and Federal court orders (see Section 5.y). Funds on deposit in the Bureau’s Deposit Fund are properly subject to tax lien and levy.

Inquiries from claimants (except from the IRS and Federal court orders) are acknowledged by communicating that if the claimant wishes to pursue the attachment of funds through the courts, Bureau policy only allows claimants to be notified before the inmate’s release.

When specifically requested, institutions have the discretion to encumber funds for which claims are made. However, encumbrance is not mandatory and all claims, except from the IRS and Federal court orders, are handled in the same manner.

10.2 APPROVAL TO WITHDRAW INMATE FUNDS. Staff approval is required for processing withdrawals initiated by inmates to send funds to outside parties. Approving officials for these withdrawals are:

- Unit Managers and Supervisors of Education for withdrawal requests up to \$500.
- Disciplinary Hearing Officers (DHO) for repayment of willful and malicious damage to Government property following a DHO finding that the inmate committed such a prohibited act. There is no dollar limit on the approval authority.

Note: If the institution prepared a Request for Withdrawal of Inmate’s Personal Funds

(BP-199) for the inmate to sign to pay for damage to Government property, etc., and the inmate is unwilling to sign, funds may not be withdrawn; this would be contrary to the terms of the Trust. The inmate is advised of the institution's intention to encumber their personal funds up to the amount represented by the Government's claim for damage; the encumbrance remains on his/her account for the rest of the inmate's sentence.

- Associate Wardens, Superintendents of Industries, and Camp Administrators for withdrawal requests over \$500.

Approving officials and the Accounting office ensure that multiple Withdrawal Record – Inmate (BP-201) forms or Request for Withdrawal of Inmate's Personal Funds (BP-199) are not used to circumvent the \$500 withdrawal limitation. Withdrawals made under the IFRP are exempt from the \$500 limit. Unit Management staff approve the IFRP withdrawal request.

After the inmate signs the Request for Withdrawal of Inmate's Personal Funds (BP-199), **at no time and under no circumstances** is he/she permitted to handle or see any information contained on it, or process/view transactions on the automated accounting system. To prevent possible alteration of the approved BP-199, a staff member hand-delivers inmate-signed BP-199s to Deposit Fund staff for processing. If there is any question concerning the BP-199's security, Deposit Fund staff return the BP-199 to the originating office.

10.3 CHECK TRACERS AND STOP PAYMENTS

- Check Tracers.** Staff do not initiate check tracers requested by inmates for a Request for Withdrawal of Inmate's Personal Funds (BP-199) processed on their behalf by the Bureau unless at least 90 days have passed since it was certified in the automated accounting system.
- Stop Payments.** Staff do not initiate stop payments requested by inmates for a Request for Withdrawal of Inmate's Personal Funds (BP-199) processed on their behalf by the Bureau unless at least 90 days have passed since it was certified in the automated accounting system.

10.4 GENERAL PROCESSING OF DEPOSIT FUND WITHDRAWALS

- Source Documents.** Source documents used to initiate inmate withdrawals vary depending on the type of withdrawal. The appropriate document for each withdrawal is identified in the following section. Withdrawals initiated by inmates and requiring a staff signature for approval are made using a Request for Withdrawal of Inmate's Personal Funds (BP-199), or a Withdrawal Record – Inmate (BP-201).

These requests are completed legibly in ink and signed by the inmate in the presence of Unit Management staff, then hand-delivered by the staff member to the approving official, who signs the form and hand-delivers it to the Trust Fund Specialist responsible for processing withdrawals.

Before processing withdrawals, the Trust Fund Specialist verifies that the forms have been

accurately completed and signed. Forms not accurately completed and signed are voided and returned to the inmate. In addition, the Trust Fund Specialist enters an office code that relates to the withdrawal type for all BP-199s that are scanned, and annotates the voucher number and staff's initials. The Trust Fund Specialist and Certifying Officer are both responsible for ensuring that the approval process has been completed before BP-199s are processed.

b. Funds Availability. Approved withdrawal requests are subject to availability of funds. Withdrawal requests are processed for payment from the Inmate Deposit Fund (15X6085). Withdrawal transactions in TRUFACS generate an immediate verification of the inmate's account balance before completing the transaction. Depending on the withdrawal type selected, TRUFACS creates a debt automatically, allows the inmate's account to go into a negative balance, or records a zero non-sufficient funds (NSF) tracking transaction if the amount of the transaction exceeds the balance in the inmate's account. Refer to the specific transaction to determine the action initiated by TRUFACS.

c. Processing Time. Requests for Withdrawal of Inmate's Personal Funds (BP-199) are processed and scheduled at least once a week.

d. Repeating Monthly Withdrawals. Inmates requiring repeating monthly withdrawals indicate the begin date and end date on the Request for Withdrawal of Inmate's Personal Funds (BP-199). A subsequent request to stop a monthly withdrawal is made on an Inmate Request to Staff Member. Requests for repeating withdrawals are scanned; the scanned copy of the BP-199 serves as the original request each month.

If the inmate is unable to make a monthly withdrawal because of NSF, the status of the monthly withdrawal request is set to inactive and must be resubmitted by the inmate. If this type of withdrawal request exceeds the available funds, a zero dollar NSF tracking transaction is generated. These withdrawals do not allow creation of a negative account balance or a debt.

e. Processing Withdrawals to Foreign Countries. There is no reasonable assurance that checks and third-party drafts in favor of payees in certain foreign countries will be negotiable. The Code of Federal Regulations (CFR), Title 31, Part 211, restricts check delivery to certain addresses outside the United States, its territories, and possessions. Upon receiving a request for withdrawal in favor of a payee in a foreign country, the Business Administrator/Trust Fund Supervisor reviews 31 CFR, Part 211, to determine whether the withdrawal can be effected. If so, the withdrawal is at the Business Administrator/Trust Fund Supervisor's discretion and is certified appropriate for payment. If, after reviewing the regulation, there is any question concerning payment, it is referred to the Chief, Trust Fund Branch.

f. Cash Payments. Effective October 1, 2001, 31 U.S.C. §§ 3321-3333 required Federal agencies to eliminate imprest funds except where cash payments were required by law.

The Bureau is required by 18 U.S.C. § 3624 to provide inmates cash gratuities at release. In addition, cash payments are allowable based on a waiver to the U.S.C. in 31 CFR 208 for

transportation expenses and personal funds for releases, furloughs, escorted trips, furlough transfers, and emergency furloughs for the purpose of bedside visits or funeral attendance.

When cash payments are made for escorted trips, furloughs, furlough transfers, emergency furloughs, and releases, TRUFACS generates a Reimbursement Voucher Extract, Reimbursement Sub-Voucher Report, and transaction listings. The original document(s) are forwarded to the Cashier to support the Reimbursement Voucher.

10.5 SPECIFIC PROCESSING OF INMATE WITHDRAWALS

a. **Inmate-Initiated Withdrawals to Outside Entities.** These include withdrawals requested in favor of individuals or organizations outside the institution. Examples include: Bills, Books, Law Books, Child Support, Court Fees, Donations, Education Materials, Gifts, Legal Fees, Outside Savings, Savings Bonds, Subscriptions, Support, Tithes, and Tuition. This type of withdrawal is made in favor of the payee and initiated on receipt of a signed, written request using a Request for Withdrawal of Inmate's Personal Funds (BP-199) or Withdrawal Record – Inmate (BP-201). The original BP-199 or BP-201 is attached to the TRUFACS Outside Payment Report and the Sub-Certification Report received for the inmate funds withdrawn and scheduled for U.S. Treasury check payments.

If an inmate lacks sufficient funds to allow a BP-199 or BP-201 to be processed, the Trust Fund Specialist stamps it "Non-Sufficient Funds," notes in the margin the amount of funds in the account, and returns it to the inmate.

If this type of withdrawal request exceeds the inmate's available funds, a zero dollar NSF tracking transaction is generated. These withdrawals do not allow the creation of a negative account balance or a debt.

b. **Inmate-Initiated Withdrawals to the United States.** These include withdrawals requested in favor of the United States. Examples include: escorted trip settlements, COIF, Damage to Government Property, DHO Sanction, TRUFONE Reports, PAC Replacement, institution charges for telephone calls, copies, postage, and urinalysis fees.

A signed Request for Withdrawal of Inmate's Personal Funds (BP-199)/Withdrawal Record – Inmate (BP-201) is the source document and is drawn in favor of the Treasurer of the United States for the transactions listed above. Since this type of BP-199 is processed manually, inmates are not required to complete the bubble section of the form. If the inmate has NSF to process the withdrawal, TRUFACS prompts the staff to create a debt. The BP-199 is held in the "Open Debts File" until the debt is satisfied or the inmate is released. The BP-199 is scanned into TRUFACS. The debt's creation assigns a debt number automatically, and encumbers funds until the total owed the government is satisfied. When the debt is satisfied, a JV is processed and the appropriate accounting entries forwarded to the JV extract section for upload to the automated accounting system.

c. **Prison Litigation Reform Act (PLRA) Withdrawals.** In accordance with the PLRA, 42 U.S.C. § 1997e, inmates may be assessed certain fees for filing lawsuits. The source document for these withdrawals is the court order. No inmate signature is required to process these withdrawal types. PLRA documents are scanned into TRUFACS.

PLRA withdrawals are processed using the Misc Inmate Debt Maintenance Screen in TRUFACS. These withdrawals do not allow creation of a negative account balance. The source document is attached to the TRUFACS Outside Payment Report and the Sub-Certification Report received for the inmate funds withdrawn and scheduled for U.S. Treasury check payment.

d. **Transfer of Funds Between Inmates**

(1) **Transfers of Funds Between Inmates at Same Institution.** Funds may be transferred from the account of one inmate to another when the inmates are close relatives and the Warden approves in writing. The Request for Withdrawal of Inmate's Personal Funds (BP-199) is completed legibly in ink and signed in the presence of Unit Management staff. The source documents are the approval memorandum from the Warden authorizing the transfer between inmates and the signed BP-199. The Warden's memorandum is scanned into TRUFACS. A JV is processed and the appropriate accounting entries forwarded to the JV extract section for upload to the automated accounting system.

If this type of withdrawal request exceeds the inmate's available funds, a zero dollar NSF tracking transaction is not generated. These withdrawals do not allow creation of a negative account balance or a debt.

(2) **Transfers of Funds Between Inmates at Different Bureau Institutions.** When the transfer of funds involves inmates in separate institutions, it is necessary to obtain both Wardens' prior written approval. Once both have been obtained, the inmate transferring the funds signs the Request for Withdrawal of Inmate's Personal Funds (BP-199) for the amount to be transferred. The institution withdrawing the funds uses the special TRUFACS "Transfer Between Institutions" function. This transfers the funds to the receiving inmate at the other institution automatically. TRUFACS generates the appropriate reference number and accounting entries, which are uploaded to the automated accounting system by Trust Fund Branch staff.

The source documents for these withdrawals are the approval memorandums from the Wardens and the signed BP-199. The Wardens' memorandums are scanned into TRUFACS.

If this type of withdrawal request exceeds the inmate's available funds, a zero dollar NSF tracking transaction is not generated. These withdrawals do not allow creation of a negative account balance or a debt.

e. **IFRP Withdrawals.** Refer to Chapter 11.

f. **Medical Co-Pay Withdrawals.** Per the Medical Copay Act (18 U.S.C. § 4048) inmates are

assessed a fee for certain medical visits. Health Services staff enter the appropriate information on each medical visit and TRUFACS processes the withdrawal automatically, if required. If the inmate has NSF to process the withdrawal, TRUFACS automatically creates a debt.

TRUFACS creates a JV automatically and the accounting entries are forwarded to the JV extract section for upload to the automated accounting system.

g. Inmate Releases – Release Cards. All funds with the exception of gratuities and transportation are paid utilizing inmate release card.

h. Inmate Releases – Release Card Unavailable. Unit Management staff furnish the recommended amounts for gratuities to be paid in cash before release so that the Prisoner's Personal Funds and Cash Gratuities Voucher (BP-A0112) may be ready for signature when the inmate is discharged. Inmate Systems Management furnishes the Accounting Technician a list of inmates to be released. Cash disbursements related to releases are listed on the BP-A0112 and signed by a Certifying Officer as approved **before** the payment is made. The inmate signs the voucher when the funds are received.

If an after-hours release is conducted, the control room officer signs the cashier's copy of the BP-A0112, taking responsibility for the funds. The Control Room Officer obtains the inmate's signature on the original BP-A0112 when the release funds are given to the inmate, and the form is returned to the cashier the next business day.

Payments from the imprest fund may not exceed \$500 for any one transaction, except that unlimited cash may be provided:

- For the personal funds of individuals being deported as illegal immigrants.
- For the personal funds of unsentenced inmates upon their release from custody.
- From personal funds of individuals authorized emergency furloughs for bedside visits or funeral attendance.

The limits above are the maximum amounts allowable for payment by the Cashier. Institutions may establish lesser amounts for cash payment, with the balance being forwarded promptly by check or draft.

Inmates, upon release, are entitled to receive their personal funds in their Inmate Deposit Fund Account. Upon release, inmate personal funds to be paid in cash are held to a minimum. Release payment computations include accrued institution earnings, by providing the inmate with an Advance Pay for payroll that has not been processed. Payments made to the inmate upon release are in the form of cash up to \$500; the remaining balance is disbursed via a U.S. Treasury check, except where noted below.

(1) Cash Payment of Inmate Personal Funds. Payment is made from a Prisoner's Personal

Funds and Cash Gratuities Voucher (BP-A0112) generated in TRUFACS. Withdrawals from inmates' accounts are processed before the authorized Certifying Officer's signature on the BP-A0112. (Payments do not include funds for negotiable instruments on hold.)

Staff processing the release assign the next available release number for each group of releases. TRUFACS assigns the next Deposit Fund sub-voucher number automatically when the release is processed.

(2) **Schedule of U.S. Treasury Check Payment of Personal Funds to Be Sent to Destination Upon Release.** The portion of the release payment to be paid by a U.S. Treasury check is scheduled for payment when the release is processed in TRUFACS. This payment is made to arrive at the inmate's release destination. U.S. Treasury checks are always issued in the inmate's committed name so, when cashed, they are prima facie evidence of payment.

(3) **Drafts.** If the institution issues a draft as release funds, the Accounting Technician makes automated accounting system entries, as these are not done by TRUFACS.

i. **Gratuities and Transportation.** Inmates recommitted as parole or conditional release violators are again provided with suitable clothing, transportation, and gratuity on release.

(1) **Gratuities.** A cash gratuity, not to exceed \$500, may be paid to each inmate on release. The amount is determined per the Program Statement **Release Gratuities, Transportation, and Clothing.**

Release to Contract Residential Re-Entry Centers (RRC). Inmates accepted for release to a contract RRC with inadequate funds, as determined by Unit Management staff, may be eligible for a gratuity.

Release to Other Custody. If an inmate is being released to another law enforcement agency and in all probability will be released promptly, he/she may be paid a gratuity.

(2) **Transportation.** Transportation is furnished to an inmate upon release, to his/her place of residence within the United States, place of conviction, or another destination approved by the Warden. When the inmate obtains his/her own transportation home, no transportation cost is authorized.

Transportation Requests. Transportation furnished to released inmates may be procured by the authorized travel management center's Government Transportation Accounts (GTA). The most economical means of transportation is used. Transportation may be furnished for travel to airport, train, or bus terminals, and may also be furnished by relatives.

Cash Payments. Transportation furnished to releasing inmates may be purchased or paid for in

cash, not to exceed \$100 including tax and within imprest fund capability.

The normal procedure provides for tickets in advance. If cash is given to purchase tickets, the amount is entered in the release screen under transportation and included in the total paid transportation column of the Prisoner's Personal Funds and Cash Gratuities Voucher (BP-A0112). Arrangements may be made with the authorized travel management center to have the ticket at the terminal for the inmate. The authorized agency charges the ticket to the institution's GTA.

j. Special Circumstances

(1) **Immediate Releases After Normal Business Hours.** Institutions establish procedures detailing the return to duty of essential staff who can make transportation arrangements and provide funds for inmates being released at the direction of the courts to comply with release orders.

(2) **Immediate Release of Inmates Awaiting Trial.** Inmates awaiting or held during trial and released immediately may be paid with an inmate release card, regardless of the amount.

(3) **Out to Court/Writ.** When an inmate leaves an institution under court order and is not expected to return, he/she is paid the balance remaining in his/her personal account. A reasonable amount may be paid in cash and the balance as appropriate. When inmates are released on "writ" and held in a state or county correctional institution for more than 120 days, or sooner upon written request by the inmate, his/her account balance is paid via U.S. Treasury check.

(4) **Deportees.** Deportees may be paid the full amount of their personal funds with an inmate release card. Immigration and Customs Enforcement provides illegal immigrants released to their custody with transportation to their residence. Gratuities are provided per the Program Statement **Release Gratuities, Transportation, and Clothing.**

k. Correction of Administrative Errors. Withdrawals processed to correct administrative errors are processed per Chapter 8.1 and do not require an inmate's signature. TRUFACS places the account into a negative balance when sufficient funds are unavailable when processing such withdrawals.

l. Phone Withdrawals. Phone withdrawals are initiated by inmates using the Inmate Telephone System and their PAC. Phone withdrawal attempts that fail due to lack of funds do not create a debt and do not generate a zero dollar transaction. There is no source document for these transactions. The appropriate accounting entries are forwarded to the phone withdrawals extract section for upload to the automated accounting system.

m. Internal Revenue Service (IRS) Tax Liens. IRS Tax Liens are covered under Sections 6321, 6331, and 6334 of the Internal Revenue Code of 1954, and court orders. Funds on deposit in the Bureau Deposit Fund are subject to tax lien and levy. The source document for this type of withdrawal is an IRS order.

n. **Furloughs and Emergency Furloughs.** In no instance can appropriated funds be used to pay furlough costs when the inmate is furloughed for self purposes (see the Program Statement **Inmate Furloughs**). A properly completed Request for Withdrawal of Inmate's Personal Funds (BP-199) is the source document for furloughs.

TRUFACS places the inmate account into a negative balance when sufficient funds are unavailable when processing emergency furlough withdrawals. Staff allow a negative balance to be created only when the Warden has determined that the furlough is an emergency, as defined in the Program Statement **Inmate Furloughs**. Refer to Chapter 8.5 for processing negative account balances.

o. **Furlough Transfers.** Central Office appropriated funds may be given to an inmate for meals and transportation for a furlough transfer. At the end of a furlough transfer, any funds in an inmate's possession are refunded to the Central Office Cost Center using the automated accounting system. Inmates are not allowed to have personal funds withdrawn for furlough transfers. Personal funds are transferred during the nightly process.

p. **Escorted Visits.** Costs for these visits are at the inmate's expense, except for the Correctional Officer's first eight hours cost of pay each day the inmate is in his/her custody. The first eight hours may be regular time or overtime. Any amount paid the escorting Officer after the first eight hours is collected from the inmate. A no-expense Travel Authorization is carried by the Officer to support the trip's official nature, as well as support travel duty status on time and attendance records.

The inmate completes two Requests for Withdrawal of Inmate's Personal Funds (BP-199). The first BP-199 totals the trip's estimated costs, including estimates of the escorting Officer's salary chargeable to the inmate, and any other miscellaneous costs that may be reimbursed to the Government per Federal Travel Regulations and Bureau policy. The Trust Fund Specialist/Cashier verifies that the total estimated cost is available in the inmate's account. Upon the Warden's approval, a withdrawal entry resulting in a temporary negative balance may be posted to an inmate account for an escorted visit. The Trust Fund Specialist/Cashier verifies that the funds are available for that purpose through the mailroom or by contacting Central Office Deposit Fund staff for Western Union and Lockbox funds.

The second BP-199 is used to issue a cash advance, in the amount indicated, for the inmate to take on the escorted trip.

Using the BP-199 associated with the escort advance, the Accounting Technician withdraws the funds using the Inmate Withdrawal function in TRUFACS, withdrawal type Escort-Advance. The original BP-199 is given a TRUFACS reference number and initialed by the OFM staff withdrawing the funds. (The sub-voucher number is assigned by TRUFACS at time of withdrawal.) The BP-199 is attached to the transaction report, and forwarded to the cashier for cash payment.

The Accounting Technician/Cashier makes a cash payment based on the BP-199; the inmate signs the payees signature line on the BP-199 showing receipt of payment. The withdrawal is sent to the Reimbursement Voucher Extract, to be extracted upon preparation of the next reimbursement.

The BP-199 associated with costs reimbursed to the Government is encumbered using the Miscellaneous Encumbrance Entry function in TRUFACS. The BP-199 is secured until the travel is complete and a travel voucher submitted.

The escorted trip's total cost is settled using a travel voucher. Expenditures by the Officer are accounted for as required under Federal Travel Regulations and Bureau policies. Any advanced funds are returned to the Accounting Technician/Cashier, who receipts the funds and posts them to the inmate's account. The Accounting Technician/Cashier also audits the travel voucher immediately and has it certified.

Based on receipt of the certified travel voucher, the Trust Fund Specialist unencumbers the funds held for costs to be reimbursed to the Government. The Trust Fund Specialist, using the held BP-199, withdraws the total amount reimbursed to the Government using TRUFACS withdrawal type Escort Settle – Misc. This requires a JV number, and generates a JV upon saving the transaction. The JV number is noted on the original travel voucher and the BP-199.

A copy of the travel voucher is attached to the JV, which is filed and scanned into TRUFACS. TRUFACS generates the appropriate accounting transactions, which are extracted and uploaded into the automated accounting system.

If the total travel costs were underestimated, the inmate is required to complete another BP-199 for the amount owed the Government.

Any salary due the escorting Officer is paid by the institution and recorded in the institution's pay records and employee's W-2.

q. **Deceased Inmates.** See Chapter 8.7 for processing withdrawals for funds of deceased inmates.

r. **Debit Vouchers.** See Chapter 9.4.(c) for processing withdrawals to apply debit vouchers to inmate accounts.

s. **Withdrawals for Whereabouts Unknown Accounts.** See Chapter 8.9 for processing withdrawals for inmates' accounts whose whereabouts are unknown.

t. **Transfers to Other Bureau Facilities.** TRUFACS automatically transfers inmate Deposit Fund account records, related debts, BP-199 refusals, and account balance to the inmate's designated institution when transferring to another Federal institution. The inmate record status at the losing institution changes to "Transfer," and the gaining institution will be "Active."

Funds posted to the inmate's account in a "Transfer" status are forwarded to the designated institution automatically. The Trust Fund Specialist runs the Facility SENTRY Update Report in TRUFACS to review transfers. See Chapter 8.3 for guidance on managing transferred inmates' accounts.

u. **Transfers to Non-Bureau Facilities.** Inmates transferring to non-Bureau institutions or inmates identified in TRUFACS as "Needs Release" are processed through the TRUFACS release screen; funds are forwarded to the gaining institution via U.S. Treasury check. A forwarding

address is obtained from SENTRY; if one cannot be found, follow procedures for inmates whose whereabouts are unknown in Chapter 8.9.

v. **Withdrawals From Accounts of Inmates Declared Incompetent.** Only the legally appointed guardian has the right to act in personal property matters for an inmate declared incompetent, except for the Warden (see Chapter 3.6.c). When it is necessary to withdraw funds, a Request for Withdrawal of Inmate's Personal Funds (BP-199) is sent, with an explanatory letter, to the guardian for signature on behalf of the incompetent inmate.

A certified copy of guardianship appointment must be furnished when the signed form is returned, unless one is already in the inmate's central file. When there is no guardianship record, the matter is referred to Regional Counsel to determine if a guardianship appointment should be made.

w. **Withdrawals for Processing Payments Over Cancel.** Upon notification by the U.S. Treasury that a previously cancelled disbursement has been negotiated, a withdrawal is processed. This notification, via the cancelled check report from the automated accounting system, serves as the source document for the withdrawal transaction.

TRUFACS places the inmate account into a negative balance if sufficient funds are unavailable when processing a withdrawal type of payment over cancel. The staff member processing the withdrawal ensures that adequate documentation is available. See Chapter 8.5 for processing negative account balances.

x. **Commissary Sales.** See Chapter 3.6 for processing Commissary sales.

y. **Federal Court Orders.** Federal Court Orders requiring disbursement of funds from an inmate account must be followed. The court order serves as the source document for the withdrawal.

Chapter 11. PROCESSING INMATE FINANCIAL RESPONSIBILITY PROGRAM (IFRP) PAYMENTS

11.1 GENERAL. This chapter establishes procedures for processing automated and manual payments in TRUFACS for IFRP through SENTRY. IFRP was developed to encourage sentenced inmates to satisfy court-ordered financial obligation(s). Inmates receive help from Unit Management staff to develop a financial plan to satisfy these obligation(s).

The SENTRY IFRP Module facilitates processing procedures for payments made on behalf of inmates who have court-ordered financial obligation(s). It allows tracking of financial data entered into the SENTRY database. TRUFACS automates IFRP withdrawals, SENTRY transmission, and processing of the Business Disbursements and Excess Withdrawal transactions.

Unit Management staff enter the appropriate data into SENTRY for all inmates with a financial obligation. The stored information is updated monthly or quarterly after OFM/Trust Fund staff process payments, or when the inmate changes participation status, or as necessary for a change in a financial obligation. The Trust Fund Branch transmits the payment data and funds to the appropriate component.

11.2 OVERSIGHT RESPONSIBILITY. The Chief, Trust Fund Branch, has oversight of IFRP payments and ensures that the IFRP data transmitted to outside components is accurate and timely. If errors are detected in the data or IPAC amounts each institution processes, Deposit Fund staff contact the institution and request corrective action.

After reconciliation, the Trust Fund Branch transfers the funds to the appropriate component(s), authorizes SENTRY to release the IFRP data file to the component, and generates reports. Each institution ensures the accuracy of data they process and promptly corrects errors identified by Deposit Fund staff.

11.3 ACRONYMS AND SENTRY IFRP TERMINOLOGY

- a. **Financial Obligation.** Any court-ordered payment for restitutions, fines, assessments, child support, etc.
- b. **Plan.** Document generated via SENTRY by Unit Management staff and signed by the inmate detailing financial obligations and payment terms.
- c. **Cycle Type.** Identifies the type of pay from which the withdrawal is being processed (UNICOR or Inmate Performance Pay).
- d. **Cycle Period.** Identifies the month and year associated with the payment.
- e. **Freeze Cycle.** The automated function in SENTRY that establishes the cut-off for processing contracts during the current cycle period. The cut-off date is automated by SENTRY and is the

last day of each month.

- f. **Transaction Code.** The four-digit code used to access various SENTRY screens.
- g. **Excess Withdrawal.** The amount by which an expected withdrawal exceeds the financial obligation balance.
- h. **Business Disbursement.** The amount of an inmate's financial obligation for which a U.S. Treasury payment is required. During the IFRP process, on day three, business disbursements are re-posted automatically to the inmate account; a TRUFACS outside payment extract is generated for OFM/Trust Fund staff to sub-certify and upload to the automated accounting system.

11.4 SENTRY INPUT. Unit Management staff enter inmate obligation data and generate a SENTRY IFRP contract. The contract includes the payment terms agreed upon and is signed by the inmate. This form is filed in the inmate central file in accordance with the Program Statements **Inmate Central File, Privacy Folder, and Parole Mini-Files** and **Inmate Financial Responsibility Program**.

11.5 MONTHLY CUT-OFF. OFM/Trust Fund staff process two payment cycle types each month (i.e., UNICOR and Inmate Performance Pay), if appropriate. No later than the 15th of each month, these cycle types are completed and the funds transmitted via IPAC to the Deposit Fund, Trust Fund Branch, Agency Location Code 15-10-0903.

11.6 SENTRY IFRP PAYMENT PROCESSING. The IFRP is processed in TRUFACS and SENTRY on the same day the associated pay (UNICOR or Inmate Performance Pay) is posted. Single and monthly payments are processed each month, and quarterly payments are processed only during the last month of each quarter. Payments of less than \$25 are not made unless they are final payments.

The SENTRY transaction codes for the following procedures are explained in the SENTRY Inmate Financial Responsibility Technical Reference Manual. These transaction codes can only be accessed by OFM/Trust Fund staff on designated terminals.

a. **SENTRY Changes Applied to TRUFACS.** SENTRY updates TRUFACS when one of the following occurs:

- Unit Management staff creates or stops an IFRP contact.
- Unit Management staff changes an inmate's participation status; i.e., FRP Refuse, temp exempt.
- The balance of an obligation falls below \$25 and the contract is for repetitive Inmate Performance Pay withdrawals. When this occurs, SENTRY stops the repetitive withdrawal and issues a second Trust Fund change for the final payment. If, in the next cycle following the creation of this single final payment withdrawal, the inmate has insufficient funds to cover the balance, SENTRY allows a second chance to complete the obligation by generating a

second single final payment.

Trust Fund changes, and active contracts generated in SENTRY, are updated in TRUFACS on the first day of each month. Contracts entered into SENTRY by Unit Management staff and received as part of the nightly process are considered valid. Unit Management staff ensure that each contract contains cycle type, cycle period, payment terms, and signatures before establishing the contract in SENTRY.

Note: An inmate may be in IFRP Refuse status and have an active contract, which is processed with the normal IFRP.

b. **Freeze the SENTRY Cycle Transaction.** SENTRY automatically freezes the IFRP cycle for UNICOR and Inmate Performance Pay on the first day of each month. Changes made in SENTRY after the current cycle has been frozen are not updated in TRUFACS until the next cycle.

c. **Repetitive Payment Process.** OFM/Trust Fund staff perform the “Process IFRP” function in TRUFACS immediately following posting the Inmate Performance Pay. Repetitive payments may be monthly or quarterly. Single payments are processed during the IFRP process, along with monthly and quarterly payments.

IFRP withdrawals for UNICOR contracts are withdrawn by TRUFACS automatically when UNICOR pay is posted, except for single, monthly, and quarterly payments, which are part of the repetitive payment process.

d. **Verification of TRUFACS Actual Single and Actual Repetitive Withdrawals in SENTRY.** After IFRP withdrawals have been transmitted from TRUFACS to SENTRY, OFM/Trust Fund staff verify the withdrawal amount as outlined in the SENTRY TRM. Documentation is kept verifying that the TRUFACS IFRP withdrawals and SENTRY IFRP withdrawals are in balance.

If there is a difference between the amount withdrawn from TRUFACS and the Actual Withdrawal Amount in SENTRY, contact the Trust Fund Branch.

e. **Authorize SENTRY Deductions Transaction – (PIAP).** After verifying that the amounts withdrawn from TRUFACS equal the withdrawal amounts reported to SENTRY, OFM/Trust Fund staff use the Authorize Deduction from Inmate Financial Obligation (PIAP) screen to authorize SENTRY to use the actual withdrawal amounts and create deductions from inmate obligation balances maintained in SENTRY. The PIAP screen must be printed and included in the monthly folder.

f. **Corrections.** A correction to the actual amount withdrawn can be made using the Display Expected and Update Actual Withdrawals Screen (PIAW), before closing the current cycle.

g. **Display SENTRY’s Cycle Totals Transaction – (PIDT).** OFM/Trust Fund staff generate

the Display Cycle Totals and Update IPAC Numbers transaction for each cycle type, on the work day after generating the AUTHORIZE DEDUCTION FROM INMATE FINANCIAL OBLIGATION transaction. This indicates the:

- IPAC amount and destination.
- U.S. Treasury check amounts.
- Excess withdrawal amounts that were posted automatically back to the inmate accounts.

The IPAC document reference number and date are entered on this screen, indicating that the IPAC amount(s) specified on the DISPLAY CYCLE TOTALS report has been transmitted. A copy of this report is printed and kept on file.

h. Display Business Disbursements Transaction – (PIBD). This transaction displays a list of payees and addresses to which the U.S. Treasury check disbursements identified in the DISPLAY CYCLE TOTALS & UPDATE IPAC NUMBERS (PIDT) transaction are forwarded by OFM/Trust Fund staff. These disbursements are generated automatically by TRUFACS and are in a pending status awaiting OFM/Trust Fund processing. Payments are extracted from TRUFACS and uploaded to the automated accounting system.

i. Display Inmate Excess Withdrawals Transaction – (PIEW). The DISPLAY INMATE EXCESS WITHDRAWALS report identifies amounts withdrawn from the inmates' accounts in TRUFACS in excess of their financial obligation balance(s). These funds are posted automatically back to the inmates' TRUFACS account the day after the AUTHORIZE DEDUCTION FROM INMATE FINANCIAL OBLIGATION (PIAP) is performed.

11.7 SENTRY IFRP REPORTS. The day after the Authorize Deduction from Inmate Financial Obligation cycle has been run to apply withdrawals, OFM/Trust fund staff print the following SENTRY reports for each cycle type. These reports are kept chronologically for each fiscal year in an area inaccessible to inmates.

- **Display Cycle Totals & Update IPAC Number.** Used to verify the amount(s) to be transmitted via IPAC to the Trust Fund Branch by OFM/Trust Fund staff, to determine if any IFRP payments are to be processed via U.S. Treasury check, and to identify excess withdrawals processed during the cycle. The IPAC document reference number and date are entered, indicating the IPAC was transmitted.
- **Display Business Disbursement.** Lists payees and their mailing addresses for payments to be made by OFM/Trust Fund staff via U.S. Treasury check.
- **Display Inmate Excess Withdrawals.** Identifies amounts withdrawn from inmates' accounts in TRUFACS in excess of their SENTRY financial obligation balances. SENTRY applies payments not to exceed the obligation; therefore, amounts indicated on this report are automatically posted back to the inmates' TRUFACS accounts.

See Sections 6.g.-i. for additional guidance.

11.8 CERTIFICATION OF IFRP PAYMENTS. Disbursements for IFRP are made either via IPAC or U.S. Treasury check. The IPAC and U.S. Treasury disbursements are certified in accordance with current accounting requirements. Each IFRP payment voucher includes:

- Display Business Disbursements Report.
- TRUFACS IFRP Reports.
- Sub-certification report and confirmation report, when applicable.
- IPAC document transaction listing, when applicable.

11.9 PAYMENT TRANSMISSION. The IFRP funds are transmitted via IPAC to the Trust Fund Branch the next business day after the cycle has been processed, no later than the 15th of each month. The total amount of funds withdrawn from TRUFACS and the amount indicated on the SENTRY Display Cycle Totals Report for each cycle must equal the IPAC plus U.S. Treasury check amounts.

11.10 BATCH PROCESSING. The Office of Information Systems (OIS) collects IFRP data and batch process information every night for completed cycles. This creates the file for submission to the appropriate component and updates the SENTRY database.

11.11 IFRP REFUNDS FOR OVERPAYMENTS. When an inmate overpays his/her IFRP obligations, the Clerk of the Court refunds the overpayment to the inmate. The refund is sent to the inmate's current location either by IPAC from the Trust Fund Branch Deposit Fund Section or by check from the Clerk of the Court. Checks received from the Clerk of the Court are forwarded to the LockBox for processing.

11.12 TRANSFERRED INMATES. If an inmate is transferred to another institution, SENTRY stops the existing IFRP contract automatically, as long as the cycle has not been frozen. If it has been frozen, and the inmate has an expected withdrawal for this cycle, SENTRY indicates the contract as having a stop in progress and processes the contract during the cycle. Once the cycle has run, SENTRY stops the contract automatically.

11.13 INMATES OUT ON WRIT. Withdrawals for inmates on writ continue to be processed until Unit Management staff update the contract.

11.14 INMATES ON ESCAPE STATUS. Withdrawals for inmates on escape status continue to be processed until Unit Management staff update the contracts.

11.15 PAYMENTS. Inmates with questions regarding IFRP payments contact Unit Management staff.

Chapter 12. WAREHOUSE OPERATIONS

12.1 GENERAL. Warehouse operations manage the receipt, storage, and distribution of general supplies, clothing/linen, Commissary merchandise, food stores, and personal property. Substantial quantities and varieties of supplies and other stores are kept ready for use as the need arises.

A specified area or room is provided for retaining shipments as they arrive, until they have been checked and accepted, and a Receiving Report or other receiving document has been prepared. The area or room, as far as possible, is under the exclusive control of Warehouse/Trust Fund staff.

12.2 RECEIVING PROCEDURES

a. **Government Purchase Card.** General procedures related to Warehouse/Trust Fund staff and receipt of merchandise procured via Government Purchase Card are in the Program Statement **Bureau of Prisons Acquisition Policy** and the Acquisition TRM.

b. **Commissary Resale.** Guidelines related to receipt of Commissary merchandise are in Chapter 3.

c. **Commissary Non-Resale.** These are received per the process in Section 4.

d. **Purchase Orders (Non-Purchase Card)**

(1) **Identification.** The first step in the receiving procedure is to match articles received with the vendor, PO, or contract specifications. Warehouse/Trust Fund staff examine, count, measure, or weigh the articles to determine positively their acceptance as to quantity, quality, and conformity with the contract.

(2) **Receipt.** A receipt in the form of a signature on a freight ticket presented by common carrier is only conditional acknowledgment of gross containers, weights, etc., and does not constitute a release of either the carrier (for concealed damage) or the vendor (for contract compliance). Apparent or probable damage, shown by the container's condition, is noted on the receipt.

(3) **Specifications.** Warehouse/Trust Fund staff must be familiar with the requirements of the supply specifications. In addition to quantity, measurement, or weight, the examination encompasses details of type, class, style or design, size, grade, quality, and condition of articles in the shipment.

Comparisons are made with bid samples (if any) and tests made when advisable. If any doubt exists, Warehouse/Trust Fund staff enlist the aid of other institution specialists concerned with the particular articles. If satisfied, they initial the Receiving Report to signify approval.

(4) **Verification.** Unless the contract specifies otherwise, reasonable commercial and trade

practices govern the verification and acceptance of goods. For instance, minor and immaterial deviations in quantity or reasonable deviations occasioned by standard packing are accepted and the actual amounts received are reported accurately so payment will be made accordingly. It is not necessary to open every carton or weigh each container, but Warehouse/Trust Fund staff should test weights or contents if necessary.

(5) **Timeliness.** Warehouse/Trust Fund staff examine supplies routinely received as promptly as possible; normally no later than close of business one working day after receipt. The vendor may assume (and the law presumes) that goods are accepted unconditionally after a reasonable period for inspection. When goods are determined to be unacceptable, it is essential that the vendor be notified promptly.

(6) **Receipt at Other Than Warehouse.** To avoid unnecessary handling, materials for immediate use may be unloaded at the job or storage site. The Trust Fund Supervisor delegates authority, in writing, to other employees for checking and accepting such goods at the delivery point and ensures they are familiar with receiving procedures. The employee receiving the material notifies the warehouse and provides documentation for receipts. The employee also signs the receiving report once it has been prepared by the warehouse.

(7) **Arms and Ammunition.** Arms and ammunition are not received in or pass through the Warehouse but are received by Armory staff. The Armory Officer signs invoices, shipping bills, and other pertinent papers and forwards them to the Warehouse to prepare the Receiving Report, normally within close of business of the day of receipt. The same procedures apply to explosives, blasting accessories, and tear gas.

(8) **Containers.** When supplies or materials are received in containers (drums, carboys, reels, etc.) on loan, the Receiving Report covering the goods reflects the serial number of the container when available. For containers delivered directly to the work site, the individual accepting delivery informs Warehouse/Trust Fund staff of the serial number(s).

12.3 PURCHASE ORDERS. The P.O., Request for Purchase, and Purchase Card Purchase Form provide information as to what supplies/property are on order and the anticipated delivery date. This enables Warehouse/Trust Fund staff to make adequate storage space available. These documents, together with the items' specifications, should provide all the information necessary to determine by inspection the acceptability of the supplies.

a. Copies of Purchase Documents

(1) **Copies of Purchase Orders.** Two copies of each P.O. are forwarded to the Warehouse and filed, one in an open file and the other alphabetically in a master file. Acquisition staff mark all P.O. copies covering HOT ITEMS with a readily noticeable insignia for Warehouse identification.

(2) **Copies of Requests for Purchase.** One copy of each Request for Purchase is forwarded to the Warehouse and filed numerically by fiscal year. Acquisition staff mark each Request for

Purchase copy covering HOT ITEMS with a readily noticeable insignia for Warehouse identification.

b. **Review of Open Purchase Orders.** Warehouse/Trust Fund staff establish an internal schedule to review open orders on a monthly cycle, bearing in mind when the goods are needed, and follow up with vendors to secure timely deliveries.

(1) **Review.** A portion of the open orders must be analyzed weekly to ensure that orders do not exceed 30 days beyond the required delivery date on the P.O. or Request for Purchase.

(2) **Follow-up.** Telephone calls to vendors may be used for the first three inquiries. Notations are made on the ordering document and include:

- Person contacted.
- Date of contact.
- Vendor response.
- Initials of the staff member making contact.

After the three telephone follow-up inquiries, the Trust Fund Supervisor is notified and appropriate action taken.

12.4 RECEIVING REPORTS. To certify payment to a vendor, the receipt of goods or services provided is documented, normally by a Receiving Report.

a. **Subscriptions/Services.** Receiving Reports are not required for procurement of subscriptions or services. The “services and supplies received” stamp may be used in lieu of a Receiving Report (see the Program Statement **Accounting Management Manual**).

b. **Non-Personal Service Contracts.** Receiving Reports are not required for non-personal service contracts. The SF-1034 signed “approved for payment” serves as the Receiving Report.

c. **Charge Accounts.** The preparation of Receiving Reports for charge accounts is at each institution’s discretion.

d. **Complete Orders.** The P.O. may be used as the receiving document for complete orders. Warehouse/Trust Fund staff sign and date the original and make two copies. The original is sent to Accounting with any invoices received; one copy is signed by the staff member picking up the order, and kept numerically in the Warehouse. The requestor receives a copy.

e. **Partial Orders.** A Receiving Report is prepared when the quantity of goods received represents a partial shipment. As shipments are received, the number and date of the Receiving Report covering the shipment are noted on the Warehouse Copy of the P.O., then returned to the open file. In partial shipments, notations are made to identify the individual items or parts of items with their corresponding Receiving Report. Thus, the order will have a complete record of

each delivery.

Warehouse/Trust Fund staff initial any corrections made to the Receiving Report on all copies. When the order is complete, the open copy of the P.O. is attached to the final Receiving Report before filing in the closed file.

f. **Controlled Property.** When the item received is controlled property, the assigned Federal Prison System Identification (FPS-ID) number is documented per the Program Statement **Property Management Manual**. A copy of the completed and signed Receiving Report – Accounting Copy and a Property Management System Input Transaction Form are forwarded to the Property Officer following the APO's verification and signature.

The FPS-ID number assigned to controlled property appears in the article column of the Receiving Report.

Warehouse/Trust Fund staff complete certain fields of the Property Management System Input Transaction Form per the **Property Management Manual**. The APO verifies that the item's FPS-ID number, item description, serial number, and cost center agree with the information on the form, then signs it.

Warehouse/Trust Fund staff forward the form to the Property Officer for entry into the SENTRY Property Management System (SPMS). If the item and the Property Management System Input Transaction Form do not agree, the APO notifies Warehouse/Trust Fund staff to initiate corrective action.

g. **Timeliness.** Receiving Reports are completed promptly and forwarded to Accounting in time to comply with the Prompt Payment Act, but no later than three working days after receiving the order. Exceptions are authorized for Commissary merchandise during semi-annual inventories.

h. **Preparation.** Receiving Reports are completed as follows:

(1) **Numbering.** Numbered consecutively at the beginning of each fiscal year followed by the last digit of the fiscal year; e.g., 0001-7, 0002-7. Except for the Trust Fund Appropriation, appropriations (Salaries and Expenses, Buildings and Facilities, etc.) are in the same numbering sequence.

A separate series of numbers is established for Trust Fund non-resale Receiving Reports. The numbers are preceded by TF and numbered consecutively at the beginning of the fiscal year (e.g., TF0001-7, TF0002-7). Accounting, in conjunction with the Warehouse, maintains number control of Receiving Reports.

(2) **Received From.** The name of the vendor as shown on the P.O. If supplies are received from a shipper other than the vendor, his/her name and address, preceded by the words Actual

Shipper, are shown in the body of the Receiving Report.

(3) **Contract Number and Date.** As shown on the P.O.

(4) **Government Bill of Lading (GBL) Number.** Indicate if appropriate.

(5) **Via.** Name of the transportation company or mode of delivery, such as Vendor's Truck, Picked Up, or Mail. For orders when the institution pays postage, the amount is shown. If shipment was by common carrier, show whether the carrier or the Government performed pickup or delivery between the carrier's terminal and institution.

(6) **Accounting Data.** Entered the YREGDOC number on the Receiving Report exactly as shown on the P.O.

(7) **Transportation Prepaid or Collect.** Always completed with the amount indicated. If the amount cannot be determined, UNK (for unknown) is entered.

(8) **Stock Number/Serial Number, Quantity, Unit, Article, Unit Price, Amount.** Most are self-explanatory. The P.O. price of the item received is used to prepare the Receiving Report. When the P.O. is an estimated or not to exceed amount, the actual unit price is used if it is less than the P.O. price (i.e., actual price is \$10, for an item identified as NTE \$12).

(9) **Receiving Clerk.** Signature of Warehouse/Trust Fund staff receiving the goods or services. Any correction after preparation of a Receiving Report requires the initials of a Warehouse/Trust Fund staff member.

i. **Distribution of Receiving Reports**

(1) **Original.** After Warehouse/Trust Fund staff verify and sign it, the original is forwarded to Accounting with any invoices or GBLs and filed with the copy of the P.O. and the vendor's invoice pending preparation of the basic voucher for payment.

(2) **Receiving Clerk Copy.** Used for posting to Stock Record cards (if necessary) and filed numerically.

(3) **Requisitioner Copy.** Forwarded to the requisitioner, Cost Center Manager, or APO, whichever is appropriate.

j. **Contra Receiving.** Prepared when necessary to reject a shipment that had previously been received and when cylinders or drums are returned for credit. Contra Receiving Reports are prepared, recorded, and distributed using the same forms and in the same manner as regular Receiving Reports, except copies are conspicuously marked **Contra Report**.

The line Received From is changed to read Shipped To or Returned To. Full details are included

regarding:

- Source of the articles.
- Reason for rejection or purpose of shipment.
- If offsetting a previous Receiving Report, cross-referenced to its number and date.

12.5 TRANSPORTATION CHARGES. Transportation costs are entered on Receiving Reports except when goods are purchased F.O.B. destination.

- a. **F.O.B. Destination.** When merchandise is shipped F.O.B. destination, the vendor pays shipping charges with no additional charge to the Government.
- b. **F.O.B. Shipping Point.** When merchandise is shipped F.O.B. shipping point, the Government pays the cost of transportation from the vendor's dock to the final destination.
- c. **Receiving Reports.** If the shipment is on a GBL, the GBL number, gross weight of the shipment, and transportation cost as revealed by the freight bill, freight receipt, etc., are entered on the Receiving Report. Shipments on a commercial collect Bill of Lading are converted to a GBL.

When the Government pays for transportation that is prepaid by the vendor, costs are billed as separate item(s) on the invoices. This estimate or actual cost for transportation charges is shown on the Receiving Report.

12.6 GOVERNMENT BILL OF LADING

a. **Incoming Deliveries.** The GBL (SF-1103) does not require completion by the consignee. It is not expected that a detailed examination is made of each shipment before signing the carrier's delivery document. However, when cursory inspection at delivery indicates possible shortage, loss, or damage, the carrier's representative is requested to make a notation to that effect on the delivery ticket and the consignee's copy of the GBL.

If shortage, loss, or damage is discovered later, the carrier is notified immediately by telephone, followed by a written confirmation. The carrier is requested to inspect damage, breakage, contamination, loss, etc., and furnish the consignee with a copy of the report. Pending inspection by the carrier or designated agent, the damaged articles, containers, and packing material are kept intact.

b. **Outgoing Shipments.** When a GBL is needed for outgoing shipments, Warehouse/Trust Fund staff prepare the GBL and provide the carrier with the following copies:

- Original (SF-1103).
- Shipping Order (SF-1104).
- Freight Waybill - Original (SF-1105).
- Freight Waybill – Carrier's Copy (SF-1106).

The remaining copies (SF-1103A) are distributed as follows:

- 1 copy to consignee's accounting station for obligation.
- 1 copy to consignee's receiving department.
- 1 copy for GBL numerical file (located in procurement).

c. **Lost GBLs.** The original GBL is the carrier's primary shipping document, which is used to bill the Government for transportation. If, upon delivery, the original GBL cannot be located, the carrier may, after certification by the issuing office, use the Freight Waybill - Original (SF-1105) as a substitute when submitting public vouchers to the Government paying office. In this case, the following actions are taken:

The delivering carrier forwards the SF-1105 to the issuing office, which determines that the services were ordered and the shipment was received. The issuing office places the following certification on the reverse of the SF-1105 (5 GAO 3045.15):

"I certify that the services shown on the Freight Waybill were requested and have been rendered."

(Signature of issuing office)

(Date)

The issuing office returns the SF-1105 to the carrier and places on the reverse of the SF-1105 an identical Certificate of Carrier Billing for Charges that appears on the original GBL, indicating the condition of the shipment upon receipt. Reproduced copies of the SF-1105 are not acceptable.

If the original GBL is located by the carrier before settlement is made on the SF-1105, the original GBL should be substituted and the SF-1105 marked with the notation (5 GAO 3045.25):

"CANCELED - ORIGINAL BILL OF LADING LOCATED AND DELIVERED TO THE DESTINATION CARRIER."

The canceled SF-1105 is returned to the issuing office.

If the original GBL is located after settlement is made on the SF-1105, the original GBL is marked with the notation:

"TO BE VOIDED. PAYMENT RECEIVED ON FREIGHT WAYBILL."

The original GBL is forwarded to the Government paying office indicated on the front of the GBL, where it is voided, properly annotated, and forwarded to the U.S. Government Accountability Office (5 GAO 3045.30).

12.7 LOST AND DAMAGED SHIPMENTS

a. **F.O.B. Shipping Point.** Property purchased F.O.B. shipping point becomes the property of the Government upon delivery. If a shipment is damaged, one of the following procedures is required:

If the property can be repaired, arrangements can sometimes be made for the carrier to contract with a local repair shop.

The institution may contract for the repairs or may make the repairs in the institution. The actual cost of restoring the article to its original condition is the amount required from the carrier in satisfaction of the damages.

If repair is impractical, the damaged article may, with the carrier's consent, be disposed of as salvage. The replacement cost or original cost, including transportation in either case, is the amount of damages to be recovered.

When a shipment is received on an F.O.B. shipping point basis and is completely or partially damaged, the Receiving Report shows items accepted; the damaged items are listed separately with corresponding values of the merchandise. The damaged items are covered by a Report of Survey, which is used for posting to the Stock Record card.

b. **F.O.B. Destination.** If the damaged articles were the property of the vendor while in transit (i.e., F.O.B. destination), the Government has no claim against the carrier. If the goods were rejected and left in the carrier's possession, or were received and held at the institution, it is important that prompt notice of the damage and rejections be given to the vendor. Arrangements may be made for a replacement shipment and to permit the vendor to make whatever claim he/she has against the carrier and to authorize disposition of the damaged goods.

The institution should cooperate in any reasonable way to protect the shipper's interest, through joint inspection of the goods and furnishing the vendor a copy of the inspection report and freight bill, restoration of the damage by repair rather than replacement if not detrimental to the Government, or disposition of the damaged articles in the way most advantageous to the owner. The institution must insist upon prompt disposition of any unacceptable goods held for the shipper.

c. **Shipment Partially Damaged.** When a shipment received F.O.B. destination is only partially damaged, the Receiving Report indicates the acceptable items and notates the articles damaged. If the damages are negligible, the order is marked complete and a voucher deduction made from the vendor's invoice for the amount damaged.

d. **Shipments Totally Damaged and Not Acceptable.** When all items in a shipment received F.O.B. destination are not acceptable, a Receiving Report is not prepared. Follow the actions described above.

12.8 STORES REQUISITION. A Stores Requisition, Invoice and Transfer Receipt (BP-A0100) is used to record the issue, transfer (temporary or permanent), or return of supplies and accountable property, and to provide a document for accounting control.

a. **Controlled Property.** Accountability of controlled property out for repair is transferred via a Stores Requisition, Invoice and Transfer Receipt (BP-A0100) form.

b. **Preparation.** Stores Requisition forms are available to all employees. The requisitioning officer fills in the form and forwards it to the Warehouse. The form is completed as follows:

(1) **Number.** Warehouse/Trust Fund staff number requisitions for supplies consecutively, beginning with No. 0001 at the start of each fiscal year. Staff maintain a separate block of numbers for transactions involving controlled property with FPS identification numbers. These are identified as ETR001 (Equipment Transaction Request).

(2) **Furnish, Return, Transfer, Purpose.** Each block is clearly checked as to the purpose of the requisition:

- From - insert the department or person delivering the supplies or controlled property.
- To - insert the department or person receiving the supplies or controlled property.

Note: Only designated APOs may sign Stores Requisitions involving transfer of controlled property.

(3) **Stock Number or Equipment Number.** The requisitioning officer takes Stock Numbers from the institution stock catalog (if maintained). The FPS-ID number is used for controlled property or the serial number for other property.

(4) **Quantity Wanted.** The requisitioning officer enters the quantity being ordered.

(5) **Furnished.** Shows the quantity of each item issued by Warehouse/Trust Fund staff.

(6) **Balance on Hand.** Warehouse/Trust Fund staff insert the balance of items remaining in stores after the quantity delivered is deducted. Completion of this block is optional.

(7) **Article.** The requisitioning officer inserts the correct description. If more space is needed, use the second line on the form.

(8) **Unit Price.** No information is needed except transfer of costs (see the Program Statement **Accounting Management Manual**).

(9) **Amount.** No information is needed except transfer of costs (see the **Accounting Management Manual**).

(10) **Issued or Returned By.** Signature of the person filling the requisition or returning items to the Warehouse.

(11) **Transfer To.** Signature of the person receiving the supplies, after checking the requisition against supplies received.

c. **Drawing of Supplies.** Warehouse/Trust Fund staff enter information on all copies as supplies are withdrawn from the shelves. After posting to Stock Record cards (if applicable), the completed Stores Requisition forms are distributed per Section 8.d.

d. **Distribution.** Stores Requisition forms are processed as follows, except if the property is controlled property sent for repair. In that case, follow procedures in the Program Statement **Property Management Manual**.

- Arranged in numerical order.
- The original Stores Requisition form is the Warehouse source of posting. After posting, the original is initialed by the individual doing the posting, indicating that it has been posted to the Stock Record card(s) (if applicable).
- Distribution of the Stores Requisitions Form:
 - Original – Warehouse numerical file copy.
 - Copy – Controlled Property – When controlled property (with FPS-ID number) is transferred, a copy is forwarded to the Property Officer for input into the SPMS.
 - Copy forwarded to Accounting to document transfers between appropriations, such as for Trust Fund transfers and UNICOR transfers.
 - Copy for person receiving the supplies or APO.

12.9 ARRANGEMENT OF STORES. Accessibility and convenience are important factors in Warehouse operations. New stock is placed in shelves, bins, etc., so that the oldest stock is issued first.

a. **Segregation of Supplies.** Supplies purchased out of special funds, such as B&F and Trust Fund, are segregated and are not issued for purposes other than that for which purchased.

b. **Convenience.** Articles are stacked or shelved in uniform tiers and rows to facilitate rapid counting when taking inventory. Full cartons or other containers are placed so the label or marking indicating the contents is on the outer or top side, whichever is most readily visible. Clothing is arranged by size, and bins marked to facilitate inventory.

c. **Security.** Supplies, except those such as gasoline, fuel oil, motor oil, coal, subsistence items, and discharge clothing that may be issued by other employees, are under the Warehouse/Trust

Fund staff's control. Each Warehouse, building, or enclosed area is locked securely when not in use. Due to their type and quantity and the lack of indoor storage space, some materials may be kept separately from the Warehouse.

d. **Hot Room.** Each Warehouse has a securely locked room or enclosed area for the safe storage of HOT ITEMS that are most likely to be pilfered, or might facilitate an escape attempt: small tools, files, knives, drills, abrasives, hacksaw blades, antifreeze, lye, hypodermic needles, drugs, acids, poisons, certain spices, etc. Institution staff concerned with custody and safety prepare a list of HOT ITEMS for their institution. The list may expand or shrink, depending on the

institution and particular hazards present. Copies are given to Acquisitions and Warehouse/Trust Fund staff.

e. **Advanced Planning.** Plans for placement of supplies must be made in advance of receipt to expedite distribution and avoid delay in filling requisitions. In allocating storage space, two factors are considered:

- Quantity and type of supplies.
- Frequency of turnover.

Make every effort to arrange stock to facilitate issue of older stock first (First-in, First-out, or FIFO method).

f. **Donated Items.** Donated articles are kept with like items on Stock Record cards (if applicable).

g. **Clothing.** Discharge clothing and other items given inmates upon release may be issued on a Stores Requisitions Form and signed for by Receiving and Discharge staff. Inmates being released sign a Stores Requisition, Invoice and Transfer Receipt (BP-A0100) covering Government property received. Clothing and other supplies are picked up from the storeroom per Section 8.

h. **Stock Levels of Supplies.** The stock level of supplies in the Warehouse must not exceed a 180-day supply. Excess stock is disposed of per the Program Statement **Property Management Manual**.

12.10 STOCK RECORD CARDS (BP-109)

a. Requirements

(1) **General Supplies.** Stock supplies believed to be a threat to security or safety or those highly desirable and subject to theft are kept on Stock Record cards or a Bureau-approved automated Stock Record card program. The Trust Fund Supervisor determines which supplies are kept on Stock Record cards and prepares a memorandum listing them that is kept on file in the Warehouse.

When a Receiving Report is posted to the Stock Record card, the date, Receiving Report number, quantity, and unit price are shown. The unit price is placed on the card for reference relating to ordering and for use when the magnitude of inventory shortages after the annual inventory requires submission of a Report of Survey to the Regional Director per the Program Statements **Bureau of Prisons Acquisitions Policy** and **Property Management Manual**.

The requirement for maintaining Stock Record cards does not apply to establishing stock levels for final issue points, such as supply closets located in office space.

(2) **Medical Supplies.** Recording and receiving of medical and hospital supplies are in accordance with the Program Statements **Patient Care** and **Pharmacy Services**.

(3) **Subsistence Supplies.** At institutions where subsistence supplies are stored and controlled in the Warehouse, inventory records are updated per the Program Statement **Food Service Manual**.

b. **Stock Record Cards.** Entries to the Stock Record card are made by ink or typewriter. Erasures, white-outs, and ink eradications are not allowed; errors are corrected as follows:

- If there is no intervening entry, rule neatly through the error (leaving it legible) and place the correct entry on the next line.
- If other entries intervene, make reversing or correcting entries with cross-reference to the erroneous entry.

Corrections to automated Stock Record cards use a reversing entry and sufficient information to maintain an audit trail. Information posted on the Stock Record card is self-evident, but use the following as a guide:

(1) **Date.** Date of the posting document. The Stock Record card is **year-dated** at the start of every calendar year.

(2) **Reference.** Reference the number of the Receiving Report, Report of Survey, or Stores Requisitions Form.

(3) **Unit Price.** Actual cost of the stock received, limited to two decimal places.

(4) **Received.** Enter quantity received (added) and extend into balance column.

(5) **Issued.** Enter quantity withdrawn (reduced), deduct from previous balance, and enter quantity remaining on hand in the balance column.

(6) **Balance.** Quantity on hand after posting the Receiving Report, Report of Survey, or Stores

Requisitions Form.

(7) **Location.** Enter the Accounting Classification Code using 02 in lieu of fiscal year in the appropriation block.

(8) **Stock Number.** Stock numbers are assigned per Federal Property Management Regulation 101-30.3.

(9) **Unit.** The unit of issue is normally the unit identified on the P.O.

(10) **Article.** The article is described to be easily identifiable.

12.11 STORES INVENTORIES. Warehouse/Trust Fund staff check supplies when issuing, storing, and receiving items to reconcile the actual count with the balance shown on the Stock Record card. Discrepancies are checked immediately and the reason established. Supplies found spoiled or damaged are reported promptly to the Trust Fund Supervisor and survey procedures initiated. The cause of the loss is ascertained and measures taken to prevent reoccurrence.

a. **Inventories**

(1) **Annual Inventories of Items Not Under Warehouse/Trust Fund Staff Control.**

Warehouse/Trust Fund staff perform annual physical inventories of stores maintained on Stock Record cards but under the control of someone other than Warehouse/Trust Fund staff. Items such as gasoline, fuel oil, motor oil, coal, discharge clothing, etc., are included. The inventory is conducted any month of the last quarter of the fiscal year.

(2) **Annual Inventories of Items Under Warehouse/Trust Fund Staff Control.** An OFM employee or assigned employee, other than one having control of the items to be inventoried, performs annual inventories of items maintained on Stock Record cards Warehouse/Trust Fund staff control during any month of the last quarter of the fiscal year. Items such as laundry stores are included.

(3) **Annual Inventories of Building and Facility Supplies.** Staff, other than those controlling the inventory, conduct an annual inventory of building and facilities supplies during any month of the last quarter of the fiscal year. Stock Record cards are adjusted upon reconciliation of the inventory.

(4) **Inventories of Food Service Supplies.** The schedule and conduct of inventories for Food Service subsistence supplies is under the Food Service Administrator's control.

(5) **Inventories of Narcotics Supplies.** The schedule and conduct of inventories of narcotics supplies is under the Health Services Administrator's control.

b. **Inventory Schedule.** The annual Inventory Schedule is prepared per the **Property Management Manual**.

c. **Report of Inventory.** The person performing the inventory completes and signs a Report of Inventory Form (BP-A0903) for each Cost Center stores inventory conducted. The original and three copies are distributed as follows:

- Original to the Trust Fund Supervisor for approval before any adjustment is made to the Stock Record cards.
- One copy kept as an inventory file copy by the Warehouse.
- One copy attached to Report of Survey (if applicable).

After the Trust Fund Supervisor approves the Report of Inventory, a Report of Survey for any Cost Center stores overage or shortage is prepared per the **Property Management Manual**.

Posting of stores differences to Stock Record cards is made directly from the Report of Survey, referring to the Report of Survey number.

d. **Trust Fund Inventories.** Inventories for Trust Fund Commissary stores are conducted according to Chapter 3.7.

12.12 DISPOSITION OF SLOW-MOVING SUPPLIES. Warehouse/Trust Fund staff review supplies in stock to determine overstock or obsolescence.

a. **Determination.** Supplies in excess of the institution's current or emergency needs are disposed of per the **Property Management Manual**.

b. **Transfer to Another Institution.** Supplies are transferred to another institution or agency per the **Property Management Manual**. When supplies are delivered directly to a representative of the receiving institution or agency, rather than shipped, the recipient signs the requisition.

c. **Received from Another Institution.** Excess supplies received at no cost from other institutions are recorded on the Receiving Report and need not be referred to the Board of Survey.

d. **Report of Survey.** Reports of Survey are processed per the **Property Management Manual**.

12.13 SANITATION/MAINTENANCE OF EQUIPMENT. The Program Statement **Occupational Safety, Environmental Compliance, and Fire Protection** includes specific guidance related to maintenance and sanitation in the Warehouse.

a. **Warehouse Storage.** Items on floor skids are stacked in accordance with the best Warehouse

practices so that a good appearance is obtained, the storage is safe, and inventories are facilitated. Supplies are stored in bins, on racks, or on skids (see **Occupational Safety, Environmental Compliance, and Fire Protection**).

b. **Damage Control.** Precautions are taken to avoid insect and rodent infestation, preserve metals and fabrics, detect breakage and leaks, and eliminate thefts and damage.

c. **Passageways.** Clear passageways are kept around skids and bins to facilitate cleaning. Warehouse/Trust Fund staff inspect storage areas daily.

d. **Equipment.** Warehouse equipment and vehicles are kept clean and in good repair. Scales are adjusted accurately and tested frequently using weight standards.

12.14 SAFETY. While the subject is covered in **Occupational Safety, Environmental Compliance, and Fire Protection**, aspects related to Warehouse operations are cited here as responsibilities of Warehouse/Trust Fund staff. The Trust Fund Supervisor enforces safety regulations in all areas under his/her supervision, by training employees and inmates in proper working methods and by properly storing and handling materials that present safety hazards.

a. **Inflammables.** Highly inflammable articles such as paint thinner, kerosene, and oil are stored, and fire extinguishers placed in strategic locations, per **Occupational Safety, Environmental Compliance, and Fire Protection**.

b. **Equipment Maintenance.** Ladders, skids, trucks, pallet jacks, etc., are maintained safely and frequently inspected. Pipe, lumber, and bulky items do not extend out of racks into aisles or walkways. Refrigerator floors are kept clear of ice. Employees must be alert to these and other possible causes of injury in and about the Warehouse. Employees and inmates working in the Warehouse wear safety shoes.

12.15 TECHNICAL REFERENCES. Federal and other specifications covering materials received in the institution are filed in the Acquisition Office and can be used by Warehouse/Trust Fund staff. The Warehouse should have a copy of the latest General Services Administration Catalog.

These regulations do not prescribe the more technical aspects of storage and handling of supplies, such as those pertaining to the proper temperatures and humidities for preservation of foods, care of specialized equipment, or eradication of rodents and insects.

12.16 KEY CONTROL. Warehouse keys are controlled as follows. A wood/metal box(s) with a glass front, large enough to contain the entire Warehouse key ring(s), is placed in the control center. At the end of each work day, the Warehouse key ring(s) are securely locked in this box. A key to the locked box may be checked out on a 24-hour basis to designated Warehouse/Trust Fund staff. In an emergency, the glass may be broken. After the incident, a memorandum is sent

to the Trust Fund Supervisor documenting the situation that required emergency key access.

Chapter 13. LAUNDRY OPERATIONS

13.1 GENERAL OPERATIONS. Institutions furnish each inmate with sufficient clothing to allow three changes of clothes weekly. Clothing issue is consistent with this chapter, the Program Statement **Inmate Personal Property**, and established local procedures.

Institutions that allow inmates to wear personal clothing purchased from the Commissary are still required to furnish the institution's standard wardrobe. Dry cleaning of personal clothing is prohibited.

13.2 ISSUING, CLEANING, AND MAINTAINING ACCOUNTABILITY OF CLOTHING AND LINEN

a. **Availability of Clothing.** Each institution maintains an inventory to supply clothing, linen, and bedding to inmates. Generally, total inventory levels of the major categories (i.e., pants/dresses, shirts, sheets, towels, jackets/coats) should not exceed a 360-day supply, including items purchased or obtained through surplus.

The following example will help calculate the 360-day supply. If reserve supplies are maintained, for example inside the laundry supply closet or other final issue point, they should generally not exceed a 30-day supply.

Example: Maximum inventory level for a single item:

Pants issued: week 1 – 150
 week 2 – 300
 week 3 – 125
 week 4 – 420

995 items/4 weeks = 250 (average issue/week)

250 items/week x 52 weeks = 13,000 (approximate 360-day supply of pants)

Excess inventory is disposed of per the Program Statement **Property Management Manual**.

If inventory maintained on a Stock Record (BP-109) is lost due to theft or damage, a Report of Survey (BP-A0111) is prepared per the **Property Management Manual**.

b. Issue of Clothing, Bedding/Linen, and Personal Hygiene Items

(1) **Issue of Clothing.** The institution issues clothing to inmates that is properly fitted, climatically suitable, durable, and presentable. The standard wardrobe includes the following, per restrictions in the Program Statement **Inmate Personal Property** and appropriate for the institution:

- Shirts.
- Blouses.
- Dresses/skirts.
- Pants.
- Belts.
- Underwear.
- Slips.
- Socks,
- Shoes (ASTM Standard F2412-05 and F2413-05).
- Coats.
- Jackets.
- Headgear.

(2) **Issue of Special or Protective Clothing.** Inmates assigned to special work areas are provided clothing and shoes per the requirements of their assignment. Local guidelines are established for purchase, maximum and minimum quantities, and accountability of special or protective clothing.

When inmates require special shoes due to medical reasons, the Health Services Department purchases them.

(3) **Issue of Bedding/Linen and Miscellaneous Supplies.** The institution issues suitable, clean bedding and linen, including:

- One mattress.
- Two sheets.
- One pillow and pillowcase.
- Towels.
- Sufficient blankets to provide comfort under existing conditions – cotton blanket mattress cover (optional).
- Two nylon mesh bags (Commissary and Laundry).

(4) **Issue of Personal Hygiene Items.** Personal hygiene items (soap, toothbrushes, etc.) are made available to inmates per the Program Statement **Grooming**.

c. **Procedures for Exchange and Cleaning of Linen/Clothing.** Inmates are allowed at least three changes of clean clothing and one change of linen per week. A reasonable cleaning schedule applies to blankets and pillows. Mattresses are cleaned as necessary.

The institution may provide clean clothing in several ways: access to self-serve washers, a central clothing exchange, or a combination of the two. When no central laundry is available, institutions provide detergent (low-suds and biodegradable) for inmate use. Non-chlorine bleach may be furnished within budgetary constraints.

Procedures are established for exchanging clothing no longer usable. Disciplinary action may be taken against inmates who willfully damage Government-issued clothing and linen. Inmates are issued release clothing per the Program Statement **Release Gratuities, Transportation, and Clothing**.

d. **Inmate Accountability for Government-Issued Items.** Institutions establish local procedures to account for the initial issue of Government-furnished items to inmates and for their return before release or upon placement in special housing.

Upon receiving their clothing, inmates are required to sign for receipt and instructed that clothing is returned at release. Records are kept documenting items and quantities issued. The return of clothing at release is recorded on the inmate's record.

e. **Services to Other Institution Components.** Institutions establish local procedures for laundering Government-owned staff clothing, such as Health Services or Food Service smocks.

13.3 LAUNDRY INVENTORY MANAGEMENT

a. **Stock Record Cards.** Inmate clothing/linen received in the warehouse is maintained on Stock Record cards (BP-109 – see Chapter 12). The record may also be kept on a computerized inventory card.

Stock Record cards are not required for stock maintained at final issue points such as the laundry closet or stock issued to the hospital or units.

Stock obtained from the warehouse is issued via a Stores Requisition, Invoice and Transfer Receipt (BP-A0100). Inventory is taken on stores items only, not on items already requisitioned, with the following exceptions:

If merchandise is received but not stored in the warehouse, Stock Record cards or computerized inventory records are kept at the final place of storage and an annual inventory conducted of that area.

If the amount of stock requisitioned exceeds a 30-day supply, additional Stock Record cards are kept at the second storage area as well as in the warehouse, and an annual inventory is conducted of that area. A copy of the Stock Record card or computerized printout is kept on file by the warehouse and by the area receiving the stock (laundry, units, hospital).

b. **Annual Clothing Stores Inventory.** An annual clothing stores inventory is required for supplies maintained on Stock Record cards or computerized inventory records for the laundry and clothing operation. The annual inventory is conducted per Chapter 12. Staff not having control of laundry stores conduct the inventory.

13.4 HEALTH AND SAFETY. While this subject is covered in depth in the Program Statement **Occupational Safety, Environmental Compliance, and Fire Protection**, certain aspects of safety related to laundry operations are cited here as responsibilities of laundry personnel. The Laundry Foreman/Trust Fund Supervisor enforces safety regulations in all areas under his/her supervision, both by training employees and inmates in proper working methods and in proper storage and handling of materials presenting safety hazards.

Staff working in the laundry shall be familiar with the operation of the washing and drying equipment. Particular attention shall be given to clothes drying procedures. Directions on the operations of the washers and dryers shall be posted for all staff to review.

a. **Guidelines for Laundry Facilities.** Procedures for laundering clothing and linen and technical requirements for laundry equipment are found in the Program Statement **Occupational Safety, Environmental Compliance, and Fire Protection**, which also includes information on safety requirements, organization of the laundry, and training of inmate workers. Laundry workers must be familiar with this policy.

b. **Laundry Separation.** Clean laundry is kept separately from soiled laundry. Laundry carts are used exclusively for dirty or clean laundry, and are clearly marked to prevent any mingling.

c. **Contaminated Laundry.** Local procedures are established to identify contaminated clothing and linen and for sending them to the laundry.

d. **Hazardous Chemicals.** Calcium Hypochlorite (bleach) is not used in granular form because of its explosive potential. Authorized staff may dispense liquid bleach.

e. **Clothes Soiled With Flammable Materials.** Special care shall be taken to ensure that clothes soiled with flammable materials (i.e., grease, gasoline, oil) are washed and dried according to the manufacturer's specifications.

f. **Inmate Training.** Each inmate assigned to the laundry receives training from the Laundry Supervisor concerning safe work methods per **Occupational Safety, Environmental Compliance, and Fire Protection**. Particular attention shall be given to training inmates on proper clothes drying procedures.

13.5 LAUNDRY SECURITY

a. **Laundry Area.** At a minimum, inmate workers entering or leaving the laundry area are pat-searched daily. Occasional strip searches are conducted per the Program Statement **Searches of Housing Units, Inmates, and Inmate Work Areas**. A staff member inspects trash leaving the area. Boxes and cartons are broken down. The laundry area is inspected daily for potential

hazards and contraband.

No more inmates than staff can manage and control effectively are permitted to work in the Laundry. Inmates never work without staff supervision, and are never locked in the Laundry without a staff member present.

b. **Key Security.** Laundry keys are considered “hot” keys and are only issued to designated staff. The Trust Fund Supervisor and employees assigned to the Laundry may have keys to the Laundry and storage areas on a 24-hour checkout basis. Employees not directly assigned to the Laundry or storeroom do not have keys to these areas.

If an institution experiences repeated pilferage or unauthorized access to the laundry area, the following procedures are followed. A special wood/metal box(s) with a glass front, large enough to contain the entire Laundry key ring(s) (or an individual Laundry key ring) is constructed and placed in the control room. At the end of each work day, the Laundry ring(s) are securely locked in this box. A key may be checked out on a 24-hour basis to designated employees assigned to the Laundry, and the Trust Fund Supervisor.

In an emergency, the glass may be broken. After such an incident, a memorandum is sent to the Trust Fund Supervisor documenting the situation that required emergency key access.

c. **Quarterly Clothing Retrieval.** As needed, the Trust Fund Supervisor requests that Correctional Services staff perform an institution shakedown to retrieve unauthorized Government-issued items.

Chapter 14. TRUST FUND LIMITED INMATE COMPUTER SYSTEM

14.1 GENERAL. The Trust Fund Limited Inmate Computer System (TRULINCS) provides inmates with a computer system that does not jeopardize the safety, security, or orderly operation of the correctional facility, or the protection of the public. Inmates participating in the program do not have access to the Internet.

a. **Responsibilities.** The following individuals have management oversight for TRULINCS:

(1) **TRULINCS Coordinator.** The Chief, Trust Fund Branch, is the designated TRULINCS Coordinator – the resource person for Bureau staff, other components of the Department of Justice, law enforcement agencies, and the general public.

(2) **Trust Fund Supervisor.** The Trust Fund Supervisor has responsibility for the overall operation of TRULINCS at the institution. The Trust Fund Supervisor administers, maintains, and monitors the system; provides training to inmates during Admission and Orientation; supervises inmate workers assigned to the TRULINCS detail; and responds to inmate inquiries regarding the system.

The Trust Fund Supervisor is also the designated System Supervisor and maintains internal controls, system integrity, and all other aspects of TRULINCS security and operations.

b. **Staff Use.** Staff members may not use TRULINCS for personal use.

14.2 EQUIPMENT AND SUPPLIES

a. **Equipment.** Requests for additional equipment are forwarded from the Warden through the Region to the Chief, Trust Fund Branch, for approval.

b. **Station Locations.** Ordinarily, TRULINCS stations are located in the housing units and law library. Requests for alternative locations are forwarded from the Warden through the Regional Director to the Chief, Trust Fund Branch.

c. **Operating Supplies.** Funds are provided in the annual TRULINCS budget to purchase operating supplies (i.e., paper, toner). Procedures for procuring these items are in Chapter 2.

14.3 ACCOUNTING

a. **Inmate Fund Transfers.** Each morning, staff responsible for Deposit Fund accounting compare the TRUFACS Withdrawal Report total (TRUFACS Withdrawal Type = TRUL Withdrawal) with the TRULINCS Reconciliation with TRUFACS Report. Staff verify that these balances are equal. If they differ, staff contact the Central Office Trust Fund Branch Deposit Fund immediately. Upon verification of the balances, the Deposit Fund staff member uploads the daily TRULINCS extract to the automated accounting system.

b. **Processing Inmate Releases.** A TRULINCS account is released when an inmate is released in TRUFACS.

c. **Monthly Reconciliation.** Complete the monthly reconciliation as required in the institution proof-check.

14.4 RATES. The Chief, Trust Fund Branch, with the Assistant Director for Administration's concurrence, establishes TRULINCS rates for each service provided. Rates are standard throughout the Bureau, regardless of institution location.

14.5 SYSTEM OPERATIONS

a. **Account Maintenance.** TRULINCS inmate account maintenance is automated using the TRUFACS nightly process.

b. **Inmate Access to Account Information.** Inmates are responsible for purchasing TRU Units and tracking their account balances. An Inmate Units Usage Report is available to inmates for viewing/printing.

c. **Requests for Rejected or Blocked Email Addresses.** Electronic Messaging provides three types of blocks: Bureau-wide, institution-wide, and inmate-specific.

Ordinarily, written requests from the Warden or the Associate Warden for rejection/blocking of an email address are processed within one working day after receipt. If specified, these blocks are placed on a specific inmate account; however, if a specific inmate is not identified or located where the requests specifically state, a block can be placed to prevent any inmate at the facility from sending a message to that email address.

Bureau-wide blocks may be placed by Central Office TRULINCS staff when requested by the recipient or deemed necessary for security reasons and requested by Central Office Investigative staff .

d. **Funds Returned to TRUFACS.** Funds are returned to TRUFACS only in the following circumstances:

- Inmates are released.
- Inmates on messaging restriction for more than 30 days request in writing that their balance be returned to their Commissary account. This is a one-time transaction for the entire balance.
- In rare or unusual instances deemed appropriate by the Warden. In these circumstances, Trust Fund staff are given written documentation to support the transfer. This is a one-time transaction for the entire balance.

e. **Refunds.** Refunds are provided in the following circumstances:

- When granted by the Trust Fund Supervisor as a result of a system malfunction that has been documented through the trouble ticket system.
- Refunds for printer malfunctions, in the form of a reprint.

14.6 MESSAGE CONTROLS. The maximum number of consecutive minutes an inmate may use a TRULINCS station (session time) is 60 minutes; the interval between sessions is 15 minutes. The Warden may adjust time parameters to ensure the secure and orderly running of the institution.

Inmates may only have 100 active contacts on their contact list.

Messages may not contain attachments and may not exceed 13,000 characters.

Inmates are able to access incoming, outgoing, draft, deleted, and rejected messages for 60 days. Messages 60 days old are automatically purged from the inmates' view by the system.

After three consecutive failed attempts to access the system, the inmate's account is locked; the System Administrator must unlock it. Inmates request in writing to the Trust Fund Supervisor that their account be unlocked. Inmates will not share passwords (login criteria) and will log off the system when leaving the TRULINCS terminal.

14.7 SYSTEM MAINTENANCE.

a. **Emergency Support.** Support is available 7 days a week, 365 days a year from 7:00 a.m.-9:00 p.m. EST. For emergency support call Trust Fund Branch, TRULINCS staff, at 202-514-2555 during office hours (7:00 a.m.-3:30 p.m. EST); for after-hours emergency support contact the TRULINCS duty phone.

b. **Non-Emergency Technical Assistance.** For non-emergency support use the Magic Trouble Ticket System or call Trust Fund Branch TRULINCS staff.

c. **Hardware and Software Updates/Improvements.** The Trust Fund Branch initiates the implementation of improved hardware and software. Institution staff are encouraged to provide input and ideas for improving the system and services.

14.8 RECORDS MANAGEMENT. The following documents are scanned into TRUFACS:

a. **Suspensions, Restrictions, Miscellaneous Correspondence.** Documentation from the Disciplinary Hearing Officer (DHO) and Unit Discipline Committee (UDC) about Electronic Messaging suspensions.

b. Documents for Denial or Removal:

- Written requests from the Warden or Associate Warden for blocking or rejecting an email address or messages.
- Requests from contacts for removing an email address from an inmate's contact list.
- Requests for removing address blocks.

c. Approved written requests from Unit Managers for inmate to inmate communication.