



**DEPARTMENT OF CORRECTIONS
Business & Finance**



Title: Accounting – Control of Funds	DOC Policy: 30.1.1
Effective: 12/7/11	Supercedes: 5/1/99
Applicability: All functional units	
Directives Cross-Reference: None	
Attachments: None	

I. PURPOSE

To establish specific responsibility within the Department of Corrections (DOC) for efficient and uniform accounting procedures governing control of funds in order to show the status of appropriations and expenditures at all times. Though appropriations and expenditures are important, proper accounting and control for balance sheet items such as cash, Certificates of Participation, accounts receivable, and accounts payable require an equal level of control.

II. DEFINITIONS

A. Functional Unit Manager: Any person within the Department of Corrections who reports either to the Director, Deputy Director, or Assistant Director and has responsibility for the delivery of program services or the coordination of program operations.

III. POLICY

A. Administrative Responsibility

1. Director and Deputy Director: The Director and Deputy Director have authority over all fiscal matters of the department. In the administration of this responsibility, a clear line of authority extends to other officials who are accountable for specific areas of fiscal management.
2. Assistant Director, General Services Division: Fiscal management of the department is delegated to this position. In carrying out this responsibility, this position provides technical advice and coordinates fiscal affairs to ensure uniformity and consistency in all functional units.
3. Administrator, Fiscal Services: The Administrator, Fiscal Services, directs and coordinates all functions relating to accounting, purchasing, contracts, payroll, inmate accounts, and financial systems. This position reports directly to the Assistant Director, General Services Division, and is responsible to support the department in maximizing its use of financial and material resources through quality customer service and fiscal accountability.
4. Functional Unit Managers: Functional unit managers are directly responsible to the Director for fiscal planning, management, and control over funds allotted to their respective units.

B. Compliance with Legal Requirements and Accounting Standards

Management must assure that actual financial operations comply with applicable statutes, administrative rules, and appropriation acts. The Department of Administrative Services (DAS) State Controller's Division has established specific procedures for collecting, safeguarding, and disbursement of monies, format, processes, and regulations of accounting which are binding upon the Department of Corrections. This regulatory office has also designed the Oregon Accounting Manual as the standard reference for State of Oregon government accounting systems and processes. In compliance with those specific regulations and standards, the Department of Corrections will:

1. Maintain appropriate balances in the Statewide Financial Management Application (SFMA) so that DOC information can be properly represented in the State of Oregon's Comprehensive Annual Financial Report. The information in SFMA must be consistent with DOC's financial system of record, the Automated Financial Accounting Manufacturing Inventory System (AFAMIS);
2. Maintain a general ledger system, subsidiary ledgers, trial balances, and monthly reconciliations to assure that all accounts of expenditures, income, accounts payable, accounts receivable and other balance sheet accounts are maintained on a current and accurate basis;
3. Preserve adequate supporting documentation for daily receipts and expenditures, as well as other obligations of funds;
4. Account for all monies collected daily, secure daily in an official designated place, and deposit on a regular basis;
5. Maintain in a logical filing system, all supporting documentation to provide adequate auditing information; and
6. Support fully, with complete documentation, all transfers of funds, and corrections of expenditures or any other adjustments to the financial records.

C. Annual Financial Reports

The department will submit information required to report agency operations in the Comprehensive Annual Financial Report covering all funds and account groups, together with requested combined statements and schedules, promptly at the close of each fiscal year. The report and financial statements will be prepared in accordance with the instructions in the Oregon Accounting Manual and will be delivered to the Department of Administrative Services using requested modes of communicating the information.

D. Internal Financial Controls

Administration and accountability for revolving funds shall be in compliance with procedures and standards set forth in this policy. Internal controls depend upon basic factors which include: designated responsibility and accountability, effective segregation of duties, and effective communication. Supervision of employees will ensure compliance with financial administrative requirements involving the complete record of financial transactions. Internal controls must minimally provide:

1. A method to protect all assets;
2. Protection against incidence of improper liabilities;
3. Accuracy and dependability of all financial and operating information;
4. Judgment of operating efficiency; and
5. A measure of adherence to established policies.

E. Business Services for all Functional Units

All business services shall be provided through the Department of Corrections Fiscal Services unit for:

1. Office of the Director;
2. Public Services Division;
3. General Services Division;
4. Human Resources Division;
5. Operations Division;
6. Transitional Services Division;
7. Board of Parole and Post Prison Supervision (Fiscal Services performs necessary business service functions for the Board)

III. IMPLEMENTATION

This policy will be adopted immediately without further modification.

Certified: signature on file
Birdie Worley, Rules Coordinator

Approved: signature on file
Mitch Morrow, Deputy Director