



Department of Corrections

INTERNAL MANAGEMENT POLICY & PROCEDURE

Applicability: ☐ Adult Operation Only ☐ JUVENILE Operations Only ☒ DEPARTMENT-WIDE

IMPP #: 01-123D

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ADMINISTRATION: Employee Use Funds

Original Date Issued: 04-28-23 Replaces IMPP Issued: N/A CURRENT EFFECTIVE DATE: 04-28-23

Approved By: , Secretary

Next Scheduled Review: 04/2026

POLICY

The Department of Corrections promotes employee wellness activities consistent with the state law. State law, K.S.A. 75-3081 and 3082, expressly allows for employee use funds for this purpose, but restricts the sources of those funds and the use of the funds as stated in the law and as approved by the Secretary. State law also provides that purchases are subject to Department of Administration policies, in particular Department of Administration Policy Manual 9,103. Employee use fund activities must be conducted in compliance with state laws regarding conflict of interest and charitable drawings.

DEFINITIONS

Employee Use Funds: Funds which are not part of the state treasury or funded with State general fund dollars, but which are established pursuant to state statute, K.S.A. 75-3080, to be expended for employee activities and benefits approved by the Secretary.

Wellness Committee: A group of employees to include representatives from uniformed, non-uniformed, and contract employees. The purpose of the committee shall be to promote physical and emotional wellbeing of employees. The committee shall be responsible for coordinating various approved employee wellness and appreciation activities and events.

PROCEDURES

I. Receipts into Employee Use Funds or Activities of Wellness Committees

A. Approved Sources of Funds.

1. The Wellness Committee is authorized to accept the following for use by the Employee Wellness Fund:
 - a. Gifts of cash or property from current or former KDOC employees;
 - b. Profits from vending machines, coffee funds and similar functions;
 - c. Profits from approved activities such as garage sales, drawings where participants are asked for donations in exchange for a ticket, bake sales, silent auctions, dress down days, KDOC apparel and merchandise sales and other fundraising activities approved by the Secretary.

- d. Interest earnings on employee use funds;
- e. Receipts from other activities upon expressed prior approval by the Secretary.
- f. Cash donations to the employee use fund from any non-KDOC person or entity other than in connection with an approved fundraising event are prohibited.

II. Wellness Activities and Expenditures

A. Approved activities and expenditures.

- 1. A Wellness Committee may conduct the following activities or expenditures with the use of Employee Use Funds:
 - a. Employee appreciation events, including group meals or picnics;
 - b. Employee of the month or other recognition awards that are not cash or cash-equivalent;
 - c. Occasional snacks, coffee, doughnuts, or soft drinks;
 - d. Occasional tickets for entertainment events;
 - e. Holiday gifts to be distributed to employees, such as turkeys or hams;
 - f. Retirement gifts less than \$99 in value;
 - g. Flowers, fruit, books, coffee mugs, plaques;
 - h. Flowers, cards, balloons for special circumstances such as illness, death, new child, marriage, performance, etc.;
 - i. Award or prize to be immediately transferred to a charity; and
 - j. Non-cash prizes from drawings worth more than \$99 with the understanding that the recipient must report such prizes to the IRS as taxable income.

B. Prohibited activities or expenditures.

- 1. A Wellness Committee may not use employee use funds for the following:
 - a. Gifts of cash or cash equivalents (gift cards, gift certificates, etc.);
 - b. Health club memberships;
 - c. Season tickets; and
 - d. Drawings for weapons such as knives, or firearms and/or ammunition.

III. Debit Card and Other Procedures Related to Use Fund Monies Expenditures

A. Designation of Custodian.

- 1. The Secretary, or in the case of the correctional facilities, the Warden/Superintendent shall designate a custodian who shall establish internal controls and maintain accounting records. The custodian shall ensure separation of duties are in place.

B. Fund Receipts.

1. Monies received must be maintained in a safe and secure location until deposited.
2. Individuals or groups submitting monies to the employee use fund must be issued a receipt.
3. Any interest earnings shall remain in the employee use fund account.
4. Secure electronic payment methods (PayPal, Venmo, etc.) may be utilized.

C. Fund Disbursements.

1. Consistent with the guidelines stated herein, disbursements may be made for expenses as approved by the wellness committee and in accordance with Department of Administration Policy & Procedure Manual filing 9,103.
2. Disbursement by debit card shall be used whenever practical.
 - a. Debit cards must be maintained in a secure location and available for checkout during normal business hours.
 - b. Debit cards may only be checked out by wellness committee members, or an employee designated by the wellness committee chair.
 - c. The custodian shall ensure the account is set up to ensure transactions are denied if there are insufficient funds.
 - d. Receipts shall be provided when the debit card is returned. If a receipt is not available, an Affidavit of Missing Receipt (Attachment A) must be completed and submitted to the custodian, as per the attached.
 - e. Online orders may be placed by a wellness committee member using the debit card. A copy of the receipt must be submitted to the custodian.
 - f. Disbursement by check may be made when use of a debit card is not practical. Checks must be signed by the custodian or a designated alternate.
 - g. ATM withdrawals are prohibited.

D. Monthly Reconciliation Required.

1. The employee use fund ledger must be reconciled with the bank statement monthly.

E. Required Annual Statements.

1. Annually, on or before July 25 of each year, the custodian must file a statement of revenues, expenditures, and changes in fund balance report and balance sheet for the period of July 1st to June 30th to the Department of Administration, Office of Accounts & Reports, Financial Integrity Team.
2. A copy of the Annual Statement shall also be submitted to the KDOC Executive Director of Contracts and Finance.

IV. This IMPP must serve as final policy in all departmental facilities, and no General Orders shall be developed or implemented on this subject.

NOTE: The policy and procedures set forth herein are intended to establish directives and guidelines for employees, residents, and residents and those entities that are contractually bound to adhere to them. They are not intended to

establish State created liberty interests for employees, residents, or residents, or an independent duty owed by the Department of Corrections to employees, residents, residents, or third parties. Similarly, those references to the standards of various accrediting entities as may be contained within this document are included solely to manifest the commonality of purpose and direction as shared by the content of the document and the content of the referenced standards. Any such references within this document neither imply accredited status by a Departmental facility or organizational unit, nor indicate compliance with the standards so cited. The policy and procedures contained within this document are intended to be compliant with all applicable statutes and/or regulatory requirements of the Federal Government and the state of Kansas. This policy and procedure is not intended to establish or create new constitutional rights or to enlarge or expand upon existing constitutional rights or duties.

REPORTS

<u>Name/Type of Report</u>	<u>By Whom/To Whom</u>	<u>Due</u>
Statement of Revenues, Expenditures, and Changes in Fund Balance Report	Custodian/Dept. of Admin Office of Accounts & Reports; and to Executive Director of Contracts and Finance	Annually on or before July 25

REFERENCES

K.S.A. 75-3080; 75-3081
Department of Administration Policy Manual 9,103

HISTORY

04-28-23 Original

ATTACHMENTS

<u>Attachment</u>	<u>Title of Attachment</u>	<u>Page Total</u>
A	Affidavit of Missing Receipt	1 page

Affidavit of Missing Receipt

Vendor Name	Date of Purchase	Description	Amount

Reason original receipt was not provided:

- ☐ Lost
- ☐ Not Provided
- ☐ Damaged/Unreadable
- ☐ Other (if other give written explanation below)

Name of Person who made the purchase

Signature of Person who made the purchase

Date

Name of Custodian

Signature of Custodian

Date