

# KANSAS DEPARTMENT OF CORRECTIONS

	<b>INTERNAL MANAGEMENT POLICY AND PROCEDURE</b>	<b>SECTION NUMBER</b>  <b>04-103D</b>	<b>PAGE NUMBER</b>  <b>1 of 8</b>						
	<b>SUBJECT:</b>  <b>FISCAL: Inmate Trust Fund</b>								
<b>Approved By:</b>   <b>Secretary of Corrections</b>	<table style="width: 100%; border-collapse: collapse;"> <tr> <td style="width: 60%;"><b>Original Date Issued:</b></td> <td style="text-align: right;"><b>02-12-15</b></td> </tr> <tr> <td><b>Replaces Version Issued:</b></td> <td style="text-align: right;"><b>N/A</b></td> </tr> <tr> <td><b>CURRENT VERSION EFFECTIVE:</b></td> <td style="text-align: right;"><b>02-12-15</b></td> </tr> </table>			<b>Original Date Issued:</b>	<b>02-12-15</b>	<b>Replaces Version Issued:</b>	<b>N/A</b>	<b>CURRENT VERSION EFFECTIVE:</b>	<b>02-12-15</b>
<b>Original Date Issued:</b>	<b>02-12-15</b>								
<b>Replaces Version Issued:</b>	<b>N/A</b>								
<b>CURRENT VERSION EFFECTIVE:</b>	<b>02-12-15</b>								

<b>APPLICABILITY:</b>	<input type="checkbox"/> <b>ADULT Operations Only</b>	<input type="checkbox"/> <b>JUVENILE Operations Only</b>	<input checked="" type="checkbox"/> <b>DEPARTMENT-WIDE</b>
-----------------------	---	--	--

## POLICY STATEMENT

The Department of Corrections (DOC) shall establish and maintain an Inmate Trust Fund for all offenders confined in Departmental facilities and shall deposit all monies held in trust for offenders in accordance with acceptable accounting procedures.

## DEFINITIONS

**Abandoned Property:** If an offender escapes from custody, if the property is not claimed by an offender or authorized representative within 90 days of the offender's release from incarceration, or if the property is not claimed by the offender's authorized representative within 90 days of the offender's death while incarcerated, the offender's personal property owned and located at a correctional facility is considered abandoned.

**Bank Service Fee:** Fees incurred for the monthly maintenance on the Inmate Trust Fund.

**Bank Statement Copy Fee:** Fee incurred on each paper copy of the Inmate Trust Fund Account Report requested by an offender.

**Computerized Interest Allocation:** A centralized system of Inmate Trust Fund interest allocation through which periodic interest earned on Inmate Trust Fund accounts is allocated back to individual offender accounts on a prorated basis as determined by the average daily balance of each participating offender.

**Deposit Coupon:** A coupon which the offender's family and friends are required to mail with a money order or cashier's check. The coupon is printed in drop out ink, which allows an offender's incoming monies to be processed more efficiently. On and after January 1, 2011, deposit coupons will no longer be accepted. All deposits to offender's accounts will be required to be completed electronically through a vendor under contract with the KDOC to conduct such transactions.

**Electronic Deposit:** Electronic deposit functionality available to the general public, by an entity under contract with the Department, via the internet, telephone, lobby kiosks at the facilities, and walk-in locations to enable funds to be submitted to the vendor, and for the vendor to then submit funds electronically to the Department for posting to the corresponding offender's trust fund account.

**Foreign Money Order:** Any money order not originating in the United States of America.

**Forced Savings:** A savings account in which 10 percent of incoming monies less any outstanding obligations is deposited and maintained until the offender's release from custody. The use of the funds in the account is restricted to payment of garnishment and community identifications (birth certificate, driver's license, and social security card). After the offender's cash available balance is exhausted, forced savings may be used for civil filing

fees, transcript fees and subpoena fees, and any other costs or fees necessary for an offender to gain access to the courts for purposes of challenging the offender's conviction or sentence, or the offender's conditions of confinement, or other uses as approved by the warden that would facilitate the offender's reentry into the community.

Offender Accounts: Savings or negotiable order of withdrawal accounts maintained by an offender in an outside financial institution.

Kiosk: An information delivery system utilized by the Department of Corrections to provide the offender population with access to information on his/her individual Inmate Trust Fund account.

Mandatory Savings: A savings account in which a specified portion of offender earnings from work release or private industry employment is deposited and maintained until the offender's release from custody. The use of the funds in the account is restricted to the payment of garnishment(s).

Personal Identification Number (PIN): A four digit number assigned to the offender that must be used in conjunction with his/her offender identification card to access his/her Inmate Trust Fund account on the kiosk.

## PROCEDURES

### **I. General Procedures**

- A. The Warden of each facility shall designate an employee to serve as custodian of Inmate Trust Fund money as required by K.S.A. 76-173.
  1. The employee so designated shall establish procedures for offenders to access their trust accounts, and for depositing and withdrawing funds from any such accounts so established.
- B. The Department has designated four (4) banking sections: centralized inmate banking, HCF-WR, TCF-WR and WWRF.
  1. The centralized offender banking section shall handle all Inmate Trust Fund monies for offenders except those housed at HCF-WR, TCF-WR and WWRF.
  2. Facility staff at each of these three (3) work release programs will be responsible for handling Inmate Trust Fund monies for those offenders housed at their facility and unit.
- C. When an offender possesses money at the time of admission or receives money thereafter, the money shall be placed in an individual trust account within the Department's Inmate Trust Funds. (ACO 2-1B-05)
  1. Any monies placed in a trust fund account shall be immediately invested by the custodian to achieve the optimum interest return, considering the amount to be invested and the duration of the investment.
  2. Only those offenders who provide valid social security numbers shall earn interest on their accounts.
    - a. The Department shall utilize the computerized accounting capabilities and interest shall be allocated on a regular basis to each offender's trust fund account consistent with applicable State law and Department of Administration policy and procedure. (ACI 3-4031, 3-4044, 3-4046)
  3. The interest on the accounts of offenders who do not provide such numbers shall be allocated to the facility Inmate Benefit Fund. (ACO 2-1B-14)
  4. Transactions for all trust fund accounts shall be controlled by banking staff utilizing generally accepted accounting procedures.

5. On and after January 1, 2011, foreign money orders will no longer be accepted as all deposits to offenders' accounts will be required to be completed electronically through a vendor under contract with the KDOC to conduct such transactions. (ACI 3-4031, 3-4045)
- D. All governmental checks, warrants, worker's compensation checks, or any checks not from private industry or work release in excess of \$500 shall be held in escrow by the appropriate banking staff until such time as the issuing agency verifies that the payment is legitimate and due the offender.
  1. The escrow should not exceed 21 calendar days. Should the issuing agency request that a check or warrant be returned, the appropriate facility staff shall notify the offender of the details surrounding the return action taken.
- E. Offenders within the custody of the Secretary of Corrections who have been mutually determined by the Wardens of both facilities of residence, or their respective designees, to be members of the same immediate family (as defined in IMPP 10-113) and who have been approved to exchange mail under the provisions of K.A.R. 44-12-601e(1) may exchange funds between their respective trust accounts, up to the maximum outside spending limit specified by IMPP 11-101, without further approval of the Wardens.
  1. Unit teams shall forward such requests directly to the appropriate banking section to effect the exchange of funds.
  2. Requests to exceed the specified outside spending limit or to exempt the exchange of funds from the outside spending limit shall require the express additional approval of the Wardens of both facilities of residence.
  3. Unit teams shall forward requests to exceed or be exempt from the outside spending limit in written form to the appropriate Wardens for decision.
  4. Documentation of the approvals shall be forwarded to the appropriate banking section to effect the exchange of funds.
- F. Property owned by the offender but considered abandoned shall be disposed of in accordance with K.S.A. 75-52,135.
- G. In the event of the offender's death, the offender's estate shall be disposed of in accordance with IMPPs 01-114 and 01-115.
- H. On and after January 1, 2011 all deposits to offender accounts will be required to be completed electronically through a vendor under contract with the Department to conduct such transactions. Any funds received after January 1, 2011 at a facility that do not contain the required name and address information will be deposited in the offender's "forced savings" account and will not be available to the offender until he/she is released from incarceration.

## **II. Utilization of Local or Area Bank Accounts for Individual Inmate Trust Fund Accounts**

- A. No offender, while confined in a correctional facility, shall be permitted to establish or have access to a financial account outside of the Inmate Trust Fund unless the outside trust account is administered by a bank, financial institution, accountant, or lawyer (not a family member or friend) and that permits discretionary disbursements of trust funds to the offender beneficiary upon request of the offender, as long as the disbursement may only be made directly to the offender, and not to a third party.
  1. The offender may be required to provide the Department of Corrections with copies of the trust instrument to ensure the purpose of the outside trust account and whether it complies with this Internal Management Policy and Procedure.
  2. If the offender or trustee refuses such a request, then the offender shall be denied direct use of funds from the account. The Department shall deposit incoming funds from any outside account that has not been authorized into the offender forced savings account.

3. If the Department of Corrections determines that an offender has an outside checking or savings account, the offender shall be denied direct use of the funds from the account. The Department shall deposit incoming funds from any outside account that has not been authorized into the offender's forced savings account.

### **III. Computerized Interest Allocations and General Inmate Trust Fund Accounting Functions**

- A. Immediately upon close of the monthly interest earning period, interest earned on Inmate Trust Fund less the applicable bank service fee shall be credited to each active account as of the date of allocation in the same proportion as the average daily balance of the investment group. (ACI 3-4031, 3-4044, 3-4046)
  1. For allocation purposes, any interest received quarterly shall be treated as if earned during the month within which the notification of the earnings occurs.
- B. Offenders, except those housed in segregation or at RDU, may utilize the kiosk to access their current and up to three (3) prior years' transactions on their Inmate Trust Fund.
  1. On a monthly basis, the custodian of the Inmate Trust Fund shall provide offenders who do not have access to a kiosk with an Inmate Trust Fund Accounting Report, which shall be a statement of transactions and interest accumulation involving the offender's account.
  2. Offenders requesting a paper copy of their monthly Inmate Trust Fund Account Report, shall be assessed a fee for each Inmate Trust Fund Account Report requested. The fee will be deducted from the offender's account prior to processing the request.
    - a. Although offenders may request guidance regarding accounting methods by submitting written requests to their Unit Team Counselors, offenders are expected, with the assistance of the kiosk or the monthly Trust Fund Accounting Report if the offender does not have access to the kiosk, to keep track and keep a running balance of their own accounts.

### **IV. Withdrawal of Offender Monies**

- A. All Account Withdrawal Requests, Attachment A, submitted to the appropriate banking section shall be fully completed and signed. A letter or order form, complete with a stamped addressed envelope, shall accompany the request.
  1. Each Warden may designate staff authorized to review and approve withdrawal request and may promulgate General Orders setting forth appropriate procedures related to such approval.
    - a. An offender may be required to submit evidence that the entity identified to receive funds per the withdrawal request is a legitimate entity and that the funds will be utilized for the designated purpose. This may include submitting evidence from the vendor, such as a sales tax registration certificate, to show that the vendor is properly conducting business.
    - b. Requests for expenditures to outside entities shall be accompanied by documentation of costs, such as an invoice or cost estimate from the entity.
    - c. Whenever possible, payments shall be made directly to vendors or service provider rather than family or friends to ensure proper use of funds.
    - d. The contents of the mailing should be sufficient for the recipient to ascertain the purpose. Documentation for the receiver shall include information such as an order form, case number, account number, offender name, and offender number.

- e. Only original withdrawal requests are accepted. Consideration should be given by offenders and approving staff to allow sufficient time for processing of outgoing funds, particularly those of a time-sensitive nature.
  2. The Warden of each facility shall provide the appropriate banking section with a list of staff authorized to approve withdrawal requests.
  3. The appropriate banking section will process withdrawal request in accordance with approval received from facilities.
  4. In case the request is denied due to insufficient funds, etc., by the banking section, staff will mark the withdrawal request accordingly and send the request back to the offender.
  5. A withdrawal request may be denied pending the receipt of the information as set forth in III.A.1.a., or if there is evidence to indicate that the funds will be used for a purpose other than as described on the Account Withdrawal Request, or for illegal or inappropriate activities.
- B. All Exempt Canteen Requests, Attachment B, submitted to the appropriate banking section shall be fully completed and signed.
1. Each Warden may designate staff authorized to review and approve the exempt canteen requests and may promulgate General Orders setting forth appropriate procedures related to such approval.
  2. The Warden of each facility shall provide the appropriate banking section with a list of staff authorized to approve exempt canteen requests.
  3. The appropriate banking section will process the exempt canteen request in accordance with approval received from facilities.
  4. In case the exempt canteen request is denied due to insufficient funds, etc. by the banking section, staff will mark the withdrawal request accordingly and send the request back to the offender.
- C. Staff shall complete and submit the Reversal Request for Inmate Obligations to the appropriate banking section.
1. Each Warden may designate staff authorized to review and approve the reversal requests and may promulgate General Orders setting forth appropriate procedures related to such approval.
  2. The Warden of each facility shall provide the appropriate banking section with a list of staff authorized to approve reversal requests.
  3. The appropriate banking section will process the reversal request in accordance with approval received from facilities.
  4. Originals of reversal documents should be forwarded through normal distribution. Emails, scans, and faxes are not accepted.

**V. Review and Monitoring**

- A. Each custodian shall submit a copy of DA-161, "Monthly Reconciliation of Financial Institution Account", and bank statement to the Central Office Fiscal Officer or designee as requested.
- B. Each custodian shall submit a copy of DA-65, "Reconciliation of Trust Fund", to the Central Office Fiscal Officer or designee as requested.

1. The "Reconciliation of Trust Fund" shall be submitted for the period ending on June 30 of each year.
- C. All offender accounts shall be subject to audit by the Central Office Fiscal Officer at any time. (ACO 2-1B-01, ACI 3-4035)

## **VI. Forced Savings**

- A. Each offender shall be required to place 10 percent of all funds received from the following sources into a forced savings account:
1. Funds received from outside the facility except for:
    - a. Child support payments;
    - b. Government benefits; and/or,
    - c. Monies received from the State of Kansas or the Department of Corrections from property claims processed and paid per IMPP 01-118;
  2. Prize monies won by the offender and paid from the Inmate Benefit Fund; and,
    - a. If canteen goods are awarded offender prize winners in lieu of actual cash prize monies, the value of these goods shall not be subject to the forced savings assessment.
  3. Proceeds from handicraft sales.
- B. Outstanding obligations shall always be subtracted from such monies prior to the assessment of the 10 percent forced savings amount.
- C. Voluntary contributions by an offender to his/her forced savings account shall not be permitted.
- D. All monies deposited to a forced savings account shall accrue interest as outlined in this policy.
- E. Any data on incoming funds must contain both a return address and the sender's name. If both the sender's name and the address are not present, the entire deposit shall be posted to the offender's forced savings account.
- F. After Cash Account Funds have been exhausted, Force Savings may be used for expenses related to returning an Interstate Corrections Compact offender to the custody of his/her home state.
- G. All funds accrued by each offender in his/her forced savings account shall be provided to the offender upon his/her release, or, in the alternative, shall become part of the offender's estate, subject to the provisions of IMPP 01-114, in the event that he/she dies while in custody.

## **VII. Transfer of Funds to Out to Court Offenders**

- A. Records staff shall determine the estimated time the offender will be out to court.
1. The offender's monies shall be retained in the Inmate Trust Fund, if it is determined the estimated time the offender will be out to court is less than one week.
  2. The cash account balance shall be transferred to the county jail after the offender has been in their custody at least a week.
- B. The facility retains the forced and mandatory savings balances in the Inmate Trust Fund unless staff are certain the offender will not return to a KDOC facility.

- C. Staff shall provide the offender with the facility address that he/she may write for his/her forced and mandatory savings, if for some reason in the future he/she are not required to return to a KDOC facility.

**VIII. Transfer of Funds to Interstate Compact Offenders**

- A. Upon an offender's transfer to an interstate compact location:
  - 1. Any funds that are not permitted by the receiving location to be transported with the offender, and which are over and above the amount within the offender's forced and mandatory savings balances, shall be either:
    - a. Sent out to a recipient of the offender's choice; or,
    - b. Held in an interest bearing escrow account, either payable to the offender upon his/her release, or transferable to the offender's KDOC facility of confinement upon his/her return to the KDOC.
  - 2. Any funds that are not permitted by the receiving location to be transported with the offender and which are within the offender's forced and mandatory savings balances, shall be held in an interest bearing escrow account, either payable to the offender upon his/her eventual release, or transferable to the offender's KDOC facility of confinement upon his/her possible return to the KDOC. Access to the forced savings account is allowed as provided for in the definition.
  - 3. Community work release offenders will be provided the balance of the cash account at the time of transfer. Forced and mandatory savings accounts shall be retained until the offender is released from custody. Access to funds in forced savings shall occur as provided for in the definition.

**IX. Juvenile Correctional Facilities**

- A. Each juvenile correctional facility shall establish procedures for the operation of the Juvenile Offender Trust Funds in accordance with Department of Administration Policy Manual Filing #10,852, Trust Funds.

**NOTE:** The policy and procedures set forth herein are intended to establish directives and guidelines for staff and offenders and those entities that are contractually bound to adhere to them. They are not intended to establish State created liberty interests for employees or offenders, or an independent duty owed by the Department of Corrections to employees, offenders, 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 REQUIRED**

<u>Name/Type of Report</u>	<u>By Whom/To Whom</u>	<u>Due</u>
Inmate Trust Fund Accounting Report	Banking Staff to Offender who does not have access to a kiosk	Monthly
DA-161 – Monthly Reconciliation of Financial Institution Account	Custodian to Fiscal Officer	As Requested

DA-65 – Reconciliation of Trust  
Fund

Custodian to Fiscal Officer

Annually, June 30

**REFERENCES**

K.S.A. 75-52,135, 76-173  
K.A.R. 44-12-210, 44-12-601e(1)  
ACO 2-1B-01, 2-1B-05, 2-1B-14  
ACI 3-4031, 3-4035, 3-4044, 3-4045, 3-4046  
IMPP 01-114, 01-115, 01-118, 10-113, 11-101  
Department of Administration Reports #161, #65  
Department of Administration Policy Manual Filing #10,852

**ATTACHMENTS**

<b>Attachment</b>	<b>Title of Attachment</b>	<b>Page Total</b>
A	Account Withdrawal Request (P-1504)	1 page
B	Exempt Canteen Request (P-1791)	1 page
C	Reversal Request for Inmate Obligations (P-1806)	1 page



Kansas Department of Corrections  
Exempt Canteen Purchase Request

\_\_\_\_\_  
Facility

\_\_\_\_\_  
Printed Offender Name

\_\_\_\_\_  
Number

\_\_\_\_\_  
Date

\_\_\_\_\_  
Unit/Cell Location

Please charge my account for the following purchase: (One Item Per Request)

---

Description (As designated on facility list)

\_\_\_\_\_  
Item #

Size

Width

Color

\_\_\_\_\_  
Price

\_\_\_\_\_  
Offender Signature

\_\_\_\_\_  
Unit Team Member

\_\_\_\_\_  
Property Dept.

\_\_\_\_\_  
Inmate Funds

**Approved**

**Disapproved**

Prices subject to change without notice.

Items are covered by the various manufacturer warranties. The Canteen does not warrant the continued operation of items sold.

Do not submit duplicate orders.

Dist: White - Accounting  
Canary - Other

Kansas Department of Corrections  
**Reversal Request for Offender Obligations**

Offender Number \_\_\_\_\_ Offender Name \_\_\_\_\_

Selection (Mark One)	Date of OMIS Entry	Facility Incurred	Amount	Case Number/Description
<input type="checkbox"/> Urinalysis	_____	_____	_____	
<input type="checkbox"/> Medical	_____	_____	_____	
<input type="checkbox"/> Fine	_____	_____	_____	_____ - _____ - _____
<input type="checkbox"/> Restitution	_____	_____	_____	_____ - _____ - _____
<input type="checkbox"/> Other Obligation	_____	_____	_____	_____
<input type="checkbox"/> Legal Postage	_____	_____	_____	
<input type="checkbox"/> Stored Value Card	_____	_____	_____	

Reason for reversal request: \_\_\_\_\_  
\_\_\_\_\_

Authorized Signature \_\_\_\_\_

P-1806 Requesting Facility \_\_\_\_\_