

MICHIGAN DEPARTMENT OF CORRECTIONS <b>POLICY DIRECTIVE</b>	EFFECTIVE DATE 07/21/2008	NUMBER 04.02.110
	SUBJECT PRISONER BENEFIT FUND	
SUPERSEDES 04.02.110 (01/01/08)		AUTHORITY MCL 791.203
ACA STANDARDS 4-4043; 4-4044; 2-CO-1B-14		PAGE 1 OF 4

**POLICY STATEMENT:**

Prisoner Benefit Funds (PBFs) may be used to fund services, equipment and supplies which have a direct benefit to prisoners. Benefit Funds also may be established at Field Operations Administration (FOA) facilities for this purpose.

**RELATED POLICIES:**

04.01.150 Prisoner Housing Unit Representatives/Warden's Forum

**POLICY:**

GENERAL INFORMATION

- A. Each CFA institution shall have a PBF. The Warden of an institution to which a camp is annexed may authorize a separate PBF for the camp.
- B. The PBF shall be used only for the purposes and conditions set forth in this policy.

PBF COMMITTEE

- C. Each CFA institution shall have a PBF Committee comprised of two Warden's Forum members selected by the Warden's Forum and two staff members designated by the Warden. If a camp has a separate PBF, it shall have a separate PBF Committee comprised of two camp Warden's Forum members selected by the Warden's Forum and two staff members designated by the Warden. If a camp does not have a separate PBF, the Warden may increase the size of the institution's PBF Committee by one prisoner and one staff member to ensure that camp prisoner interests are adequately represented.
- D. The PBF Committee shall be responsible for recommending to the Warden which PBF expenditures should be approved, as authorized by this policy. If there is a separate camp PBF Committee, it shall make recommendations only for the camp PBF.

REVENUE

- E. State appropriated funds shall not be used to fund the PBF. Funds shall be derived only from the following sources:
  1. Profits from the prisoner store;
  2. Interest received from invested funds;
  3. Contributions from legitimate organizations or individuals, subject to the approval of the Warden; however, contributions shall not be accepted from a prisoner or an individual known to be related to a prisoner;
  4. Confiscated prisoner funds and postage, including metered envelopes;

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5. Profits from vending machines, except those operated by employee clubs pursuant to PD 02.04.106 "Employee Clubs";
6. Deposit refunds for soft drink bottles and cans sold at the facility, except for those sold in areas accessible only to employees;
7. Employee club profits as set forth in PD 02.04.106;
8. Proceeds from hobbycraft sales, as set forth in PD 05.03.102 "Hobbycraft Program";
9. Profits from the sale of photo-tickets to visitors;
10. Profits from PBF-funded copy machines;
11. Fund raising activities approved pursuant to this policy.

#### FUND RAISING ACTIVITIES

- F. A PBF may be permitted to conduct fundraising activities through which funds may be solicited and collected from other prisoners at that facility.
- G. A PBF wanting to conduct fundraising activities must submit a written fundraising proposal to the Warden for review. The proposal must include the proposed use of the funds, a detailed description of the fundraising activity and supporting documentation if the funds are to be used for a charitable donation. If the Warden supports the fundraising activity, s/he shall forward it to the CFA Deputy Director or designee for final approval. The Warden shall be notified of the final decision and shall ensure the PBF is notified. If approved, the Warden shall designate a staff person to supervise the fundraising activity.

#### EXPENDITURES

- H. A PBF shall be used to fund only those services, equipment, and supplies that provide a direct benefit to the prisoner population and are solely for prisoner use or which are contributions to charitable organizations approved by the Warden or designee. The PBF shall not be used to fund an activity or program that is necessary to institutional operations. Expenditures may include, but are not limited to, the following:
  1. Office supplies and materials for prisoner organizations approved pursuant to PD 05.03.100 "Prison Programs and Organizations" and religious groups approved pursuant to PD 05.03.150 "Religious Beliefs and Practices of Prisoners";
  2. Approved self-help programs such as hobbycraft, Alcoholics Anonymous (AA) and religious activities;
  3. Prisoner compensation for verified property losses where the prisoner was not negligent;
  4. Escort costs for prisoner funeral or sick bed visits, approved pursuant to PD 04.04.140 "Funeral and Sick Bed Visits";
  5. Recreational equipment and supplies (e.g., athletic equipment);
  6. Special maintenance and capital outlay projects;
  7. Cable/satellite television services; however, premium movie channels (e.g., HBO, Showtime, Cinemax) shall not be funded;

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8. Entertainment events in accordance with PD 05.03.104 "Leisure Time Activities".
  - I. The PBF shall be used to fund postage provided to indigent prisoners pursuant to PD 04.02.120 "Indigent Prisoners" and to fund loans to prisoners for notary services pursuant to PD 05.03.116 "Prisoners' Access to the Courts" and for legal postage, carbon paper for litigation, and legal-sized envelopes pursuant to PD 05.03.118 "Prisoner Mail". The PBF also shall be used to fund loans for padlocks and other items as identified in PD 04.02.105 "Prisoner Funds" for prisoners who lack sufficient funds in their institutional account to purchase the items. Funds collected to repay these loans shall be returned to the PBF which loaned the funds.
  - J. All expenditures from the PBF required approval of the Warden except for postage provided to indigent prisoners and funds loaned pursuant to Paragraph I. The Warden shall consider only those expenditures recommended by majority vote of the PBF Committee. The Warden shall ensure that the PBF Committee is advised whether recommended expenditures have been approved or denied. All of an institution's PBF expenditures shall be reported in summary form to the prisoner population.
  - K. Accounting procedures for the PBF shall be consistent with generally accepted accounting principles. PBF revenue and expense statements and balance sheet reports shall be prepared monthly by the appropriate business office. An annual advisory budget for the PBF shall be developed by the business office to be used as a guide for projected revenue and expenditures. A year-end financial report reflecting the financial status of the PBF also shall be prepared by the business office. A copy of the year end report shall be submitted to the Administrator of the Bureau of Fiscal Management, Operations Support Administration (OSA).
  - L. The institution's Administrative Officer shall ensure that purchasing and expenditure guidelines for appropriated funds established by the Department of Management and Budget (DMB) are followed for all PBF purchases and expenditures at his/her respective institution, except that purchases shall be processed by the appropriate business office. The Warden shall ensure that a copy of applicable guidelines is available for review by the PBF Committee upon request.

#### BENEFIT FUNDS AT FOA FACILITIES

- M. The Administrator of the Office of Parole and Probation Services, FOA, or designee may establish Benefit Funds at FOA facilities. Revenue shall be derived only from those sources identified in Paragraph E.
- N. Each FOA facility Benefit Fund shall be overseen by the facility Supervisor. Expenditures from the Benefit Fund require approval of the appropriate Supervisor and Administrator of the Office of Parole and Probation Services or designee. Only expenditures identified in Paragraphs H and I shall be approved.
- O. Accounting procedures for the Benefit Fund shall be consistent with generally accepted accounting principles. Benefit Fund revenue and expense statements and balance sheet reports shall be prepared quarterly. A year-end financial report reflecting the financial status of the Benefit Fund also shall be prepared. A copy of the year end report shall be submitted to the Administrator of the Bureau of Fiscal Management, OSA.
- P. The Administrator of the Office of Parole and Probation Services shall ensure that purchasing and expenditure guidelines for appropriated funds established by DMB are followed for all Benefit Fund purchases and expenditures in their respective regions, except that purchases shall be processed by appropriate business office/finance staff.

#### PROCEDURES

- Q. The FOA Deputy Directors and Wardens shall ensure that operating procedures are developed as

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necessary to implement requirements set forth in this policy directive; in FOA, a manual may be issued in lieu of operating procedures for this purpose. Operating procedures and/or manuals shall be completed within 60 calendar days after the effective date of this policy directive. This includes ensuring that existing procedures and manuals are revised or rescinded, as appropriate, if inconsistent with policy requirements or no longer needed. Facility procedures shall not conflict with operating procedures issued by the Director.

#### AUDIT ELEMENTS

- R. A Primary Audit Elements List has been developed and is available on the Department's Document Access System to assist Wardens and the FOA Deputy Director with self audit of this policy pursuant to PD 01.05.100 "Self Audit of Policies and Procedures".

APPROVED: PLC 06/24/08