

MICHIGAN DEPARTMENT OF CORRECTIONS POLICY DIRECTIVE	EFFECTIVE DATE 06/26/2017	NUMBER 02.04.106
	SUBJECT EMPLOYEE CLUB	
SUPERSEDES 02.04.106 (07/16/2012)		AUTHORITY MCL 791.2031975 PA 160, MCL 400.271 – MCL 400.294, 1982 PA 162, MCL 450.2101 <i>et. seq.</i>
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POLICY STATEMENT:

Employees may establish an employee club as set forth in this policy.

POLICY:

- A. A not-for-profit employee club may be established at a work site, comprised of employees at that work site, with the approval of the appropriate Deputy Director or their respective designee, or, for Central Office, the Director. The club shall be required to submit a letter of application to the Warden, appropriate Deputy Director or designee, or the Director. The letter shall state the purposes and goals of the club, the general activities to be conducted, include documentation verifying that the club is lawfully formed under the nonprofit corporation act, MCL 450.2101 *et seq.*, its articles of incorporation, and a list of its officers.
- B. The Warden, Deputy Director or designee, or Director, as appropriate, shall ensure the club's purpose, goals and activities do not conflict with the Department's mission or goals before approving the request. The Department is not responsible in any way for the internal operation of the club or its activities.
- C. Employee club business shall be conducted at times and places that will not interfere with the regular work responsibilities of its members. A club may meet in available space at the work site as approved by the Warden, Deputy Director or designee, or Director, as appropriate. Members shall not conduct club business on State time.
- D. An employee club may conduct fund-raising activities at the work site, including retail operations (e.g., vending machines, sales counters), with the prior written approval of the Warden, Deputy Director or designee, or Director, as appropriate. An employee club may not take over existing vending machine operations. Fund-raising activities include, but are not limited to, selling clothing, patches, stickers, pens, cups, mugs, glasses or other items. Items sold that contain any lettering or logo must have the mock-up of the item pre-approved in writing by the Warden, Deputy Director or Director, or their designee, prior to the employee club printing or ordering the item/product.
- E. At the close of each two-year fiscal period, each employee club shall prepare a bi-annual financial report consisting of all profit and loss statements and balance sheets, including outstanding bills, prepared during the two-year fiscal period. Within two months of the close of the two-year fiscal period, the financial report shall be audited, at the employee club's expense, by an independent certified public accountant to ensure the records are kept in accordance with generally accepted accounting principles. A copy of the financial report and the accountant's findings shall be forwarded within 30 days after receipt of the accountant's findings to the Warden, Deputy Director, or Director/designee, as appropriate. The accountant or firm who conducted the audit shall be clearly identified.
- F. If it is determined that an employee club has not complied with the requirements set forth in statute and this policy or is no longer operating in a manner consistent with the Department's mission or goals, the appropriate Deputy Director or designee, or, for Central Office, the Director shall determine if the club will be allowed to continue to operate at the work site and, if so, under what conditions.
- G. Under no circumstances shall the Department assume responsibility for or be held liable for lost, misappropriated or stolen employee club funds.
- H. Employee club members who violate this policy may be subject to discipline in accordance with PD 02.03.100 "Employee Discipline."

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PROCEDURES

- I Procedures are not required for this policy directive.

AUDIT ELEMENTS

- J. A Primary Audit Elements List has been developed and is available on the Department's Document Access System to assist with self-audit of this policy pursuant to PD 01.05.100 "Self-Audits and Performance Audits."

APPROVED: HEW 05/02/2017