



STATE OF MICHIGAN
DEPARTMENT OF CORRECTIONS
LANSING

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GOVERNOR

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DIRECTOR'S OFFICE MEMORANDUM 2016 - 23

EFFECTIVE: February 2, 2016

DATE: January 26, 2016

TO: Executive Policy Team
Administrative Management Team
Wardens

FROM: Heidi E. Washington, Director

SUBJECT: PD 04.02.105 "Prisoner Funds"

SUPERSEDES DOM 2016-11 (effective 01/01/2016) and DOM 2016-30 (effective 01/01/2016)

CENTRALIZED RECEIPTING OFFICE

On October 1, 2011, JPay assumed the centralized receipting responsibilities formerly performed by the Centralized Receipting Office at the Saginaw Correctional Facility (SRF). Funds currently authorized to be processed by institutional business offices under PD 04.02.105 "Prisoner Funds" are processed by the Jackson Business Office. However, institutional business offices may process pension/retirement checks, Veteran Affairs (VA) benefits, and other checks received at the institution directly from a government agency or private/retirement pension administrator for credit to a prisoner's account. Institutional business offices also may process the following with approval of the Administrator of Fiscal Management, Budget and Operations Administration or designee:

1. Funds accompanying a prisoner from jail or other non-Department correctional facility;
2. Funds accompanying a prisoner when received at a reception facility;
3. Funds received for the sale of hobbycraft pursuant to PD 05.03.102 "Hobbycraft Program;"
4. Refunds for goods or services paid from the trust account (e.g., vendor refund);
5. Funds best processed at the institutional business office.

Any funds received for processing at a facility which the facility is not authorized to accept are to be returned to the sender with instructions to resend to JPay. Funds addressed to the SRF Centralized Receipting Office will similarly be returned unless otherwise directed by the Fiscal Management Administrator or designee.

JPay is responsible only for receipting incoming funds. Correspondence and other mail for the prisoner will not be processed by JPay and will be discarded if received. JPay may establish additional requirements which must be met for funds to be processed. Business offices authorized to receipt incoming funds are not required to process correspondence and other mail for the prisoner and may instead return the mail to the sender.

Funds received by JPay from unidentified sources will be forwarded to the appropriate business office. The business office is responsible for preparing the notice of rejection and forwarding to designated institutional staff. Institutional staff are responsible for providing notice of the rejection to the prisoner and conducting hearings as required by PD 04.02.105. As indicated in PD 04.02.105, funds found to be from an unidentified source are to be placed in the Prisoner Benefit Fund. Designated institutional staff are to provide the appropriate business office with a copy of the hearing report or a copy of the prisoner's waiver of the hearing, as appropriate, to allow for disposition of the funds.

SPENDING RESTRICTIONS

As set forth in PD 04.02.105, staff designated by the Warden are to monitor funds received for credit to prisoner trust accounts at their respective institutions in order to identify activity that may violate PD 04.02.105 or may be related to illegal activity. PD 04.02.105 allows Wardens to restrict a prisoner's spending if, among other things, the prisoner is found at a hearing conducted pursuant to Administrative Rule 791.3310 to be spending funds to exploit or corrupt another prisoner. This is expanded to include using funds (as opposed to only spending funds) to exploit or corrupt another prisoner.

Whenever the prisoner's conduct constitutes misconduct (for example, "Possession of Money" if the prisoner received funds from the family member of another prisoner to pay off a debt), a misconduct report is to be written. The Warden may impose a spending restriction only upon a finding by the hearing officer that the prisoner engaged in such conduct. A second hearing is not required to impose the spending restriction.

INDIGENCY CRITERIA

As noted in PD 04.02.120 "Indigent Prisoners," one of the criteria for indigency status is that neither the prisoner's actual account balance nor his/her beginning spendable balance plus receipts equaled or exceeded \$11 in the calendar month preceding application for indigent status (with certain exceptions as noted in the policy).

This DOM updates the following paragraphs of PD 04.02.105 Prisoner Funds to be consistent with PD 04.02.120:

Paragraph W. All new funds received by a prisoner shall be used to satisfy his/her debts as outlined in this policy except under the following circumstances or as otherwise specifically ordered by a court.

1. It would leave the prisoner with less than \$11 available during the month for personal use, based on the prisoner's monthly beginning spendable balance plus new funds received during the month. This includes if funds are being removed pursuant to a court order, unless the order specifically requires otherwise.

8. Whenever a prisoner is assessed a fee for medical services pursuant to PD 03.04.101 "Prisoner Health Care Copayment" or incurs another institutional debt, including a debt to the PBF, 100% of the prisoner's positive account balance shall be collected initially even if this would leave the prisoner with less than \$11 available during the month for other personal use. Collection on the remaining debt shall be limited to 50% of future funds received for credit to the account unless the prisoner agrees in writing to a larger amount.

BB. The Warden shall ensure that the trust account of a prisoner who has been granted parole to other than a detainer is monitored to determine if the prisoner is conserving his/her funds in a reasonable manner. If it is determined that the prisoner is not conserving his/her funds in a reasonable manner, a hold may be placed on the prisoner's account to ensure the prisoner has funds available upon parole to meet his/her immediate needs (e.g., meals; telephone calls; additional transportation costs). The prisoner shall not be left, however, with less than \$11 available to spend each month for personal use.

GG. When a prisoner transfers from one CFA institution to another for any reason other than placement in SAI, the prisoner's trust account shall be transferred to the receiving institution within five business days following the prisoner's transfer. Funds received for credit to the account after transfer of the account shall transfer within five business days after receipt. If the transfer is not received within the required time period and the prisoner does not have at least \$11 available for personal use at the receiving institution, s/he shall be loaned up to \$11 to purchase prisoner store items provided s/he has the funds in his/her account to repay the debt and agrees to repay it at 100% by signing a disbursement.