



STATE OF MICHIGAN
DEPARTMENT OF CORRECTIONS
LANSING

GRETCHEN WHITMER
GOVERNOR

HEIDI E. WASHINGTON
DIRECTOR

DIRECTOR'S OFFICE MEMORANDUM 2021 - 11R2

EFFECTIVE: Immediately

DATE: May 13, 2021

TO: Executive Policy Team
Administrative Management Team
Wardens

FROM: Heidi E. Washington, Director

SUBJECT: PD 04.02.105 "Prisoner Funds"

SUPERSEDES DOM 2021 – 11R (effective 03/02/2021)

VENDOR FOR PRISONER DEPOSITS

Family members and other members of the public may send funds to be deposited into a prisoner's account through the vendor for prisoner deposits. The vendor will only accept approved types of deposits. The funds will then be electronically transferred to the Michigan Department of Corrections (MDOC) for deposit into the prisoner's account as approved by the Department. Correspondence and other mail for a prisoner that accompanies a deposit will not be processed by the vendor and will be discarded. The vendor may establish additional requirements that must be met for funds to be processed.

INSTITUTIONAL/JACKSON/KINROSS BUSINESS OFFICES

Institutional Business Offices may accept/process the following as determined by the Jackson/Kinross Business Office Manager:

1. Pension/retirement checks, Veterans Affairs (VA) benefits, and other checks received directly from a government agency. Government checks must be payable to the prisoner. All Federal income tax refunds shall be verified with the Internal Revenue Service (IRS) prior to being deposited.
2. Funds accompanying a prisoner from jail or other non-Department correctional facility less any processing fees assessed by any vendor.
3. Funds accompanying a prisoner when received at a reception facility less any processing fees assessed by any vendor.
4. Funds received from the sale of hobbycraft items pursuant to PD 05.03.102 "Hobbycraft Program."

5. Refunds for goods or services paid from the trust account (e.g., vendor refund). Before depositing a vendor refund into a prisoner account, Accounting staff shall verify that the prisoner actually made the original purchase from their prison account. If the prisoner did not make the original purchase, the check shall be returned to the vendor.
6. Funds earned on a work or school assignment.
7. Funds transferred from any account under the control of the Department (e.g., State Administrative Board Claims, Prisoner Benefit Fund [PBF] approved reimbursement) for deposit to the prisoner's account.
8. Private payroll and pension checks from the prisoner's employer prior to incarceration.
9. Funds received specifically for release planning, medical, or educational expenses. Release planning includes funds received specifically designated as a prisoner's Interstate Compact application fee. These funds shall be in the form of a money order or a check with guaranteed funds.

Any funds received for processing at a facility that cannot be accepted are to be returned to the sender at the Department's expense with instructions to resend to the vendor.

Non-legal mail, including correspondence, that accompanies checks and money orders will not be processed by the Jackson/Kinross Business Office or Institutional Business Office and will be discarded.

If funds received by the vendor violate PD 04.02.105 and are rejected prior to being transmitted to the prisoner's trust account, the vendor shall notify the sender of the rejection and the reason for the rejection. The vendor will return the funds to the sender.

A deposit that is believed to be in violation of PD 04.02.105 shall be rejected by institutional staff where the prisoner is housed. A hold shall be placed on the funds and a Notice of Intent to Conduct an Administrative Hearing (CSJ-282) shall be prepared.

If a hearing is conducted, an Administrative Hearing Report (CSJ-144) shall be completed by the facility hearing officer. If the hearing officer finds that the funds were not received in violation of PD 04.02.105, the funds shall be promptly deposited to the prisoner's trust account. If the hearing officer finds that the funds violate PD 04.02.105, the hearing officer shall order the funds to be handled as follows:

1. Any funds from an unidentified source shall be placed in the facility PBF or escheated to the Department of Treasury, as appropriate.
2. Funds from an identifiable source will be returned to the sender at the prisoner's expense. If the prisoner does not have the funds to cover the postage, the expense shall be considered an institutional debt.

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. This is also expanded to allow Wardens to restrict a prisoner's spending if the prisoner is found guilty at a hearing conducted pursuant to Licensing and Regulatory Affairs (LARA) Administrative Rule 792.11903 to have engaged in this conduct. The duration of the spending restriction is at the discretion of the Warden. However, if the restriction exceeds six months, approval from the appropriate CFA Assistant Deputy Director (ADD) must be obtained.

INDIGENT CRITERIA

As noted in PD 04.02.120 "Indigent Prisoners," one of the criteria for indigent status is that neither the prisoner's actual account balance nor their 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, including funds awarded through the State Administrative Board, shall be used to satisfy their 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.

Paragraph 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 their funds in a reasonable manner. If it is determined that the prisoner is not conserving their 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 their 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.

Paragraph 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. Subsequent funds received for deposit to 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, they shall be loaned up to \$11 to purchase prisoner store items provided they have the funds in their account to repay the debt and agrees to repay it at 100% by signing a disbursement.

This DOM also updates PD 04.02.105 Paragraph Z to allow funds to be loaned to prisoners for a portable fan and an electric shaver as identified on the Standardized Property List. Prisoners authorized to purchase and possess a portable fan and/or electric shaver who cannot afford to purchase one will be loaned the funds from the MDOC for the purchase provided that the prisoner agrees to repay the debt at 100% of future funds received. This loan will only be for a portable fan and/or electric shaver (not a beard trimmer) and will be provided to any prisoner authorized to purchase and possess a portable fan and/or electric shaver who has insufficient funds regardless of their indigent status. Prisoners that have been loaned funds for the purchase of a portable fan and/or electric shaver shall not be given a loan for a replacement portable fan and/or electric shaver for a period of 12 months unless approved by the Warden or designee.

Note: Electric shavers cannot be purchased or possessed by prisoners housed in Level V, segregation, reception facilities, Inpatient Psychiatric Units, the Reintegration Program, and Behavior Modification Unit (BMU), Interim Care Program (ICP), Secure Status Outpatient Treatment Program (SSOTP), and A-D (Reception Unit and SAI) Wings in Unit 9 at the Women's Huron Valley Correctional Facility. Each facility with these categories of housing will ensure that there is an effective issue and control process in place for prisoners to be issued disposable razors. After each razor's use, the razor will be turned into staff that will ensure the razor is intact. Staff will then properly dispose of the used razor.

PURCHASING SAVING BONDS

Prisoners are not permitted to purchase bonds directly from the Treasury but are permitted to send money to family members to have bonds purchased on their behalf.

COLLECTION OF INSTITUTIONAL DEBT

No funds shall be collected to satisfy debt if such collection would be in violation of state or federal law.