



Virginia Department of Corrections

Financial Management and Procurement

Operating Procedure 210.2

Cash Management

Authority:

Directive 210, *Fiscal Management*

Effective Date: August 1, 2021

Amended:

Supersedes:

Operating Procedure 210.2, June 1, 2018

Access: ☐ Restricted ☒ Public ☐ Inmate

ACA/PREA Standards:

5-ACI-1B-07, 5-ACI-1B-09, 5-ACI-1B-10;
4-ACRS-7D-21, 4-ACRS-7D-22; 4-APPFS-3D-25;
2-CO-1B-06; 1-CTA-1B-05

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REVIEW

The Content Owner will review this operating procedure annually and re-write it no later than three years after the effective date.

The content owner reviewed this operating procedure in July 2022 and determined that no changes are needed.

The content owner reviewed this operating procedure in July 2023 and determined that no changes are needed.

COMPLIANCE

This operating procedure applies to all units operated by the Virginia Department of Corrections. Practices and procedures must comply with applicable State and Federal laws and regulations, ACA standards, PREA standards, and DOC directives and operating procedures.

Table of Contents

DEFINITIONS 3

PURPOSE 4

PROCEDURE..... 4

 I. Designation Of Cash Management Officers 4

 II. Responsibilities of Cash Management Officers 4

 III. Cash Management Program Implementation and Administration 5

 IV. Cash Management Program Implementation and Administration for Probation and Parole 5

REFERENCES..... 6

ATTACHMENTS 6

FORM CITATIONS 6



DEFINITIONS

Agency - An organizational unit of the Department of Corrections, which has its own unique budgetary agency code, e.g. Agency 701,767, etc.

Agency Risk Management and Internal Control Standards (ARMICS) - Implementation and annual assessment of agency control systems in order to provide reasonable assurance of the integrity of fiscal processes related to the submission of transactions to the Commonwealth's general ledger, submission of financial statement directive materials, compliance with laws and regulations, and stewardship over the Commonwealth's assets

Cash - Coins, currency, and other types of formal negotiable paper that are customarily transferable by endorsement; certificates of deposit, savings accounts and other short term investments that are generally subject to immediate use are also considered cash, as are accounts receivable.

Cash Management Officer - The individual at each agency who has responsibility for establishing a cash management program to ensure the effective administration of all transactions involving cash

Commonwealth Accounting Policy and Procedure Manual (CAPP) - State accounting policies and procedures promulgated by the Virginia Department of Accounts to guide financial management processes for all state agencies

Funds - Negotiable instruments, including, but not limited to, cash, checks, money orders, lottery tickets, savings, treasury or other bonds, stock certificates, certificates of deposit, etc.

Organizational Unit - A DOC unit, such as a correctional facility, regional office, probation and parole office, Virginia Correctional Enterprises (VCE), Academy for Staff Development, Corrections Construction Unit, Agribusiness Unit, and individual headquarters unit, e.g., Human Resources, Offender Management, Internal Audit

Organizational Unit Head - The person occupying the highest position in a DOC organizational unit

Probationer/Parolee - A person who is on community supervision as the result of the commission of a criminal offense and released to the community under the jurisdiction of courts, paroling authorities, the Virginia Department of Corrections, or other release authority; this includes post release supervision and Community Corrections Alternative Programs (CCAPs).

PURPOSE

This operating procedure provides protocols to ensure effective management of cash in the Department of Corrections (DOC) through the designation of Cash Management Officers and the general parameters for responsible cash management in accordance with the Agency Risk Management and Internal Control Standards (ARMICS).

PROCEDURE

I. Designation Of Cash Management Officers

A. - The following positions are hereby designated Cash Management Officers for agencies of the DOC.

| | |
|---|--|
| Division of Administration (Operating Funds) | Director of Financial Services |
| Division of Administration - Capital Outlay Unit (Non-operating & Bond Funds) | Capital Outlay Financial Manager |
| Division of Operations | Director of Financial Services |
| Community Corrections | Director of Financial Services |
| Work Release Units | Director of Financial Services |
| Employee Relations and Training | Training Manager - Operations |
| Virginia Correctional Enterprises | Business Manager |
| Major Institutions** | Business Manager |
| Correctional Field Units** | Designated Institutional Business Managers |
| Virginia Parole Board | Director of Financial Services |
| Budgetary Control Agencies (795, 799) | Chief Financial Officer |

** Includes Work Centers and Community Corrections Alternative Programs

II. Responsibilities of Cash Management Officers

A. The Cash Management Officer is responsible for establishing a cash management program and overseeing its implementation to ensure the effective management and reporting of state billings, collections, deposits, and disbursements in accordance with the *Commonwealth Accounting Policies and Procedures Manual - Cardinal* and *Agency Risk Management and Internal Control Standards*. (5-ACI-1B-07, 5-ACI-1B-10; 4-ACRS-7D-22; 1-CTA-1B-05)

B. The Cash Management Officer's duties will include, but are not limited to:

1. Collecting amounts owed the State by the date due and levying and collection of late charges for overdue payments, as appropriate, see Operating Procedure 210.3, *Accounts Receivable*.
2. Maximize cash flow through the use of letters of credit and cash advance payment techniques in conjunction with Federal grants and contracts and the expeditious processing of claimed expenses.
3. Depositing revenues/funds on the day of collection or no later than the next banking day, as appropriate. (5-ACI-1B-09; 4-ACRS-7D-21, 2-CO-1B-06)
 - a. Funds not deposited the same day received must be stored in the Business Office safe or other secure location.
 - b. Deposits should be documented using the *Bank Payment (Deposit) Form 210_F9*
4. Reporting deposits immediately to the Department of the Treasury; see CAPP Manual-Cardinal, Topic No. 20205, *Deposits*. (5-ACI-1B-10)
5. Paying all governmental obligations when due - Taking advantage of discounts for early payments through expeditious processing of invoices while ensuring that discounts are not taken for payments which will be received after the due date; see Operating Procedure 210.4, *Accounts Payable Administration and Management*.
6. Select bank and bank-related cash management services that support efficient operations and optimize



the interest earning potential of cash on deposit.

- III. Cash Management Program Implementation and Administration - To assist agencies in establishing and operating effective cash management programs, Cash Management Officers should:
- A. Be familiar with this operating procedure and the references noted herein.
 - B. Communicate the above cash management policies, procedures, and regulations to organizational unit heads.
 - C. Require that internal operating procedures consistent with State and DOC procedures be developed for every function that affects cash flow.
 - D. Include cash management procedures in staff training and job descriptions.
 - E. Periodically review the accounting system and notify the organizational unit head of any deviations from proper practices.
 - F. Through the organizational unit head, ensure that corrective action is taken when staff fails to follow established procedures.
- IV. Cash Management Program Implementation and Administration for Probation and Parole
- A. The Community Corrections Cash Management Officer, Director of Financial Services, is responsible for ensuring that Chief P&P Officers administer the handling of funds from probationers/parolees under community supervision to ensure the effective management of state billings, collections, deposits, distribution, and disbursements in accordance with the *Commonwealth Accounting Policies and Procedures Manual* and *Agency Risk Management and Internal Control Standards*. (4-APPFS-3D-25)
 - 1. Cash and personal checks will not be accepted from any probationer/parolee on community supervision.
 - 2. Probationers/Parolees should be discouraged from using P&P staff for the collection and distribution of court costs, fines and restitution except when it is required by a court order.
 - 3. Probationers/Parolees must submit GPS or HEM fees to P&P staff for collection and distribution.
 - B. Funds collected in P&P Offices should be received and managed according to the following practice.
 - 1. The payment instrument will be filled out in full by the probationer/parolee with the name of the payee clearly noted.
 - 2. The receipt of all collected funds will be recorded by a designated person using the *Community Corrections Cash Management Log 210_F4*.
 - 3. The probationer/parolee will be given a receipt that includes a minimum of the probationer's/parolee's name, amount collected, date received, purpose of the fee, and name of person collecting the funds.
 - 4. All received funds will be secured from loss or theft.
 - 5. Copies of each payment instrument distributed will be retained with the *Community Corrections Cash Management Log 210_F4*.
 - 6. All received funds will be distributed before the close of the next business day by a designated person other than the person designated to receive funds and documented on the *Community Corrections Cash Management Log 210_F4*.
 - 7. Funds sent to the General Accounting Office in DOC Headquarters for disbursement must be accompanied with documentation of the date received, deposit coding, and relevant identification information.
 - C. Collection of GPS fees in Community Corrections
 - 1. In addition to completing the above process, GPS fees will need to be submitted with a completed *GPS*



Submission Form 210_F5.

2. Designated staff will log receipt and distribution of the payment according to the procedure above and submit the payment and *GPS Submission Form* to the General Accounting Office in DOC Headquarters, unless authorized to make state deposits, before the close of the next business day.

D. Collection of funds outside the P&P Office

1. In the event any P&P Officer receives a payment of funds from a probationer/parolee under community supervision and is unable to return to the P&P Office before the close of the same business day they must:
 - a. Ensure that the funds are secure from loss or theft.
 - b. Ensure a copy of the payment instrument is received at the P&P Office the next business day to be logged on the *Community Corrections Cash Management Log 210_F4*.
 - c. Ensure the probationer/parolee receives a receipt from the P&P Office within one week of the receipt of funds.
2. The P&P Office may distribute the funds to the payee or will submit the payment instrument to the P&P Office within two business days of receipt for routine distribution.

REFERENCES

Agency Risk Management and Internal Control Standards

Commonwealth Accounting Policies and Procedures Manual, Topic 20205, *Deposits*

Commonwealth Accounting Policies and Procedures Manual, Topic 10305, *Internal Control Standards*

Operating Procedure 210.3, *Accounts Receivable*

Operating Procedure 210.4, *Accounts Payable Administration and Management*

ATTACHMENTS

None

FORM CITATIONS

Community Corrections Cash Management Log 210_F4

GPS Submission Form 210_F5.

Bank Payment (Deposit) Form 210_F9

