

STATE OF OHIO



DEPARTMENT OF REHABILITATION  
AND CORRECTION

<b>Industrial &amp; Entertainment Funds</b>	PAGE <u> 1 </u> OF <u> 6 </u>
	NUMBER: 24-CAS-01
RULE/CODE REFERENCE: ORC 5120-5-04	SUPERSEDES: 24-CAS-01 dated 05/13/15
RELATED ACA STANDARDS:	EFFECTIVE DATE: February 29, 2016
	APPROVED:  

**I. AUTHORITY**

This policy is issued in compliance with Ohio Revised Code 5120.01 which delegates to the Director of the Department of Rehabilitation and Correction the authority to manage and direct the total operations of the Department and to establish such rules and regulations as the Director prescribes.

**II. PURPOSE**

To establish a standard policy for managing the financial transactions of the Industrial and Entertainment Funds held with the Department of Rehabilitation and Correction.

**III. APPLICABILITY**

This policy applies to all employees of the Department of Rehabilitation and Correction with the responsibility for accountability of funds collected and disbursed as well as those Department staff members responsible for approving purchases.

**IV. DEFINITIONS**

**Bank Debit Card** – A payment card that provides the cardholder electronic access to their bank account(s) at a financial institution. The card, where accepted, can be used instead of cash when making purchases.

**Financial Transaction** - Any receipt or disbursement of funds to or from the Industrial and Entertainment Fund.

**Industrial and Entertainment Fund (I&E)** – An account established to exclusively benefit the welfare of inmates. Hereinafter referred to as the I&E Account, as defined in Administrative Rule 5120-5-04, Administration of Industrial and Entertainment Funds.

**Outside Entertainment** - A form of activity that holds the attention and interest of an audience such as music, drama, dance or guest speaker.

**Reward Programs** - Structured marketing efforts that reward, and therefore encourage, loyal buying behavior which is potentially beneficial to the purchaser. The reward programs are also known as loyalty card, rewards card, points card, advantage card, or club card. By presenting the card, the purchaser is typically entitled to either a discount on the current purchase, or an allotment of points that can be used for future purchases.

**Service Provider** - A vendor who provides a service.

## V. POLICY

It is the policy of the Ohio Department of Rehabilitation and Correction (DRC) to provide guidance for each financial transaction involving the I&E Account and allow each institution the authority to manage its own fund.

## VI. PROCEDURES

### A. Revenues

1. All funds designated for the entertainment and welfare of the inmates and received by the Division of Business Administration and or the institution shall be deposited and maintained in the I&E Account.
2. I&E funds may be utilized to conduct fundraisers to increase the fund balance. All funds utilized for the fundraiser and the profits shall be deposited to the fund.

### B. Disbursements

1. All disbursements from the Industrial and Entertainment Fund shall be used for purchases which exclusively benefit inmates. No disbursements shall be approved for items to be used for the benefit of an individual inmate, inmate group, or employees.
2. All disbursements shall follow state purchasing guidelines. When a Request to Purchase (DRC1918) totals five hundred dollars (\$500.00) or less, two verbal quotes shall be obtained utilizing the Telephone Price Quote Sheet (DRC1389). The Request to Purchase (DRC1918) shall be submitted along with Telephone Price Quote Sheet (DRC1389) for approval by the Managing Officer or designee. When a Request to Purchase (DRC1918) total exceeds five hundred dollars (\$500.00), three (3) written vendor quotes shall be obtained. The Request to Purchase (DRC1918) along with the three (3) written quotes and the Request for Certification of Approval (DRC1229) shall be submitted to the DBA Chief or designee for approval. Exception: Materials or items purchased for resale and deposits from specific fundraising activities to be released to the sponsoring party for its intended use, do not require the Request for Certification of Approval (DRC1229).

Telephone and written quotes for purchases shall not be divided by the vendor, service provider or Department employee to circumvent the approval requirement for purchases exceeding five hundred dollars (\$500.00). Please reference the Department Business Operations Manual section Purchasing for complete details for purchasing goods and services.

3. Multiple purchases for the same general purpose, such as a Yard Day, that collectively exceed five hundred dollars (\$500.00) shall not be made without the prior approval of the DBA Chief or designee through the Request for Certification of Approval (DRC1229). When a multiple purchase is five hundred (\$500.00) or less, a Telephone Price Quote Sheet (DRC1389) for the selected vendor shall be attached to the Request for Certification of Approval (DRC1229).
4. Goods purchased and received through the mail or picked up by an employee shall be verified by another employee who is not involved in the purchasing of those goods.
5. Cash Advances  

Writing a check payable to "Cash" or to an employee to obtain cash, or to a vendor for a "not to exceed amount", cash advancement and purchasing prepaid debit cards to use for purchasing items are prohibited. Writing a check payable to the vendor for the exact amount of the purchase is allowed, provided other state purchasing guidelines have been met.
6. Bank Debit Cards  

Bank debit cards shall be obtained in the name of the fund. Bank debit card purchases shall be made as a credit. The bank debit card Personal Identification Number (PIN) shall be secured and not shared. Use of the PIN for cash transactions is prohibited. If a local bank cannot meet this requirement, then notify the DBA Chief or designee.
7. Reward Programs  

The name of the fund shall be utilized to enroll in reward programs and reward cards shall be utilized to make purchases for the fund. Employees are prohibited from using rewards discounts earned from their personal rewards cards to make purchases for DRC.
8. Please reference the Department Business Operations Manual section General Policies and Procedures and the Department Cashiers' Manual sections General Fiscal Activity and Fund Processing for complete details regarding checking accounts, bank deposits and reconciliations, vouchers, signature authority, security and control of assets.
9. Inmate programs formally recognized as institutional programs funded through GRF or appropriated funds such as Education, Reintegration Unit or Recovery, may utilize the I&E Account for certain events such as graduations. Light refreshments are suitable. Contact the DBA Chief or designee for guidance.
10. Payments to inmates who perform a service as recreational officials and scorekeepers for a broad class of inmates is an allowable expense for the I&E fund.
11. Cash or cash-equivalent prizes to inmates are prohibited. Approved hygiene items, clothing, or food items may be funded through the I&E fund as prizes to inmates.

12. The I&E Account may be used to provide start-up funds for an inmate group that is newly established pursuant to Administrative Rule 5120-5-07, Inmate Group Fiscal Activities and Department policy 73-GRP-01, Inmate Groups. The group shall have sufficient fundraising plans to repay the I&E Account within one year of its establishment.
13. Notwithstanding paragraph 12 above, the I&E Account shall not be utilized for any purchases for the following:
  - a. An inmate group that is formally recognized through Administrative Rule 5120-5-07, Inmate Group Fiscal Activities and Department policy 73-GRP-01, Inmate Groups.
  - b. An Industrial Arts program that is formally recognized through Administrative Rule 5120-5-06, Industrial Arts and Department policy 77-REC-05, Arts and Crafts Activities.
  - c. Inmate Personal Services that are formally recognized through Administrative Rule 5120-5-02, Inmate Funds and DRC Cashiers' Manual.
  - d. Inmate Job Classifications that are formally recognized through Administrative Rule 5120-3-08, Inmate Compensation for Work Program Assignments and Related Matters.
  - e. An individual inmate.
  - f. An employee.
  - g. Community service projects.
  - h. Volunteers recognition events.

**C. Outside Entertainment**

1. When developing a schedule of outside entertainment, the Managing Officer or designee shall be sensitive to the cultural diversity and multiple interests within its inmate population. During the planning stage for performances for the fiscal year, when the same service provider will be utilized and the cumulative cost of services total five hundred dollars (\$500.00) or more, a Service Contract (DRC1271) is required and shall be approved through the Office of Acquisition and Contract Compliance.
2. A service provider presenting multiple performances on the same day, at the same institution or location shall be considered a single performance for the purposes of determining the authorized number of performances for the fiscal year. Example: A musical group that performed three (3) different times, to different groups of inmates, at the same institution, on the same day, is considered a single performance.
3. Any service or performance costing five hundred dollars (\$500.00) or more shall be approved in advance by the DBA Chief or designee through the Request for Certification of Approval (DRC1229) along with an approved Service Contract (DRC1271). A copy

of the Service Contract (DRC1271) with the signature of the Managing Officer and the service provider shall be attached to the Request for Certification of Approval (DRC1229). The DBA Chief or designee shall forward a copy of these documents to the Office of Acquisition and Contract Compliance for approval of the Service Contract (DRC1271).

4. The Managing Officer or designee may authorize a maximum of six (6) outside performances during any fiscal year. These performances shall not exceed seven hundred and fifty dollars (\$750.00) for an individual performer or up to one thousand, five hundred dollars (\$1,500.00) per group performance. Additional performances shall be approved in advance by the DBA Chief or designee.
5. Regardless of the cost, before payment can be made for any type of service, the service provider's Internal Revenue Service Request for Taxpayer Identification Number and Certification (IRS W-9) shall be listed in the Cashless Commissary and Trust Accounting System (CACTAS). If the service provider is not listed in CACTAS, the services shall not be rendered. If the service provider is listed in CACTAS and the services total is under five hundred dollars (\$500.00), the services may be rendered and the service provider shall be paid. If the services total is five hundred dollars (\$500.00) or more, an approved Service Contract (DRC1271) and the Request for Certification of Approval (DRC1229) are required before services can be rendered.

#### **D. Inmate Group Subsidiary Accounts**

1. In reference to Paragraph VI.B.10.a, utilizing the I&E Account to process financial transactions for the Inmate Group Subsidiary Accounts does not apply.
2. An institution or DBA may establish subsidiary accounts within the I&E Account with approval from the DBA Chief or designee for the purpose of recording and maintaining financial transactions for formally recognized inmate groups that do not generate sufficient revenues in a year to sustain a separate bank account.
3. All financial transactions in a subsidiary account shall be on behalf of the inmate group assigned to the subsidiary account.
4. Revenue for a subsidiary account shall come from donations and or fundraisers sponsored by the inmate group assigned to the subsidiary account.
5. State purchasing guidelines shall apply for purchases made through Inmate Group Subsidiary Accounts. The inmate group may, with appropriate permissions from the group advisor and Managing Officer, expend funds from its assigned subsidiary account for its own use.
6. No funds from a subsidiary account may be used for the I&E Account unless approved by the group, group advisor, and Managing Officer.

**Related Department Forms:**

Request for Certification of Approval	DRC1229
Service Contract	DRC1271
Telephone Price Quote Sheet	DRC1389
Request to Purchase	DRC1918