

MEMORANDUM FOR See Distribution

SUBJECT: Army Corrections Command (ACC) Standing Operating Procedures #9:
Prisoners' Personal Deposit Fund (PDF)

1. Purpose. To establish policies and procedures for accounting for military prisoners' personal funds while confined at Army Corrections System (ACS) facilities.

2. References.

a. AR 190-47, The United States Army Corrections System

b. American Correctional Association (ACA) Standards for Administration of Correctional Agencies, 2nd Edition and 2008 Standards Supplement

c. AR 190-55, U.S. Army Corrections System: Procedures for Military Executions

d. AR 633-30, Military Sentences to Confinement

3. Applicability. These policies and procedures apply to all employees who work in Headquarters, ACC and to all Soldiers and Sister Service personnel and Department of the Army civilian employees, or organizations assigned to or under the administrative control of ACC, and to all offenders under the jurisdiction of ACC. This document will be made available on the OPMG/ACC website for all command personnel and can be made available to the public upon request. (2-CO-1A-16)

4. This document prescribes a uniform system of accounting procedures for military prisoner's personal funds. The PDF is a fund held in trust and consists of the personal funds of prisoners.

a. Overview.

(1) Purpose. Facilities that operate a PDF account will establish an account for each prisoner upon arrival. Department of Defense forms will be the primary method for recording financial transactions. Locally produced forms are authorized as a secondary method of recording financial transactions.

(2) Policy. The instructions contained herein specify guidance on unique Army processing requirements and procedures. This procedure is not intended to supersede any law, DoD Instruction or regulation issued by higher authority. In any case where the guidance herein conflicts with instructions or directives of higher authority, the guidance of the higher authority shall prevail.

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(3) Responsibilities. A delegation of authority memorandum shall be completed appointing the primary and alternate custodial officers. The statement shown in Figure 1, Army-1 and Army-2 shall be included in the appointment or relief letter as appropriate. The ACS facility commander shall establish a reconciliation process when the primary custodian will be absent for any period of time which interrupts daily PDF operation or as necessary.

b. Operating Procedures. Each prisoner will have a PDF account established upon arrival. Prisoners shall not be permitted access to other prisoners' PDF or PDF records. When a prisoner is admitted temporarily to a medical facility, his PDF account will remain open and his personal property will be secured by the custodian at the ACS facility. Funds held in trust by the custodian will reside in a non-interest bearing bank account. (2-C0-1B-14)

(1) Funds Received for Deposit.

(a) Funds received must identify the prisoner's name, register number and sender. Funds will be logged and posted to the prisoner's account within two business days.

(b) Financial instruments accepted for deposit are U.S. Treasury checks, cashier, credit union and/or bank checks, company refund checks, and transfer of funds from another facility. Facilities will not accept cash, personal checks or traveler's checks. U.S. Currency will only be accepted from prisoners who arrive at the facility with cash in their possession. Any other foreign currency may be retained in the prisoner's personal property bag.

(c) Funds received for a prisoner will be accepted by PDF custodian and posted to his PDF account. It will be noted on the prisoner's file the amount and type of deposit, i.e., Postal Money Order (PMO), cashier check or void PDF check, etc. The custodian will confirm the funds and personal effects received at initial in-processing.

(d) Financial instruments posted to prisoner accounts will be stamped, "FOR DEPOSIT ONLY". Funds will be totaled and deposited, at least twice weekly.

(2) Voids/Stop Payments.

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(a) PDF checks will be considered void 6 months from the date of issue. Voided checks returned to the facility will be considered as a non-negotiable item. Prisoners will be notified of the returned transaction.

(b) Prisoners may request a stop payment, providing written justification for the request, of a PDF check issued on his behalf. If the check has not been cashed, a stop payment will be taken to the bank and the prisoner will be responsible for any fees incurred by the transaction.

(3) Daily Receipt Accountability.

(a) At the close of each business day the total deposits processed will be entered on DA Form 1125-R, "Summary Receipt and Disbursement Voucher Personal Deposit Fund". The deposit amount noted on the DA Form 1125-R will show a grand total of each of the following when applicable: cash, financial instruments, voids and/or stop payments. (2-C0-1B-05)

(b) Prisoners will be notified of deposits and disbursements made on their behalf. Prisoners are responsible for bringing suspected errors in their account balance to the PDF custodian's attention. Any disagreement as to the prisoner's balance shall be researched, reconciled and a detailed explanation provided to the prisoner. The facility commander will be informed of the results of the inquiry.

(4) Disbursements.

(a) A prisoner's request for withdrawal of personal funds requires a prisoner to submit a DA Form 1130-R, Statement of Prisoner's Personal Deposit Fund Account and Request for Withdrawal of Personal Funds, and original and a prisoner's copy. The request will be submitted with the required information written in ink, and provide an envelope, paid postage, and an order form when needed to process the request.

(b) The withdrawal request must contain, at a minimum,

- (1) The printed name of prisoner, his register number and housing unit.
- (2) The amount to be withdrawn written in ink, numerically and printed.
- (3) The payee. If the payee is an individual the relationship must be identified.
- (4) A complete address of the payee.
- (5) A specific purpose of withdrawal.

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(c) A DA Form 577 - Signature Card must be on file at the facility and financial institution to authorize custodians to approve and sign withdrawal requests. Custodians will adhere to local command policies in regard to authorized PDF expenditures.
(2-CO-1B-05)

(d) The Custodian will review the DA Form 1130-R request for compliance with applicable regulations, local policy and determine the validity of the request. If the form is incomplete, filled out incorrectly, violates regulations or local policy, or when the prisoner has insufficient funds, the request will be returned to the prisoner unprocessed with the reason for the return indicated.

(e) Processed withdrawal request will be maintained as an accounting document in the daily business folder. The prisoners will be notified of the processed transaction and the remaining balance

(5) Funds for Released/Transferred Prisoners.

(a) A withdrawal request will be prepared by the custodian for a prisoner who is to transfer or be released. The prisoner will sign the form verifying the balance is correct and that his account will be closed. If the prisoner is unable to sign, the custodian will note that on the prisoner signature line stating, "PRISONER UNABLE TO SIGN AND REASON". Upon release or transfer a PDF check will be issued, payable to the prisoner, for the balance of his account.

(b) When a prisoner is being transferred to a federal institution, refer to the internal operating procedures of that ACS facility.

(c) Funds received for a released or transferred prisoner, which cannot be forwarded to him intact, will be deposited to the General Account, account number 00001, established for this purpose. The name and register number of the intended prisoner will be noted for each deposit and disbursement from this account. A withdrawal request will be prepared and a PDF check issued, payable to the prisoner, and mailed to the prisoner's last known address.

(6) PDF Checks.

(a) PDF checks shall be numbered sequentially and controlled by the custodian. Voided and returned checks shall not be destroyed but shall be made non-negotiable. Internet banking is authorized for the purpose of balancing the bank account to the total of all prisoner accounts. Direct, electronic deposits or disbursements to/from the PDF

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bank account is unauthorized. The fund custodian shall use an approved automated signature on all checks. (2-CO-1B-05)

(b) The beginning and ending check number used for the business day will be noted on the DA Form 1125-R with the total amount of disbursements for that day. Any check number that is voided or is rendered nonnegotiable due to printer jams, etc., will be listed, with an explanation, on the DA Form 1125-R.

(c) If a PDF check is returned, or is six months past issue date, the funds shall be re-deposited to the prisoner's account. If the prisoner has been released, a check will be forwarded to the last forwarding address. If the check is returned as undeliverable, it will be forwarded to the General Account. Funds posted to the General Account will be held for one year and if a request for payment is not made by the prisoner, within 1 year of the deposit date, a check shall be drawn and sent to the nearest finance and accounting office for deposit into Payment of Unclaimed Monies Account 20X6133. The funds of deceased prisoners shall be disposed of in accordance with AR 638-1.

(d) The General Account will remain open, even if the balance is zero, for processing prisoner funds received after release or transfer, i.e., detail pay, telephone refunds, etc., for prisoners without an active PDF account. The custodian will maintain detailed records of all activity in this account.

(7) Overpayments. When a military prisoner has received an erroneous payment or overpayment of military pay, a refund shall be deducted from the prisoners' PDF account. Proper documentation must be received from the concerned branch of service's finance and accounting office showing the prisoner's name, social security number and overpayment amount due.

(a) A withdrawal request will be prepared to deduct funds from the prisoner's account to repay the overpayment in full or for the balance in the prisoner's account, whichever is less. The custodian will notify the prisoner and give him the opportunity to voluntarily sign the withdrawal request to reimburse the overpayment.

(b) If the prisoner does not sign voluntarily, the custodian shall process the collection and issue a check from the prisoner's account payable to the U.S. Treasury. The check will be sent per instructions contained in the overpayment notification. The prisoner shall be notified and provided a copy of the transaction report at the end of the business week showing the deduction was processed.

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(c) When the check issued does not refund the full overpayment amount, the prisoner's account will be frozen and no disbursements will be permitted until full restitution has been made to the US Treasury.

(8) Court ordered collections will be processed and prisoner consent, or notification by the custodian, for deduction is not required. Funds will be deducted from the prisoner's PDF account, as ordered, and mailed directly to the court. The prisoner shall be given a transaction report at the end of the business week showing the deduction was processed.

(9) Investments, Donations, and Contributions. No part of the funds held in trust by the custodian may be used for loans or investments by the prisoners. No donation or contribution may be made from the fund or received by the fund custodian. Subject to approval of the facility commander, prisoners with funds on deposit that are greater than their anticipated needs may withdraw excess monies from their account in the personal deposit fund for investment in U.S. savings bonds or for transfer to/open a personal savings account in banks insured by the Federal Deposit Insurance Corporation or in banks or branches eligible to be designated a U.S. depository under provisions of 12 USC 265. Investments such as stocks, DRIPS, and IRAs, etc., are not authorized.

(10) Outstanding Checks.

(a) The custodian shall work closely with the financial institution officials in determining the services, terms and conditions of un-cashed, returned or the hold policy of outstanding checks.

(b) When checks drawn on the PDF are outstanding for 6 months and not cashed, the check will be removed from the outstanding checklist and will be processed as a void; check and the funds returned to the prisoner's PDF account.

(11) Loss of Funds.

(a) The total of all prisoners' PDF balances, to include the General Account balance, will be maintained on a daily basis for internal balancing and external (bank) balancing purposes. The total of all prisoner PDF accounts shall be reconciled at least weekly to the consolidated bank account statement. Accurate records must be maintained for all PDF transactions. Accounting documents and records shall be kept in a daily audit ready condition. (2-C0-1B-05)

(b) If the bank and PDF cannot be reconciled, after thorough review by the custodian, the Facility and ACC Commander must be notified. A complete explanation

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of the circumstances surrounding the overage or shortage, and planned corrective action, must be provided in writing by the custodian's supervisor.

(c) In those instances when the shortage exceeds \$250, an information copy of the report shall be furnished to ACC Headquarters. The ACC Commander may require an audit (or review) of the account and direct an investigation of the alleged shortage. The ACC Commander shall review and take action on reports of investigation in accordance with the procedures described in AR 15-6.

(d) If it is determined that the loss is due to the fault or negligence of one or more identifiable individuals, the ACS facility commander shall take appropriate steps to recover the loss from the responsible individuals. If the loss is uncollectible, then the commander shall send a request to reimburse the fund from appropriated funds under Title 31, U.S.C., section 3530. The request shall include details concerning the loss and reasons why the loss is uncollectible, and shall identify the appropriated fund from which reimbursement is recommended.

(12) Claims. When a released or transferred prisoner wishes to claim funds that were transferred to Unclaimed Moneys Account due to being over one year old he will be referred to the Defense Military Pay Office (DMPO). The DMPO shall send the claim to the Defense Finance and Accounting Service Indianapolis where the claim will be processed and sent to the Department of the Treasury for payment.

c. Personal Property.

(1) Property.

(a) Under no circumstances shall prisoners be permitted access to personal property or personal property records of other prisoners.

(b) Shipping of Property. A prisoner is permitted to ship excess personal property at his own expense using postage stamps or paying with funds from his PDF account. A shipping request will be prepared by the prisoner listing property he wishes to ship, where he wants to ship it and what mail class he would like to send it. Shipping requests must meet United States Postal System (USPS) requirements.

(c) Property to be Destroyed. Personal property that is listed on the prisoner's personal property list to be destroyed, and authorized by the prisoner, shall be destroyed under the supervision of the custodian and a witness. When property is determined to be unauthorized, the prisoner will be given the opportunity to ship, at their expense, or destroy the unauthorized item(s). Unauthorized property is separate from

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contraband and will be processed as outlined above. If the prisoner refuses to provide shipping instructions property will be processed IAW AR 190-47.

(2) Property of Escaped or Deceased Prisoner(s).

(a) Disposal of personal property of an escaped or deceased prisoner IAW AR 630-10, "Absence without Leave, Desertion, and Administration of Personnel Involved in Civilian Court Proceedings", AR 638-1 Army Pamphlet 638-1, or AR 700-84, "Issue and Sale of Personal Clothing", as appropriate. An independent individual shall be appointed by the Commander to inventory the prisoner's personal property and verify the prisoner's funds with the custodian.

(b) Along with the valuables, the custodian shall send two copies of the inventory listing by certified mail with a return receipt requested to the individual determined by the commander as the authorized recipient of the prisoner's property.

(3) Transfer of Mentally Incompetent Prisoners. Prisoners transferred per these conditions will have their property and funds processed in accordance with the gaining facility's guidance.

(a) If a legal guardian has been appointed, the prisoner's money and valuables may be released to the individual after verification of guardianship.

(b) Identify relatives properly and ensure that they attest that no legal guardian has been appointed, except when the relative has been appointed legally as a guardian.

d. Disposition of Records. Disposition of documents comprising prisoners' personal property and fund files shall be governed IAW the disposition of Correctional Treatment Files.

e. Reports and Audits

(1) Monthly Commander Report

(a) At the end of each month, on or before the 10th working day of the next month, the custodian shall prepare a report reflecting PDF transactions. The report shall be a summarization of the previous month's fund activity and will provide verification to the Commander that the PDF is in balance with the banking institution. The Commander shall review and validate the monthly beginning and ending balances

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and all transactions in the report. The Commander will initial the report and forward a copy to the ACC HQ, RM Division Chief not later than the 15th of the month.

(b) If requested, this report may be prepared daily for internal control purposes or upon request by the Commander to conduct periodic unannounced reviews of the PDF. The report will be prepared using the format in Figure ARMY-3 of this policy. The format may be modified or produced electronically depending on local conditions.

(c) The custodian shall maintain a record of the process in which the report is generated and prepared.

f. Audit. An audit of the PDF account will be conducted annually by ACC RM and internal review officer. The audit checklist will be conducted per guidance provided by ACC. (2-CO-1B-05)

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DEPARTMENT OF THE ARMY
Applicable Correctional Facility's Name
1234 North Prison Road
Fort Pick-a-Name, State 12345-6789

ORDER DSS 95-01 DATE

(CUSTODIAN NAME), Correctional Facility, Fort Pick-a-Name,
State 12345-6789

You are hereby appointed as custodian for the prisoners' personal property and funds.

Authority: AR 190-47

Location: Appropriate Correctional Facility, Prisoner Services Branch.

FIRST NAME, LAST NAME
RANK, MP
Commander

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STATEMENT OF OUTGOING CUSTODIAN

I have this (number) day of (month and year), transferred to (name and grade), the new custodian appointed by orders (number), HQ (organization), dated (date), (\$ amount) on deposit to the credit of the personal deposit fund in (name of bank) and all items listed in the RETAINED column of the prisoners' personal property lists.

(signature)

Figure 1-ARMY-1

STATEMENT OF NEW CUSTODIAN

I have, this (number) day of (month and year), received from (name and grade) the sum of (\$amount), representing the balances due prisoners, together with the personal effects as listed on the individual accounts sheets in the RETAINED column of the prisoners' personal property lists, of all prisoners in confinement as of this date at (time) hours, and I hereby relieve the outgoing custodian from all responsibility for the same.

(signature)

Figure 1-ARMY-2

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Personal Deposit Fund (PDF)		
Analysis of Receipts and Expenditures		
End of the Month Report for <u> </u> (mo / year) <u> </u>		
Ending Balance for previous report period		\$xxx.xx
Add receipts:		
New Prisoners (show total only)	\$xxx.xx	
Other (itemize)	<u>xx.xx</u>	
Total Receipts		<u>\$xxx.xx</u>
Less Expenditures:		
Refund to discharged prisoners (total)	\$xxx.xx	
Transferred prisoners (total)	xxx.xx	
Purchase for prisoners (total)	xxx.xx	
Money withdrawals for prisoners (total)	xxx.xx	
Other (itemize)	<u>xxx.xx</u>	
Total Expenditures		<u>\$xxx.xx</u>
New PDF Balance for this report period		<u>\$x,xxx.xx</u>
Analysis of Fund Balance		
Cash in bank per statement	\$x,xxx.xx	
Less outstanding checks	xxx.xx	
Plus cash on hand (undeposited receipts)	xxx.xx	
Bank Balance for Report Period		<u> xx.xx</u>
"I hereby certify that the bank balance is true and correct to the best of my knowledge and belief."		
XXXXXXXXXXXXXXXXXXXXX		
Custodian, Personal Deposit Fund		

Figure 1-ARMY-3 (FORMAT) PRISONERS' PERSONAL DEPOSIT FUND
END OF THE MONTH REPORT

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APPENDIX I

MANAGEMENT CONTROL EVALUATION CHECKLIST FOR PRISONER PERSONAL DEPOSIT FUND (PDF)

1. Function. The function covered by this checklist is for the prisoner funds.
2. Purpose. The purpose of this checklist is to assist in evaluating the key management controls listed below. It is not intended to cover all controls.
3. Instructions. Answers must be based on a random review of key management controls (for example, document analysis, direct observations, sampling, simulation, other). Answers which indicate deficiencies must be explained and corrective action indicated in supporting documentation.
4. Test Questions.
 - a. Does each prisoner have a PDF account?
 - b. Does each prisoner have either a positive, or zero, balance on hand?
 - c. Are transactions recorded in each prisoner account in chronological date order?
 - d. Are funds received posted to the prisoners' account daily?
 - e. Are funds received properly endorsed for deposit?
 - f. Are prisoners provided notification of funds received?
 - g. Are funds received accurately recorded as a one line entry on DA Form 1125-R, Summary Receipt and Disbursement Voucher Personal Deposit Fund?
 - h. Are funds deposited daily or when funds exceed \$1,000.00?
 - i. Are funds received for released/transferred prisoners posted to the prisoner's account?
 - j. Can the time delay between receiving and posting funds to the prisoner account be determined?
 - k. Are DA Forms 1124, Individual Receipt Voucher Personal Deposit Fund, if used to record deposit items, pre-printed and sequentially numbered?
 - l. Is a petty cash fund maintained?
 - m. Are petty cash quarterly cash counts performed?
 - n. Are outstanding checks that are 6 months old voided and funds returned to the prisoner?
 - o. Are voids, to include stale dated checks, and/or stop payments of PDF checks recorded on DA Form 1125-R?
 - p. Void check(s), or stop payment receipt(s) are attached to DA Form 1125-R?
 - q. Is there an internal account for depositing overages?

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- r. Are all overages explained in detail and noted on DA Form 1125-R as a deposit?
- s. Is there adequate documentation showing deposits to prisoner accounts and funds taken to the bank for deposit are equal?
- t. Are DA Forms 1130-R, Statement of Prisoner's Personal Deposit Fund Account and Request for Withdrawal of Personal Funds completed by the prisoner who wishes to withdraw funds from his PDF account?
- u. Are DA Form 1130-R requests verified for accuracy prior to processing?
- v. Is each PDF check issued supported by a prisoner request to have funds deducted?
- w. Are prisoners notified of a check being issued by an annotation on submitted DA Form 1130-R or a computer generated report?
- x. Are PDF checks sequentially numbered?
- y. Are blank PDF checks maintained in a secure area?
- z. Are checks totaled and check numbers issued each business day and recorded on DA Form 1125-R?
- aa. Is there a safe available for securing prisoner funds received for deposit?
- bb. Are checks signed in advance?
- cc. Are checks made payable to "cash"?
- dd. Are prisoners provided with the balance of their of their PDF at least quarterly and when transferred or released?
- ee. Is a prisoner being released/transferred provided a DA Form 1130-R, for his signature, reflecting his PDF account balance?
- ff. Is the balance of the PDF account reconciled to the bank statement at least monthly?
- gg. Does the Custodian verify the General Account, or Dummy Account, transactions?
- hh. Are checks dated 6 months from the date of issue or uncashed voided at least monthly?
- ii. Are PDF checks, voided, rendered non-negotiable?
- jj. If a discrepancy exists between the bank balance and the PDF balance is adequate explanation prepared and maintained by the Custodian?


COMMENTS/EXPLANATIONS:

Evaluation done by (printed name)

(Signature & Date)

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4. Point of contact for this document is  Branch Chief, Operations
Division, ACC Headquarters, 703-428-7707/DSN 328-7707.



Deputy Director
Army Corrections Command