	DEPARTMENT OF CORRECTIONS AND REHABILITATION CORRECTIONS ADMINISTRATION POLICY AND PROCEDURES	EFFECTIVE DATE: January 01, 2024	POLICY NO.: COR.02.12
		SUPERSEDES (Policy No. & Date): COR.02.12 of July 1, 2022	
SUBJECT: INMATE TRUST ACCOUNTS		Page 1 of 9	

1.0 PURPOSE

To provide guidelines and standards governing the inmate trust accounting system.

2.0 SCOPE

This policy applies to the inmate trust accounting functions at statewide correctional facilities.

3.0 REFERENCES, DEFINITIONS, AND FORMS

.1 References

- a. Department of Corrections and Rehabilitation (DCR), Policy & Procedures (P&P), COR.02.04, Restitution Collection.
- b. P&P, COR.02.13, Monetary Donations to Inmate Trust Funds.
- c. P&P, COR.14.02, Inmate Work Program/Compensation.
- d. Hawaii Revised Statutes (HRS), § 353-20, Custody of Moneys; Accounts for Committed Persons.
- e. HRS, § 353-21, Withdrawals; Forfeitures.
- f. HRS, § 353-22, Earnings Exempt from Garnishment etc.
- g. HRS, § 353- 22.5, Garnishment to cover non-budgeted costs.
- h. HRS, § 353-22.6, Victim restitution.
- i. HRS, § 353-22.8, Orders for payment of child support.

.2 Definitions

- a. Department Obligations: Articles or services purchased by an inmate from the Department such as copy machine services, drug screen testing, telephone calls, and so forth. For purposes of this Policy, this category does not include purchases from the inmate store.
- b. Family Emergency: Includes but not limited to a family member's funeral or hospitalization due to serious injury or illness.

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- c. Furlough: An authorized leave of absence from the institution without an escort, which is creditable toward service of sentence and is intended to provide the selected inmates opportunities for in-community experiences with family and social reintegration, education, employment, vocational training, and/or specialized treatment prior to parole.
- d. Individual Inmate Savings Accounts (Furlough Inmates Only): A savings account maintained at a bank under the name of an inmate for their personal use when actively participating in a work furlough program. These are restricted accounts requiring case manager/designee approval in order to make financial transactions.
- e. Inmate: For the purposes of this policy, the term inmate applies to sentenced felons, sentenced misdemeanants, probation violators awaiting adjudication of their violation hearings, and detainees.
- f. Inmate Trust Account: An account established to hold funds belonging to the inmate and maintained at a bank under the name of a facility for use by a group of inmates under the trust fund accounting system.
- g. Legal Obligations: Payments ordered by the Court such as fines, restitution, damages, fees, costs, etc.
- h. Restitution: Court or Facility ordered repayment of part or all of a loss caused by a crime, misconduct, or loss or damage of State or personal property.

.3 Forms

- a. DCR 1995 – Release of Inmate Funds (attached).
- b. DCR 1996 – Funds Not Deposited In State Treasury (attached).

4.0 POLICY

- .1 In accordance with the provisions of HRS, an Inmate Trust Account (ITA) shall be established for all money an inmate may receive from either outside sources or from work performed while incarcerated. An accounting system shall be established which will enable the inmate to make withdrawals from their trust account and receive periodic statements showing credits and debits to their accounts. The accounting system shall also incorporate controls, which will ensure accurate record keeping, and the safeguard of funds.
- .2 The ITA shall consist of two portions or accounts, a spendable account and a restricted account. All spendable and restricted accounts will be separate and not

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consolidated into one account. As mandated by Departmental P&P COR.14.02, Inmate Work Program/Compensation, fifty percent (50%) in excess of \$20 in any calendar month of all money earned by an inmate while incarcerated shall be held in a restricted account, which the inmate cannot draw from except under the provisions of this policy. The balance shall be deposited in a spendable account, which an inmate may draw from. All money donated to an inmate from outside sources shall be deposited in the inmate's spendable account.

The Facility shall restrict monetary deposits to only those who are approved on the Inmate's visitation list in accordance with P&P COR.02.13, Monetary Donations to Inmate Trust Fund.

Upon parole or discharge from incarceration, the balance of all money in the restricted and spendable account shall be given to the inmate under the conditions of HRS Chapter 353- Section 21, Withdrawals; Forfeitures.

- .3 In accordance with HRS Chapter 353- Section 20, Custody of Moneys; Accounts for Committed Persons, inmates shall maintain their funds in an Inmate Trust Account. Furlough inmates shall maintain their funds in an Individual Inmate Savings Account under their respective furlough program. Inmates may have unlimited access to ITA but the number of times a furlough inmate may have access to an individual account shall be generally limited.

5.0 PROCEDURES

.1 Establishing a New Account

- a. An ITA shall be established for all inmates upon initial entry into a correctional facility including contracted out-of-state correctional facilities. The account shall be identified by the name of the inmate and their State Identification Number (SID). The account balance shall be established only after funds are received from the sending facility. Furlough inmates individual inmate savings accounts shall be established by the inmate's respective case manager/designee and the bank where the funds are to be maintained shall be notified in writing that the accounts are to be classified as restricted. These restricted accounts shall require two signatures for withdrawal authorization, the inmate's and facility designated authority.

.2 Payroll Accounting

a. Daily

A daily record (timesheet) shall be maintained of hours worked by each inmate. The timesheet shall be verified and signed by the inmate's work supervisor.

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b. Monthly

A payroll report shall be generated which shows the total hours for the month worked by each inmate, his or her pay rate and total monthly pay. Based upon this report, a warrant shall be generated for each inmate for his or her total monthly pay through the purchase order process. Upon receipt of the warrant and verification against time sheets and the payroll report, the monthly earnings shall be posted to the individual inmate's ledger. In accordance with P&P COR.14.02, Inmate Work Program/Compensation, fifty percent (50%) in excess of \$20.00 shall be deposited in the inmates' restricted account and the balance deposited to their spendable account.

The monthly payroll report shall be verified by:

1. Comparing the total monthly hour amounts against the daily timesheets.
2. Checking that all inmates who received pay are inmates of a facility and that no inmates were left off the payroll report that should be paid.
3. Comparing the batch total of the payroll edit to the total payroll invoice sent to the Facility Fiscal Office for payment.

.3 Deposit of Receipts

a. Daily

1. All receipts shall be posted within two (2) working days from the day they are received to the inmate's ledger.
2. A batch total of the amounts recorded in the ledgers shall be made and compared to the amount of an adding machine tape of the total deposits for the cash receipts book.
3. All receipts shall be deposited in the bank on the next working day after they are received. If receipts are not sufficient to warrant daily deposits, a Facility may deposit receipts on a weekly basis or every few days. However, no more than \$100 of daily receipts at any time shall be held at a facility.

All monies held for deposit shall be placed in an officially designated secure location daily.

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4. The deposit slip from the bank shall be compared and attached to the applicable batch of cash receipt slips in the cash receipt book or in a receipt file.
5. If the facility is using a contracted prepaid debit card and/or kiosk system, a card load summary will be provided by the vendor to the Business Office at the end of each business day.

b. Monthly

1. A receipt journal shall be generated showing all entries and compared to the entries in the cash receipt book.
2. If the facility is using a contracted prepaid debit card and/or kiosk system, the Business Office will have secure access to daily, weekly, monthly, or interim transaction reports.

.4 Disbursements

a. Check Requests (Spendable Account)

1. Inmates who wish to withdraw funds from their account shall make their request in writing. The written request shall be approved by the inmate's residency manager or other designated authority.
2. Upon approval of the request, a check shall be made and recorded in the check register. The transaction shall be posted to the inmate's ledger with the check number.
3. The inmate's written request shall be kept on file in the Facility's Business Office.
4. A daily comparison shall be made of the total input to the ledgers with the batch total of all checks posted.

b. Store Orders

All store orders shall be posted to the inmate's ledger (spendable account). A check shall be prepared and drawn from the trust account for the total of the store order. The check shall be recorded in the check register.

Each facility shall be responsible for establishing a control system which will ensure the integrity and accuracy of the inmate store accounting system.

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c. Spendable Accounts

The following are authorized deductions from an inmate's spendable account:

1. Articles purchased from the inmate store or commissary.
2. Departmental and facility obligations to include facility restitution.
3. Articles or services purchased by an inmate from outside sources which are authorized by facility administration.
4. Legal obligations.
5. Special family needs (food, rent, utilities, school supplies, clothing etc.) that are verified and documented by bills or invoices.

Special family needs (contracted out-of-state facilities only) is limited to the inmate's portion of long distance phone bill that is verified and documented by bill/invoice from the phone company. Check will be made payable directly to the phone company and not to the inmate's family member.

6. Payment to the individual Accounts Receivable balance.

d. Restricted Accounts

The following are authorized deductions from restricted accounts, which may be made if sufficient funds are not available in the inmate's spendable account, upon approval of the Warden or designee:

1. Family emergency.
2. Departmental and facility obligations to include facility restitution.
3. Legal obligations.
4. Payment to the Individual Accounts Receivable balance.
5. Special program needs (work tools, work clothes, medical services) or for other circumstances based on a case-by-case assessment.
6. Seasonal clothing (Contracted Out-of-State facilities only) that includes winter apparel (i.e. thermals, long-johns, wool socks/caps, and heavy sweatshirts/sweatpants) based on a case-by-case assessment.

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7. Electronic Items (Contracted Out-of-State facilities only) for inmates with 15 years or more on TPD and are making regular restitution payments based on a case-by-case assessment.

e. Garnishment

Pursuant to HRS Chapter 353- 22.5, Garnishment to cover non-budgeted costs, inmate accounts shall be subject to garnishment or attachment for cause of an action or claim against an inmate in the following order of priority (If sufficient funds are not available in the inmate's spendable account, the funds shall come from their restricted account):

1. Victim restitution as ordered by the court.
2. Child support payments as ordered by the court.
3. Replacement costs for damage, destruction, or loss of State property that may have been caused by the inmate including all other costs associated with the damage to the property. If an inmate does not have sufficient funds in their accounts to cover replacement costs, their account shall be debited under facility restitution.
4. Reimbursement for the extraordinary cost of photocopying or postage which has been advanced by the facility to an inmate for litigation purposes.
5. Inmates that owe restitution shall make payments in accordance with P&P, COR.02.04, Restitution Collection.

.5 Individual Inmate Savings Account (Furlough Inmates Only)

Furlough staff will work with inmate to manage funds, ensure that funds are deposited directly to their approved bank account. Inmates shall provide a copy of their bank receipt to furlough staff upon request and for verification purposes.

Any withdrawal from the inmate's approved bank account requires the approval of the furlough staff.

.6 Quarterly Trust Fund Accounting

- a. A copy of the inmate's ledgers (spendable and restricted) shall be made and forwarded to the inmate each quarter. However, inmates shall be allowed to

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request a copy of their ledger anytime in between the quarter periods but not more than once a month. This request shall be made in writing.

1. Any discrepancies reported by and inmate concerning their bank statement shall be promptly investigated by the facility. If the facility cannot reconcile the discrepancy, the situation shall be reported in writing through the chain of command to the Department Business Management Office.
- b. DCR 1996, Funds Not Deposited in State Treasury shall be prepared quarterly by the 15th day after the end of the quarter for each type of inmate account and the balance on the form reconciled with the ledger balances. Upon completion, DCR 1996 shall be forwarded to the Fiscal Office in Department Administration.
- c. The Fiscal Office shall summarize the receipts and disbursements for all correctional facilities using DCR 1996 and prepare a journal voucher recording all receipts as revenue and all disbursements as expense. The journal voucher shall be forwarded to the Department of Accounting and General Services.

.7 Discharge of an Inmate

- a. Upon notification that an inmate will be discharged from custody, the inmate's account shall be reviewed prior to release to ensure the balance is current and all transactions (payroll, purchases, etc.) have been posted.
- b. The inmate may be allowed to keep their individual inmate savings account at the bank. Upon day of discharge, the inmate shall be given their savings passcard and other financial documents held by the facility. A notice that the account is no longer restricted shall be sent to the bank.
- c. Approval for payment of all compensation due an inmate shall be made only by the facility administrator or their designee. DCR 1995, Release of Inmate Funds shall be used for this authorization.
- d. Upon day of discharge, inmates that choose to not keep their funds in an individual inmate savings account shall be given an authorized prepaid debit card or check for the full amount of their balance. If issued a prepaid debit card, the inmate signs a copy of receipt which will be retained by the facility for a minimum of two (2) years. In those cases where there is a delay in the posting of transactions such as monthly payroll or if a release occurs without prior notification to the Facility Fiscal Office, the inmate shall be notified in writing of the reason for the delay.

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- e. The Facility shall inform the inmate that the authorized prepaid debit card is reloadable and any outstanding transaction(s) will be posted directly to the prepaid debit card. If the inmate is issued a check, he/she may return during the Facility Fiscal Office's normal work hours to obtain his funds. The Facility shall obtain an address where the inmate's funds may be forwarded, if the inmate fails to report to the Facility Fiscal Office.
- f. The Facility Fiscal Office shall electronically post any outstanding transactions directly to the prepaid debit card or forward all of the inmate's funds to the address specified by the inmate at the time of release within 5 working days.
- g. If the Facility Fiscal Office receives the inmate's check back due to problems with the mailing address the check shall be voided. The funds shall be maintained as an inmate spendable account, until the inmate makes an inquiry or returns to incarceration. If the inmate is re-incarcerated then all funds will be forwarded to the appropriate facility as spendable account funds.


.8 Transfer of an Inmate

- a. When an inmate is transferred to another facility, the receiving facility shall establish an account for the inmate.
- b. Within 24 hours after the date of transfer, the sending facility shall review the inmate's accounts to ensure the balance is current and all transactions (payroll, purchases, etc.) have been posted. A check for the current balance shall then be forwarded to the receiving facility where applicable, along with any other financial documents held by the sending facility such as bank passcard, etc., in a timely manner.

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APPROVAL RECOMMENDED:




Deputy Director for Corrections

JAN 0 1 2024

Date

APPROVED:



Director

JAN 0 1 2024

Date

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