



FINANCIAL CONTROLS IN STATE AGENCIES: SUPPLEMENTAL MATERIALS

EXECUTIVE OFFICES AND CRIMINAL JUSTICE APPROPRIATIONS SUBCOMMITTEE
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ISSUE BRIEF

Summary

This packet contains supplemental materials provided by state agencies related to financial controls procedures. Summary issue briefs from all agencies are compiled in the document titled Financial Controls Issue Briefs.

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**FEDERAL AND STATE GRANT MANAGEMENT
AND
MONITORING PROCEDURES**

COMMISSION ON CRIMINAL AND JUVENILE JUSTICE

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Executive Director

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Introduction

The following Procedures for state and federal grants were developed under the authority of Utah Code Annotated, Title 63M, Chapter 7, Section 204. The specific duties enumerated in Section 204 include:

- (7) provide analysis, accountability, recommendations, and supervision for state and federal criminal justice grant monies;
- (14) allocate and administer grants, from monies made available, for approved education programs to help prevent the sexual exploitation of children; and
- (15) allocate and administer grants funded from monies from the Law Enforcement Operations Account created in Section [51-9-411](#) for law enforcement operations and programs related to reducing illegal drug activity and related criminal activity; and
- (17) established and administer a performance incentive grant program that allocates funds appropriated by the Legislature to programs and practices implemented by counties that reduce recidivism and reduce the number of offenders per capita who are incarcerated.

The Commission on Criminal and Juvenile Justice (hereinafter CCJJ), in keeping with the duties outlined in UCA 63M-7-204, promotes the efficient use of public funds in local government and in programs requiring cooperation among local, state and federal agencies. In addition to Generally Accepted Accounting Principles, authorities used in its procedures include: Office of Justice Programs (“OJP”) Financial Guide 2015; Uniform Administrative Requirements, Cost Principles, and Audit Requirements for Federal Awards detailed in Title 2, Grants and Agreements, Part 200 of the electronic Code of Federal Regulation “Cost Principles for State, Local and Indian Tribal Governments”; OMB Circular A-102 (Revised 10/7/94, as further amended 8/29/97) “Grants and Cooperative Agreements With State and Local Governments”; OMB Circular A-110 (Revised 11/19/93, as further amended 9/30/99) Uniform Administrative Requirements for Grants and Agreements With Institutions of Higher Education, Hospitals, and Other Non-Profit Organizations; OMB Circular A-122 (Revised 5/10/04) Cost Principles for Non-Profit Organizations; and A-133 (Revised 6/27/03), “Audits of States, Local Governments, and Non-Profit Organizations”).

Purpose, Applicability, and Scope

Purpose: These procedures were established to promote the efficient use of public funds by developing a standardized set of grant management and financial monitoring processes by requiring consistency and ensuring accountability for the expenditure of public funds.

Applicability: The procedures described in this document apply to recipients and subrecipients of state and federal funds passed through and administered by CCJJ.

Scope: The standard management and monitoring conditions set out in the following pages are applicable to all grants, Inter-local agreements, contracts, and other financial assistance arrangements awarded from CCJJ.

GRANT AWARDS

Grant managers receive funding to distribute grant awards from either state or federal government appropriations. Grant awards will be distributed either through a Request for Proposal issued for potential subgrantees to submit an application or based on a formula for distribution. Applications are screened by the grant manager and/or review committees. A recommendation of award monies is presented first to the CCJJ Executive Committee and then to the full Commission for approval.

Once the grant awards have been approved by the Commission, award letters are sent to the project director as identified on the application. Grant manager assign a unique number identifier to the subgrantee that identifies the grant program and year of award. Grant managers enter the information into the Grant Management System Database (GMS database), thus allowing the subgrantee to electronically file monthly/quarterly financial reports for reimbursement.

If the Commission fails to approve the award recommendations, the Procedures for Competitive Grant Review will be followed. *See Attachment A.*

BUDGET DETAIL OVERVIEW

Approved grant applications contain a detailed budget. The budget detail must provide detailed information to determine appropriate allocation of funds in the identified categories. Additionally, the budget must specify how subgrantee arrived at the figures by showing appropriate calculations. The budget narrative should explain and justify the requests. All requests are to be reasonable and credible to the specific categories (personnel, contract consultant, equipment supplies and operating (ESO), travel/training, and confidential informant funds) as follow:

--**Personnel**: must identify by name (if known) any grant paid employees, the number of hours, rate of pay, and any fringe benefits charged to the grant. The hourly rate of pay must be reasonable and consistent with that paid for similar work in the organization or in the labor market. Subgrantee must follow agency, state, and federal regulations in regard to payroll withholdings, wages, and work hours.

--**Indirect Cost**: must identify indirect costs to be charged as part of the grant budget. According to the Guideline, one of the following options must be chosen by subgrantees:

Federally Negotiated Indirect Cost Rate: If a subgrantee has a negotiated Modified Total Direct Cost (MTDC)* rate with the Federal Government, then you may:

- a. Request indirect costs at the fully negotiated rate.
- b. Request an indirect cost rate at less than the negotiated rate.
- c. Request NO indirect cost.

****Proof of the negotiated rate must be submitted with the grant application.****

10% de Minimis Rate: If a subgrantee does not have a negotiated Modified Total Direct Cost (MTDC)* rate with the Federal Government, the Guideline allows the subgrantee to request:

- a. Request the full 10% rate.
- b. Request a rate less than 10%.
- c. Request No indirect cost.

Request NO Indirect Cost: If a subgrantee's operational costs are fully covered by charging these costs as administrative (direct) costs, or if the subgrantee calculates indirect costs and determines that these costs are immaterial, then the subgrantee may waive any indirect cost reimbursements.

--**Consultant/Contract:** must identify by name the consultant to be hired with copies of the appropriate credentials and a copy of the legally executed contract for the grant file. Any contracts entered into must follow subgrantee's agency's written procurement policies, or if no policy exists, the State of Utah purchasing policies. Costs for a consultant must be reasonable in relation to the services rendered with a statement that the services cannot be performed with current resources. Subgrantees entering into contracts must perform periodic internal written reviews to ensure the contract is complied with and deliverables are being met.

--**Travel and Training:** costs must adhere to the agency's policies and procedures and must be as restrictive as the State of Utah's travel policy. The application must list the proposed travel destination, the travelers name, if known, and an estimate of the costs for registration, housing, and per diem. Post-travel documents must include a conference/training agenda, receipts, and a reconciliation form identifying actual expenditures.

--**Equipment/Supplies/Operating (ESO):** must include item descriptions, unit costs, and quantity of purchases. Specific equipment purchases must be detailed with an explanation on how the item will support the grant project. The purchases must follow the regular written procurement policies of the home agency; or if no policy exists, the purchasing policy for the State of Utah. Vague and general descriptions are subject to the interpretation of validity by the grant manager and the grant monitor.

--**Confidential Informant (CI) Funds:** used only by law enforcement agencies. Subgrantees awarded CI funds must adhere to restrictive procedures on tracking the funds. Commander and officer logs are available on CCJJ's web page and are to be used unless the same information is contained in a format supplied by subgrantee and approved by CCJJ. Awarding of CI funds places the grant in a "high risk" category and must be monitored annually.

CERTIFIED ASSURANCES AND GRANT CONDITIONS OVERVIEW

All grant applications shall have Certified Assurances and Grant Conditions included in the file. These documents contain an overview of the restrictions placed on receiving federal and/or state grant funds. Any clarification on meanings or interpretations will be decided by CCJJ.

Special conditions are terms and conditions that are included with an award and may include additional requirements. When a federal award has a special condition that is not passed to the subrecipient, the grant manager shall document why it was not passed to the subrecipient.

ONLINE GRANT MANAGEMENT SYSTEM DATABASE

It is the responsibility of the subgrantee to ensure all employees with online access to the CCJJ Grant Financial System (GMS) database are current employees with duties requiring access to the GMS database. When subgrantee's employee no longer requires access, the subgrantee is required to remove the employee's access to the GMS database.

It is the responsibility of the CCJJ Grant Manager to remove subgrantee's program director's access to the GMS database when job duties change and they no longer require access. CCJJ Grant Managers will reassign access to another project director when necessary.

It is the responsibility of the Grant Monitor to remove CCJJ employees' access from the GMS when they leave employment or no longer require access.

MOBILE DEVICES AND COMPUTERS

The CCJJ adopts by reference the Department of Technology Services Enterprise Mobile Device Policy, dated December 9, 2013 under authority of UCA 63F-1-103; Utah Administrative Code R895-7 Acceptable Use of Information Technology Resources; Utah Administrative Code, R477-11 Discipline. *See Attachment B*

SUBRECIPIENT'S FINANCIAL MANAGEMENT REQUIREMENTS

Subgrantees must possess the responsibility, financial management, fiscal integrity, and financial capability necessary to adequately and appropriately administer grant funds. A financial management system must be able to record and report on the receipt, obligation, and expenditure of grant funds as detailed in the Financial Guide.

Accounting Systems: All subgrantees must have an established and adequate accounting system that will (1) identify receipt and expenditure of grant funds; (2) maintain adequate documentation of backup receipts and expenditures; (3) provide accurate and current financial reporting information (including detailed ledgers); (4) integrate with an adequate system of internal controls to safeguard assets and cash management procedures; and (5) be able to record and report on the receipt/source documents, obligations, and expenditure of grant funds. All systems must comply with Cost Principles detailed in the Uniform Administrative Requirements, Cost Principles, and Audit Requirements for Federal Awards.

Financial Duties: All financial duties must be segregated among personnel. Checks should be prepared by a person other than the one who authorized the payment. Purchases must be approved by a department head and/or grant project director.

Management Oversight: Invoices must have the project director's written approval in order to pay vendors. Written purchasing policies must be maintained and followed on all grant expenditures. The project director must have access to and periodically review the detailed ledger or other financial reports for all financial transactions related to the grant.

Reasonable Costs: A cost is reasonable if, in its nature or amount, it does not exceed that which would be incurred by a prudent person under the circumstances prevailing at the time the decision was made to incur the costs (Uniform Administrative Requirements, Cost Principles, and Audit Requirements for Federal Awards, §200.404).

Budgetary Controls: Obligations should not be incurred in excess of the total funds for a grant or the total funds available for a cost category. However, most grants allow for up to a ten percent overspending in one category only if unspent funds are available in another approved category. Any expenditure ten percent or over the budgeted amount in an approved category must be submitted on a Grant Change Request and approved by the CCJJ grant manager.

Equipment Inventory: Subgrantees must maintain on file an inventory report of all equipment purchased with grant funds during the grant period, regardless of cost. Continuation subgrantees must maintain an extended equipment list with written procedures on surplussing outdated equipment. Additionally, subgrantees must comply with their home agency's fixed asset requirements.

Financial Status Reports (FSRs): Subgrantees must file an FSR either monthly or quarterly depending on the set up of each grant. The FSR report must have a detailed ledger attached that supports the funds for reimbursement. Quarterly reports and performance measures must also be attached as required by the grant managers. If there is no grant activity for a reporting period, subgrantee must submit a zero FSR for that period.

Risk Factors: The following criteria will be used to determine the degree of risk for each grant: (1) first year grants usually have high incidences of non-compliance; (2) non-profit groups without sophisticated accounting systems; (3) new management of programs; (4) programs with confidential funds; (5) large dollar amount of grant; and (6) prior monitoring findings. Financial reviews will test financial compliance with more integrity during the review process with emphasis will be on a subgrantee's fiscal accountability.

Cash Management: Recipients and subrecipients that administer confidential funds may establish different procedures for administering these funds to provide quick access to funds to meet the needs of the project. Written policies and procedures must be in place to address confidential funds but at a minimum comply with the Confidential Funds Grant Condition attached to the grant application.

GRANT MONITORING

Absent any written policies and procedures for monitoring of state grants, the Federal Financial Guide may be used as the authority for direction in determining reasonable expenditures. The following pages will detail various aspects of the monitoring process.

Desk Audits

Sample of Pre-Review Documents Needed:

1. Detailed ledgers for all grant paid expenditures for the entire grant period (if not already on file on the GMS Database). If subgrantee is a task force, a detailed ledger for Program Income is also included in the request.
2. Payroll journal for grant-paid personnel.
3. Copy of the home agency's travel policy (if travel funds approved).
4. Copy of contracts (if not on file).
5. A Monitoring Checklist for new subgrantees to be completed by the Project Director. *See Attachment C*
6. Copy of EEOP certification. *See Attachment D*
7. Copy of Federal Civil Rights Compliance Requirements. *See Attachment E*
8. Copy of current Single Audit. *See Attachment F*

After review of the documentation, a request for random invoices/receipts to support expenditures may be requested. A findings report is prepared and submitted in draft to the grant manager and then finalized and mailed to the subgrantee. Follow up may be required if any issues remain outstanding.

Site Visits

Request same Pre-Review Documents listed above.

Review completed Monitoring Checklist (if required) prior to visit.

Request equipment list with serial numbers and location for spot review during visit.

Prepare Excel spreadsheet from logs if CI funds are approved.

General Information

Set deadlines for receipt of documentation.

Lack of response by deadlines may require holding grant payments.

If required, work with grant manager on corrective action plans.

General Findings

Time sheets not signed.

Actual activity not documented

Purchase of unallowable items charged to grant not approved in budget.

Overtime not proportionately charged to grant.

Equipment was not used solely for the grant project.

Separation of financial duties.

Missing receipts.

Comingled funds: separate grants = separate accounts.

Personnel documents do not track the percentage of time for grant projects.

High-risk Subgrantees

A grantee or subgrantee may be considered “ high-risk” if an awarding agency determines that a grantee or subgrantee:

- (1) has a history of unsatisfactory performance;
- (2) is not financially stable;
- (3) has a management system which does not meet the management standards set forth in this part;
- (4) has not conformed to terms and conditions of previous awards; or
- (5) otherwise is not responsible.

Grant managers awarding funds to high risk recipients may document additional special conditions and/or restrictions to be included in the award.

Supplanting

To deliberately reduce or reallocate local or agency funds because of the existence of the federal or state funds. Grant funds must increase or *supplement* the funding available for the grant project.

PROGRAM INCOME

Program income means gross income earned by the recipient during the funding period as a direct result of the award. Direct result is defined as a specific act or set of activities that are directly attributable to grant funds and which are directly related to the goals and objectives of the project. Determinations of “direct result” will be made by the awarding agency for discretionary grants and by the State for block/formula subawards. Fines and penalties are not considered program income. Program income may be used only for allowable program expenses – if the cost is allowable under your program award, then it is allowable to apply program income to that cost.

SUBGRANTEE TRAINING

CCJJ procedures for grant related training:

1. When requested, one-on-one training is provided for subgrantees and is scheduled either onsite or at CCJJ’s office.
2. Written instructions for financial online reporting can be accessed from CCJJ’s web page www.justice.utah.gov. Questions regarding the online financial reporting can be directed to the Grant Monitor.
3. Grant managers will determine when training is needed for subgrantees.
4. Specific questions regarding EEOPs are referred to the Office of Civil Rights as well as providing the OCR link <http://www.ojp.usdoj.gov/about/offices/ocr.htm>.

WEBSITES TO RULES AND REGULATIONS

National Environmental Policy Act (NEPA), <https://www.bja.gov/Funding/nepa.html>

28 C.F.R. Part 23, Criminal Intelligence Systems Operating Policies, Executive Order
http://www.it.ojp.gov/documents/28CFR_Part_23.PDF

28 C.F.R., Part 38, Equal Treatment for Faith Based Organization,
www.ojp.gov/about/ocr/equal_fbo.htm

Dun and Bradstreet Data Universal Number System (DUNS) Number, <http://dnb.com>

U. S. Department of Justice, Financial Guide,
http://ojp.gov/financialguide/DOJ/pdfs/2015_DOJ_FinancialGuide.pdf

OMB Circulars are now Uniform Administrative Requirements, Cost Principles, and Audit Requirements for Federal Awards:
http://www.ecfr.gov/cgi-bin/text-idx?tpl=/ecfrbrowse/Title02/2cfr200_main_02.tpl

Utah Code Annotated, 1953 as amended,
<http://www.utah.gov/government/utahlaws.html>

Utah Code Annotated, 1953 as amended, Budgetary Procedures Act,
http://le.utah.gov/xcode/Title63J/Chapter1/63J-1.html?v=C63J-1_1800010118000101

Utah Code Annotated, 1953 as amended, State Money Management Act, Title 51, Chapter 7,
http://le.utah.gov/xcode/Title51/Chapter7/51-7.html?v=C51-7_1800010118000101

INTRODUCTION FOR CCJJ GRANT REVIEW COMMITTEE MEMBERS

This paper is intended to serve as an orientation to the CCJJ grant review process. Although the criteria for assessing proposals will differ among grants, all good grant proposals have common traits. This paper demonstrates how to review and evaluate a “typical” grant proposal. The specific criteria for your grant competition will be provided to you in the form of a scoring rubric (score sheet). To understand the role of the reviewer, it might be helpful to look at the entire grant process.

When grant competitions are announced, the Utah Commission on Criminal and Juvenile Justice (CCJJ) distributes a Request for Proposal (RFP). An RFP is a document stating the terms of the grant award. Information contained in an RFP includes: the kinds of projects the awards will fund, the information to be included in the proposal, guidelines for writing the proposal, the deadline for proposal submissions, and other relevant information. Upon receiving the RFP, applicants begin the process of constructing their project to CCJJ’s requirements. The best projects begin before a competition is announced. A prepared applicant will research a problem, set goals, and determine a course of action long before a funder is identified.

The Review Process

The review process begins with selecting the reviewers. Typically, reviewers are chosen from a variety of backgrounds to ensure a broad perspective. To ensure that all proposals receive consistent, reliable scores and helpful, well considered comments, reviewers are assigned to teams. CCJJ grant review teams are composed of a well-balanced mix of at least three people with a variety of backgrounds and expertise. All review committee members are assigned the same proposals to review, allowing them to consult with one another. Reviewers should:

- Receive your grants, scoring rubrics and any other relevant documents from CCJJ.
- Read and sign the *Conflict of Interest Statement (Not Applicable)*.
- Familiarize yourself with the RFP.
- Read the scoring rubric and familiarize yourself with the review criteria.
- Read the proposals.
- Provide helpful comments.
- Award points.
- Reconvene with your team to review your comments and adjust your scores accordingly (if necessary).
- Return all essential documents to CCJJ.

Suggestions on How to Read a Proposal

- Schedule a reasonable amount of your time to read and critique each proposal.
- Familiarize yourself with the review criteria, RFP requirements and priorities.

- Read quickly through the grant proposal once before completing the scoring rubric. Then return to do a more thorough second review and scoring. This gives you a chance to absorb what is presented.
- As you read through the project narrative, put a “\$” next to anything that might cost money. This will help you later on when you try to match the project narrative to the budget.
- Highlight sections that address the RFP requirements or priorities.
- Discuss your thoughts with your review team. Different perspectives help you see a grant proposal’s strengths and weaknesses.

Some hints from experienced reviewers:

1. Do not read into the grant proposal your own biases. Be aware of any personal bias and do not let it influence your appraisal of the application.
2. Be alert to making assumptions about missing background information or project meaning. Review only what is written in the proposal.
3. Deal only with the proposal at hand. Past experiences with the applicant are not germane to the proposal you are reading today.
4. Read for substance, not style.

Suggestions on How to Critique and Score a Proposal

- When making your comments, be as specific as possible. Remember that applicants may read your comments to improve their proposal writing skills. Refrain from using subjective words such as “bad” or “good.”
- For clarity, reference specific parts of the proposal. Quote the proposal if necessary. The person reading your comments may not be familiar with the details of the proposal.
- Write neatly. People will be reading what you write.
- Try to phrase everything as a statement. Questions aren’t wrong, but statements are less ambiguous than questions.
- Award points after making comments.
- Do not exceed the maximum score allowed for each section.
- Score using whole numbers.
- It is imperative that you justify low scores with comments that clearly explain your reasoning.
- Note specific strengths and weaknesses in the comments section of the scoring rubric.
- Save the top scores for proposals that surpass the standards set by the RFP.
- Read grant applications and score them using the information presented in the scoring rubric and your professional judgment.
- Without question, reviewers' comments are the most important aspect of the review process. They will provide guidance to CCJJ in making final funding decisions. Reviewer comments provide constructive feedback to applicants.

CCJJ Procedures for Competitive Grant Review

1) The Review Committee Process: Proposals are prescreened immediately by the grant program manager following the submission deadline. Proposals are checked to insure that they meet the RFP requirements including: cover sheet criteria, narrative detail, budget detail, page restrictions, certified assurances/grant conditions, program purpose area(s) and any other requirements of the RFP. Those not meeting the prescreen requirements may be disqualified.

After the prescreening process, the remaining grant proposals are read and scored by reviewers using an objective scoring rubric. The review committee members meet to establish a budget proposal for the grant program based on the average score of each application. Their budget proposal is a recommendation only. The budget recommendation for the grant program is forwarded to the full-commission of CCJJ for consideration. The full Commission of CCJJ will either vote to approve the budget recommendation of the review committee or vote to forward the recommendation to internal review.

2) Internal Review Committee Process: In the event that a majority vote of the full commission of CCJJ does not support the outcome of the grant review committee, the proposals will be sent to an internal review committee of CCJJ. The internal review committee will include: two or more members of the full commission of CCJJ, at least one CCJJ staff member, and if possible the members of the original grant program review committee. The internal review committee members will read and evaluate the grant proposals and add their scores to those of the original review committee. The award decisions of the internal review committee will be subject to the approval of the Executive Committee of CCJJ. Their decision will be final.

3) Confidentiality: CCJJ grant review members, CCJJ staff, and all others involved must treat as absolutely confidential all application materials, reviewer identities, comments, deliberations, and recommendations of the review committee. Reviewers are prohibited from providing any information before, during, and after the review regarding their deliberations or recommendations to anyone outside the review process. Application materials and information about the Review Committees' discussion or recommendations on particular applications must not be divulged to, or discussed with, any persons not involved in the review process. Should a Review Committee member receive a request for application materials or information about committees' discussions or recommendations, the reviewer should alert CCJJ. Any persons requesting information about the review process, or about a specific application, should also be referred to CCJJ.

4) Informing Applicants of Review Committee Results: An unsuccessful applicant will be informed in writing (email) about the outcome of the review of their proposal. CCJJ will also discuss the application results in person or by phone with the applicant at their request. **All grant awards approved by the full Commission or Executive Committee of CCJJ or the internal review committee are final and no appeals process is available to applicants of unsuccessful grant proposals.**

Enterprise Mobile Device Policy

DTS POLICY 5000-0003

Status: Active Policy

Effective Date: December 9, 2013

Revised Date: N/A

Approved By: Mark VanOrden, CIO

Authority: UCA 63F-1-103; Utah Administrative Code R895-7 Acceptable Use of Information Technology Resources; Utah Administrative Code, R477-11 Discipline

1.0 Purpose

1.01 Background

The following policy and guidelines inform State employees and contractors of their allowable usage and features with mobile computing devices available for business and limited personal use while connected to State networks and information technology assets.

This policy is necessary to protect the confidentiality, availability, and integrity of State of Utah secured information while stored, transmitted, or processed on mobile computing devices. Mobile devices are more susceptible to theft and loss in comparison to traditional desktop computing devices and additional security measures are needed. This policy is not applicable to State data and information that is available on State public Internet sites.

1.02 Definitions

- **Mobile device** - Any mobile computing device, mobile phone, tablet computer, or laptop computer that accesses and stores information.
- **State data** - Non-public information owned by the State of Utah that requires authentication (a user identification and password) for access.
- **Secure network** - The State's wired and wireless network used to access State data and resources including the UWDN network. Access to the Capnet network is not limited by this policy.
- **Mobile Device Management (MDM)** - A technology system that is used to ascertain if mobile devices attempting to connect to the network have required security controls configured.
- **Bring Your Own Device (BYOD)** - a concept that allows employees and contractors to utilize their personally-owned technology devices to stay connected to, access data from, or complete tasks for their organizations. At a minimum, BYOD programs allow users to access employer-provided services and/or data on their personal laptop computers, tablets, smartphones, and other devices.
- **Security protocols** - Configurations, settings and communication techniques on a device that control the confidentiality, integrity and availability of the devices data.
- **Operating System** - A collection of software that manages device hardware resources and provides common services for applications and computer programs.

- **Security Incident** - An event that compromises the confidentiality, integrity or availability of State data.
- **Encryption** - The process of encoding data in such a way that third parties cannot read it and only authorized parties can (currently iOS devices are encrypted by default and Android devices are not).
- **Firewall** - A software or hardware-based network security system that controls the incoming and outgoing network traffic by analyzing the data and determining whether they should be allowed through or not.
- **Supported Version** - A release of software and/or hardware that has been approved for State use and can be used to access and process State data

1.1 Scope

1.11

This policy applies to any mobile device that is used by the executive branch agencies to access and store State information or is used to access the secure network.

1.12

This policy applies to State employees and contractors accessing State data. Agencies should determine the best means of sharing data with outside parties including commissioners, board member and consultants. Communication methods and mediums should be considered before sharing information with them and security controls such as authentication and encryption should be considered for private and restricted data.

1.13

The policy establishes a baseline standard for all mobile devices, whether purchased by the State or personally purchased, and used by State employees for access to State data and networks. Agencies are required to adhere to these standards on all mobile devices and determine if additional security measures should be established for the needs of their individual data sets.

1.14

The Department of Technology Services (DTS) supports the Mobile Device Management (MDM) service to enforce the technology standards outlined in this policy. Agencies can administer these MDM services independently or can elect to have DTS perform this as a service for them. If Agencies choose to administer MDM services individually, DTS will annually assess the configurations for compliance with this policy.

2.0 Policy and Rules of Behavior

2.1 Any user with a mobile computing device accessing State data is subject to all DTS enterprise and agency policies, as well as federal, state and local statute governing acceptable use of State networks and information technology assets.

2.2 Smart phone and tablet devices (such as Android and iOS) will be configured to and users will agree to:

- Protect the State-owned and personal computing device from theft, damage, abuse, and unauthorized use.

- Notify the DTS Help Desk or Enterprise Information Security Office within one hour if the device is lost or stolen, or as soon as practical after they notice the device is missing.
- Follow the Enterprise Information Security Policy 5000-0002, Section 2.3.1 Media Protection when connecting external devices to mobile devices for data storage (using encrypted disks to store any sensitive information).
- Connect to State networks using the security protocols required by your Agency. This may include use of secured network connections and use of State approved Virtual Private Network (VPN) services.
- Receive and install security and other operating system updates from the operating system vendor.
- Install Mobile Device Management software and applications on their device prior to connecting them to State systems.
- Use a 4-digit device password or thumb print reader on smart phones and tablets.
- Agree that DTS may restrict the access of any mobile computing device to State networks if the mobile computing device presents a probable and demonstrable threat to the integrity of State data or other computing resources.
- Encrypt the data on their device where State data is stored.
- Agencies may determine that personally owned mobile computing devices can connect to the State network and be used for business purposes. [Personal devices that are used to access and store State data must meet the following requirements:](#)
 - Allow the State access, for discovery purposes, to the content stored on the device when it is believed to be connected to a security incident;
 - Give the State the right to remotely disable or wipe the State data stored on the mobile device in the event the device is lost or stolen;
 - Install a Mobile Device Management agent requiring device encryption, a 4-digit passcode (or thumb print reader) and anti-virus (antivirus on Android devices only).

2.3 Laptop computers will be configured to and users will agree to:

- Protect the State-owned and personal computing device from theft, damage, abuse, and unauthorized use.
- Notify the DTS Help Desk or Enterprise Information Security Office within one hour if the device is lost or stolen, or as soon as practical after they notice the device is missing.
- Not use personally owned data storage devices and media (USB Flash Drives, CD/DVD, Portable Hard Drives, etc.,) to capture and store State-owned information assets.
- Connect to State networks using the security protocols required by your Agency. This may include use of secured network connections and use of State approved Virtual Private Network (VPN) services.
- Receive and install security and other operating system updates from the operating system vendor.
- Use a password compliant with the 4000-0002 Enterprise Password Standards Policy.
- Agree that DTS may restrict the access of any laptop to State networks if the device presents a probable and demonstrable threat to the integrity of State data or other computing resources.
- Encrypt the data on their laptop if connected to the State network.

- Agencies may determine that personally owned laptops can connect to the State network and be used for business purposes. Personal laptops that are used to access and store State data must meet the following requirements:
 - Allow the State access, for discovery purposes, to the content stored on the device when it is believed to be connected to a security incident;
 - Give the State the right to remotely disable or wipe the content of the device in the event the device is lost or stolen;
 - Install anti-virus software that actively scans for security threats and receives regular updates of new viruses;
 - Install and activate encryption of all State data stored on the laptop or activate whole-disk encryption (Filevault for Apple computers and Bitlocker for Windows computers);
 - And activate the laptop's firewall to block incoming traffic to the device.

2.4 Access to and continued use of network services is granted on the condition that each employee or contractor reads, signs, respects, and follows Enterprise and Agency policies concerning the use of computing devices while connected to State-owned networks and/or information assets.

2.5 Personally owned devices used for State business purposes agree to the following:

- DTS does not provide technical support for personally owned devices,
- Users acknowledge that when State data is stored on personally owned devices, the contents of these devices could be subject to GRAMA requests, and
- Users agree to hold the State harmless for any damage to the device or its operating system and related software as a consequence of using the State network or other computing resources.

2.6 Current Mobile Devices Approved for State use:

Android Smart Phones & Tablets version 4.X or higher

iOS iPhones & iPads

Windows Based Laptop Computers (only DTS supported versions)

Mac OSX Based Laptops

Google Chrome OS

This list of approved devices will be maintained in the Desktop Services product description at the following link:

<http://dts.utah.gov/get-a-product-service/desktop-services.php>

2.7 Personal data storage devices (USB Flash Drives, CD/DVD, Portable Hard Drives, etc.,) are not approved for use. State information should not be stored on personally owned mobile devices outside of native email, calendar, and State approved applications.

2.8 Expectation of Privacy

State of Utah employees and contractors do not have a right, nor should they have an expectation, of privacy while using State-owned personal computing and data storage devices connected to or using State-owned networks and information technology assets, including accessing the Internet and using e-mail and voice communications. The Department of Technology Services will respect the privacy of employee and contractor personal devices and will only request access to the device by technicians to implement security controls, as outlined by enterprise policy directives, or to respond to legitimate discovery requests arising out of administrative, civil, or criminal proceedings. This differs from policy for State-owned or provided equipment/services, where State employees and contractors do not have the right, nor should they have the expectation, of privacy while using State-owned equipment or services. If questions arise related to compliance with these security requirements, State employees and contractors may opt to drop out of the BYOD program versus providing the device to technicians for compliance verification. Should a user opt out of the BYOD program, it is expected the personal device is not used to access State resources.

3.0 Policy Compliance

State of Utah employees and contractors are expected to comply with this policy. Additional policies and standards developed and implemented by State Agencies may include additional objectives or detail, but must be compatible with the security objectives described in this policy document.

4.0 Enforcement

Violation of this policy by personnel employed by the State of Utah may be the basis for discipline including but not limited to termination. Individuals and contractors working with any State of Utah Agency found to have violated this policy may also be subject to legal penalties as may be prescribed by state and/or federal statute, rule, and/or regulation.

Document History

Originator: Tim Hastings, Chief Information Security Officer

Next Review: December 2015

Reviewed Date: January 2015

Reviewed By: Tim Hastings, Chief Information Security Officer

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GRANT PROGRAMS FINANCIAL MONITORING CHECKLIST

Name of Monitor(s):		
Date of on-site visit:		
Date of desk audit:		
SUBGRANTEE INFORMATION		
Subgrantee Name:		Telephone:
Address:		DUNS Number: <input type="checkbox"/> DUNS Number registered at www.SAM.gov ?
Subgrantee No.		Grant Period:
Title of Project:		
Federal Award:		Match Amount:
Project Director:		
Project Director Email:		Phone #

GENERAL INFORMATION

CONTROL MEASURES	Y/N
1. Are financial duties segregated among personnel (i.e. purchasing, receiving, approval of invoices, disbursements...)?	
2. Are checks prepared by a person other than the one who authorized the payment?	
3. Does the subgrantee have written, uniform purchasing policies and procedures for this project?	

4. Are all purchases made on purchase orders or requisitions?
5. Are purchase orders/requisitions:
 - a. Pre-numbered and controlled?
 - b. Required for all purchases?
 - c. Approved by the department head or grant manager?
 - d. Required to identify the account to be charged?
6. If purchase orders/requisitions are not prepared, are all purchases approved by someone other than the purchasing department?
7. Are Federal and State purchasing regulations complied with regarding competitive bidding?

MANAGEMENT OVERSIGHT

8. Is the grant manager's written approval required on all expenditures associated with this grant?
9. Does subgrantee have and use a list of approved vendors or suppliers who comply with their purchasing policies?
10. Are members of the grant project following the purchasing policies of the subgrantee?
11. Have procedures been instituted to identify, before order entry, costs and expenditures not allowable under federal and state grant programs? (Land acquisition, Compensation of Federal employees, Travel of Federal employees, Bonuses or commissions, Military type equipment, and Lobbying)
12. Does the program manager have access to General Ledger, or summary type, reports for all financial transactions related to the grant?
13. Are General Ledger accounts (Balance Sheet & Income Statement) in balance with quarterly Financial Status Reports submitted to CCJJ? (Review the most recent FSR and another selected at random.)

Approved Grant Budget

Budget Item	Total Grant Expended	Total Funds Budget	Grant Funds Budget	Cash/In-kind Match Budget
Personnel				
Indirect Cost				
Contracted Fees				
Equipment				
Travel				
Supplies				
Other				
TOTAL				

- 14. Have funds been expended according to the approved budget listed above?
- 15. Are indirect costs being claimed in this grant? If so:
 - Does the subgrantee have an indirect cost rate agreement?
- 16. Has the subgrantee purchased items not approved in the budget?
- 17. Have expenditures exceeded the approved budget for any category? And if so:
 - a. Did subgrantee exceed 10% of an approved budget category?
 - b. Did subgrantee submit a Grant Change Request?
 - c. Was the Grant Change Request approved by CCJJ?
- 18. Was a cash match required for this grant?
- 19. If a cash match was required, has the subgrantee:
 - a. Met their required match (i.e. % of funds)?
 - b. Provided sufficient documentation of cash match expenditures? (i.e. Receipts, personnel time sheets and payroll records, travel vouchers, etc)
 - c. Matched in the categories outlined in the budget?
- 20. Was an in-kind match required for this grant?
- 21. If an in-kind match was required, has the subgrantee:
 - a. Met their match requirement (i.e. volunteer hours worked)?
 - b. Provided sufficient documentation of in-kind match? (i.e. Receipts, personnel time sheets and payroll records, travel vouchers, etc)
- 22. Were any payments or obligations made previous to the beginning of the grant period?
- 23. Were all payments associated with this grant made within 90 days after the ending date?

Single Audit Review

- 24. Has CCJJ received a copy of the subgrantee's most recent Single Audit or audit as required by Utah state law?
- 25. Did CCJJ receive a copy of Management Letters with the Audit?
- 26. Did Management respond to findings outlined in Management Letters?
- 27. Are there findings in the audit that could affect the integrity of Federal Grant funds? And if so:
 - Has management properly addressed those findings?
- 28. Do grant revenues reported on the schedule of Federal Financial Assistance match CCJJ payment records?

Grant Expenditures

GENERAL GUIDELINES		
29. Are all disbursements made with pre-numbered checks?		
30. Are any checks being made out to "Cash"?		
31. Are grant funds being used to purchase items not approved under Federal guidelines as outlined in the OJP Financial Guide?		
32. Is equipment purchased with grant funds being used to support the intent of the grant project as outlined in the application?		
33. Does the subgrantee have a fixed asset policy for managing and tracking equipment purchases?		
34. Is appropriate documentation on file for grant expenditures?		
a. Purchase orders or requisitions?		
b. Invoices approved for payment by authorized grant personnel prior to checks being printed and signed?		
c. Receipts for items purchased?		
d. Copy of payment checks?		
35. Are all purchases being made by the Grantee Agency?		
36. Does the subgrantee claim tax exempt status on purchases or seek reimbursement of taxes paid from the Utah Tax Commission?		
CONTRACT/CONSULTANTS		
37. Is this grant paying for contract or consulting services? And if so:		
a. Are contracts the result of competitive bidding? Number: _____		
b. Was the lowest bidder awarded the contract? If not why?		
c. If consultants are retained, does the subgrantee have a formal contract on file specifically outlining the work to be performed?		
d. Is there documentation of billing from the consultant for services rendered?		
e. Is the contract signed by both parties?		
f. Is the contract/consultant a sole source? Were sole source procedures followed?		
38. Is the Federal limitation for consulting fees of \$450 per day or \$56.25 an hour being observed?		
39. If the consulting fee limitation is not being met, was the contract bid out and approved by CCJJ?		
PERSONNEL		
40. Have written personnel and payroll policies and procedures been established by the subgrantee?		
41. Does the subgrantee have written equal opportunity hiring procedures?		

- | | |
|---|--------------------------|
| 61. Are expenditures for travel substantiated by travel vouchers? | <input type="checkbox"/> |
| 62. Do travel vouchers contain the following information: | <input type="checkbox"/> |
| a. Name and signature of employee? | <input type="checkbox"/> |
| b. Travel destination? | <input type="checkbox"/> |
| c. Date and time of departure and return? | <input type="checkbox"/> |
| d. Per diem rates and amounts of the subgrantee? | <input type="checkbox"/> |
| e. Lodging expense with appropriate receipts? | <input type="checkbox"/> |
| f. Transportation expenses with appropriate documentation? | <input type="checkbox"/> |
| g. Conference registration fees and documentation? | <input type="checkbox"/> |
| h. Cash advances? | <input type="checkbox"/> |
| i. Name and signature of supervisor approving request? | <input type="checkbox"/> |
| 63. Does the subgrantee have a written policy for reimbursement of private car miles? | <input type="checkbox"/> |
| 64. Does the subgrantee's private car miles reimbursement exceed \$.345 per mile? | <input type="checkbox"/> |
| 65. Does the subgrantee require odometer readings or atlas figures be recorded? | <input type="checkbox"/> |

PROGRAM INCOME FUNDS	<input type="checkbox"/>
-----------------------------	--------------------------

- | | |
|--|--------------------------|
| 66. Does this program generate Program Income (i.e. seizures, forfeitures, restitution)? | <input type="checkbox"/> |
| 67. Are the following general procedures followed when receiving income: | <input type="checkbox"/> |
| a. Control of "over-the-counter" currency receipts through the use of such means as cash registers, pre-numbered receipts or immediate data entry? | <input type="checkbox"/> |
| b. Physical control over cash receipt forms? | <input type="checkbox"/> |
| c. Documentation of who the money is from, the amount, and its purpose? | <input type="checkbox"/> |
| d. Are all checks endorsed for deposit only promptly upon receipt? | <input type="checkbox"/> |
| e. Are the cashier's duties segregated from cash disbursement and record keeping duties? | <input type="checkbox"/> |
| 68. Are "Forfeiture" funds and "Other Program Income" funds maintained and accounted for in separate bookkeeping accounts? | <input type="checkbox"/> |
| 69. Does the subgrantee submit a Program Income Report at least quarterly? | <input type="checkbox"/> |
| 70. If the subgrantee used Program Income as cash match, was the match equal to or less than available Program Income? | <input type="checkbox"/> |
| 71. Is subgrantee following Federal guidelines outlined in the OJP Guideline Manual in expending Program Income funds? | <input type="checkbox"/> |
| 72. Are Program Income bank accounts reconciled on a regular basis to ensure the bank balance and report balance are equal? | <input type="checkbox"/> |
| 73. Has this program received any Federal forfeiture money post SB 175 (May 1, 2004) | <input type="checkbox"/> |

Amount: _____

CONFIDENTIAL FUNDS

- 74. Has this grant program been granted authority to use confidential funds?
- 75. Has the subgrantee established a written Confidential Funds policy?
- 76. Are fund advances approved by appropriate authority?
- 77. Are receipts created and signed by the individual receiving Confidential funds?
- 78. Does the subgrantee have confidential files that include signed "Informant Payee" receipts with a description of the money's use?
- 79. Are Confidential files kept in a secure location with limited access?
- 80. Are funds being used in accordance to Federal regulations outlined in Appendix 4 attached to the grant application?

PROJECT FUNDING

- 81. Does this program receive funding from other sources?
 - a. Does this program receive HIDTA funding? Amount: _____
 - b. Does this program receive earmark funds from the Federal government? Amount: _____
 - c. Has this program received Crime Reduction Assistance Program funding? Amount: _____
 - d. Other sources of funding? Explain.

Concerns or issues brought up by the subgrantee:

Findings & Recommendations:

Have prior findings been addressed and corrected?

If Desk Audit:

Project Director (Print)

Project Director Signature

Date

EQUAL EMPLOYMENT OPPORTUNITY PLAN (EEOP)

The purpose of an EEOP is to insure full and equal participation of men and women regardless of race or national origin in the workforce of the recipient agency. A recipient agency is defined as any State or local unit of government or agency thereof, and any private entity, institution, or organization, to which Office of Justice Programs (OJP) financial assistance is extended directly or through such government or private entity.

REQUIREMENTS:

Recipient agencies that meet all of the following criteria are required to MAINTAIN an EEOP on file for review by OJP, if requested (see 28 C.F.R. §42.301 et seq.)

(i)	Have 50 or more employees; and
(ii)	Received a single award of \$25,000 or more; and
(iii)	Have 3 percent or more minorities in service population (however, if less than 3 percent minorities in service population, and EEOP must still be prepared, but must focus on employment practices affecting women only.

Grantees that meet criteria (i) and (iii), and that receive over \$500,000 (or \$1 million during an 18 month period) are required to submit an EEOP with their application to the Office for Civil Rights, Office of Justice Programs for review AND send a copy to CCJJ.

CCJJ PROCEDURES FOR TRACKING EEOPs

1. All CCJJ subgrantees if qualified (see above), must have a current EEOP on file.
2. EEOPs are generally valid for two years, but the date on the EEOP should be followed. Some agencies submit new plans every year.
3. If the subgrantee does not qualify to have an EEOP, they must submit a Certification Form indicating the agency’s exemption to the Office for Civil Rights.
4. Some individuals believe if they submit a policy out of the employee handbook, it will suffice. The actual EEOP must contain a written analysis that includes statistical information.
5. All subrecipients of grant awards must complete the online training regarding Discrimination Policies Training.
6. Monitoring of subrecipients must include viewing a copy of the Discrimination Policies Training Certification of Completion from the CCJJ online training.

FEDERAL CIVIL RIGHTS COMPLIANCE REQUIREMENTS

Agency: _____
 (The agency referred to here is the city, county, or department within state government.)

Project Director: _____

The applicant agency assures that it will comply with the Civil Rights Act of 1964 as outlined in 28 CFR and with the Americans with Disabilities Act of 1990 as outlined in 28 CFR Part 35.

PLEASE COMPLETE THE FOLLOWING:

1. Are you required to have an Equal Employment Opportunity Plan (EEOP*) in accordance with 28 C.F.R. §§ 42.301-.308?

Yes No

a. Is it on file for review?

Yes No N/A

b. The date of the EEOP (generally good for two years)?

c. Have you submitted an EEOP Short Form to the Office for Civil Rights (OCR)?

Yes No N/A

d. –OR– Have you submitted a certification form to the OCR claiming a partial or complete exemption from the EEOP requirements?

Yes No N/A

The date of the Short Form? _____

* The Equal Employment Opportunity Plan. The purpose of an Equal Employment Opportunity Plan is to insure full and equal participation of men and women regardless of race or national origin in the workforce of the recipient agency. An EEOP is a comprehensive document that analyzes that agency’s workforce in comparison to its relevant labor market data and all agency employment practices to determine their impact on the basis of race, sex, or national origin. *Agencies that meet all of the following criteria are required to maintain an EEOP that complies with 28 CFR 42, subpart E:*

- I. have 50 or more employees*; **and**
- II. received a total of \$25,000 or more in grants or subgrants; **and**
- III. have 3 percent or more minorities in service population (if less than 3 percent minorities in service population, an EEOP must still be prepared, but must focus only on employment practices affecting women).

**Example:* A city police department will expend the grant funds. The applicant agency is the city, not the police department. An EEOP must be maintained if the city, not the police department, has 50 or more employees and meets the other two criteria. Educational, medical, and non-profit institutions or agencies, as well as Indian tribes are exempt from preparing or submitting EEOPs. However, these agencies must still comply with applicable anti-discrimination laws.

Please note that a policy encouraging equal employment will not satisfy the EEOP requirement. For additional information: <http://www.ojp.usdoj.gov/about/offices/ocr.htm>

2. Do you have a written policy on prohibition of discrimination in the workplace?

Yes No

3. How do you notify grant *program participants* and beneficiaries of the policy (posters, brochures, program materials)?

4. How do you notify *employees* of the prohibition of discrimination in the workplace (posters, policies, training)?

5. Do you have written policies on how to file a claim of discrimination?

Yes No

6. Do you have grievance procedures that incorporate due process standards and provide for the prompt and equitable resolution of complaints alleging a violation of the DOJ regulations implementing Section 504 of the Rehabilitation Act of 1973 (28 C.F.R. Part 42, Subpart G)?

Yes No

7. Do you have a designated person to coordinate compliance with the prohibitions against disability discrimination contained in 28 C.F.R. Part 42, Subpart G?

Yes No NAME: _____

8. Have you notified participants, beneficiaries, employees, applicants, and others that the subrecipient does not discriminate on the basis of disability?

Yes No

9. Do you operate an education program, or activity, with grant funds?

Yes No

a. If so, have you adopted grievance procedures that provide for the prompt and equitable resolution of complaints alleging a violation of the DOJ regulations implementing Title IX of the Education Amendments of 1972, found at 28 C.F.R. Part 54, which prohibit discrimination on the basis of sex?

Yes No N/A

b. Do you have a designated person to coordinate compliance with the prohibitions against sex discrimination contained in 28 C.F.R. Part 54?

Yes No NAME _____

c. Have you notified applicants for admission and employment, employees, students, parents, and others that the subrecipient does not discriminate on the basis of sex in its educational programs or activities?

Yes No

10. Have you had any findings of discrimination against the subrecipient issued by a federal or state court; or federal or state administrative agency on the grounds of race, color, religion, national origin, or sex?

Yes No

a. Have you complied with the requirement to submit to the OCR the findings of discrimination against the subrecipient?

Yes No

11. Do you have steps in place to provide meaningful access to programs and activities to persons with limited English proficiency (LEP)?

Yes No

a. Do you have a written policy on providing language access services to LEP persons?

Yes No

12. Do you conduct training for employees on the requirements under federal civil rights laws?

Yes No

13. Do you conduct religious activities as part of your programs or services with these grant funds?

Yes No

a. If so, do you provide services to everyone regardless of religion or religious belief?

Yes No

b. Ensure that you do not use federal funds to conduct inherently religious activities, such as prayer, religious instruction, or proselytization, and that such activities are kept separate in time or place from federally-funded activities?

Yes No

c. Ensure that participation in religious activities is voluntary for beneficiaries of federally-funded programs?

Yes No

Signature of Person Completing Form

Print Name

DATE

SINGLE AUDIT PROCEDURES

Audit Threshold:

A non-Federal entity that expend \$750,000 or more during the non-Federal entity's fiscal year in Federal awards must have a single audit conducted in accordance with §200.514 Scope of audit except when it elects to have a program-specific audit conducted. *See* Uniform Administrative Requirements, Cost Principles, and Audit Requirements for Federal Awards detailed in Title 2, Grants and Agreements, Part 200 of the electronic Code of Federal Regulation §200.501 for additional audit requirements and information.

Due Dates For Audit Reports:

Audits are due no later than nine (9) months after the close of each fiscal year during the term of the award.

Requirements:

Subgrantees qualifying for single audits must submit a copy to CCJJ as soon as receiving from their independent auditors.

Payment for Single Audits:

If using grant funds, payment for single audits must be in proportion to the subgrantee's award.

CCJJ PROCEDURES FOR TRACKING SINGLE AUDITS

1. All CCJJ subgrantees if qualified (see above), must have a current Single Audit on file.
2. The grant's Project Director is responsible to send the Single Audit to CCJJ.
3. If an agency qualifies for a single audit, the single audit is only good for one year.
4. Bri Smith will review the single audit for accuracy in reporting of grant monies.
5. Most of the non-profit subgrantees will not qualify for a single audit, but they need to indicate that on the form.

STATE AUDIT REQUIREMENTS

A state agency that disburses federal pass through money or state money to a nonprofit corporation shall enter into a written agreement with the nonprofit corporation that requires the nonprofit corporation to annually disclose whether: (i) the nonprofit corporation met or exceeded the dollar amounts listed in Subsection (2) in the previous fiscal year of the nonprofit corporation; or (ii) the nonprofit corporation anticipates meeting or exceeding the dollar amounts listed in Subsection (2) in the fiscal year the money is disbursed. If the nonprofit corporation discloses to the state agency that the nonprofit corporation meets or exceeds the dollar amounts as described in Subsection (4)(a), the state agency shall notify the state auditor.

New limits for Nonprofit corporations whose revenues or expenditures of federal pass through money, state money, and local money:

\$750,000 or more, audit by an independent certified public accountant.

\$350,000 to \$750,000, a review of its accounts by an independent certified public accountant.

\$100,000 to \$350,000, a compilation of its accounts by an independent certified public accountant.

\$25,000 to \$100,000, a fiscal report made in a format prescribed by the state auditor.

**FEDERAL AND STATE GRANT MANAGEMENT
AND
MONITORING PROCEDURES**

Utah Office for Victims of Crime

Gary Scheller
Director

UOVC Monitoring Policies and Procedures

UOVC has put in place several layers of monitoring in order to provide reasonable assurance that subgrantees administering awards are in compliance with applicable federal or state requirements and that grants are executed in accordance with grant conditions. In accordance with UOVC's duties to monitor subrecipients for compliance with laws, regulations, and provisions of the grant award provisions and goals, UOVC institutes the following policies and procedures.

Subrecipient Agreements have the following information and requirements as part of the award agreement.

“The subaward must include the following information:

- Federal Award Identification;
- Subrecipient Name (which must match the registered name in DUNS);
- Subrecipient DUNS number;
- Federal Award Identification Number (FAIN);
- Federal Award Date;
- Subaward Period of Performance Start and End Date;
- Amount of Federal Funds Obligated in this action/agreement;
- Total Amount of Federal Funds Obligated to the Subrecipient;
- Total Amount of the Federal Award;
- Federal Award Project Description;
- Name of the Federal Awarding Agency, UOVC, and contact information for the awarding official;
- Catalog of Federal Domestic Assistance (CFDA) number and name;
- Identification of whether the award is Research and Development (R&D);
- Indirect cost rate for the Federal award;
- All requirements imposed by UOVC on the subrecipient so that the Federal award is used in accordance with federal statutes, regulations and the terms and conditions of the Federal award;
- Any additional requirements that UOVC entity imposes on the subrecipient in order for the UOVC to meet its own responsibility to the DOJ grant-making component including identification of required financial and/or performance reports;
- Indirect cost rate to be used by the subrecipient (either a federally-approved rate, a rate negotiated between UOVC and the subrecipient, or the de minimis indirect cost rate);
- A requirement that the subrecipient permit the UOVC and auditors to have access to the subrecipient's records and financial statements as necessary for UOVC to meet the requirements of 2 C.F.R. § 200; and
- Appropriate terms and conditions concerning closeout of the subaward.
- Additional elements can be considered as outlined in the Best Practices section of the DOJ Financial Guide. (See Financial Guide and CFR 200.331)

Prior to Making an Award, Evaluate the risk of non-compliance with Federal law, regulations, and terms and conditions of Award.

UOVC will evaluate each subrecipient's risk of noncompliance with Federal statutes, regulations, and the terms and conditions of the subaward for purposes of determining the appropriate subrecipient monitoring prior to making an award. "The methods of monitoring may vary; some of the factors you may want to consider in determining the nature, timing, and extent of monitoring are as follows:

- Subrecipient's prior experience with the same or similar subawards;
- Results of previous audits;
- Whether the subrecipient has new personnel or a new or substantially changed system;
- The extent and results of Federal awarding agency monitoring.

Subrecipients may be evaluated as higher risk or lower risk to determine the need for closer monitoring. Generally, new subrecipients require closer monitoring. For existing subrecipients, closer monitoring may be warranted based on results noted during monitoring and subrecipient audits, (e.g., the subrecipient has a history of non-compliance as either a recipient or subrecipient, new personnel, or new or substantially changed systems).

- Programs with complex compliance requirements have a higher risk of non-compliance;
- The larger the percentage of program awards passed through, the greater the need for subrecipient monitoring;
- Larger dollar awards are of greater risk."

Monitor Activities of subrecipient during Award

As described in greater detail in these monitoring policies and procedures UOVC will monitor the activities of the subrecipient as necessary to ensure that the subaward is used for authorized purposes, in compliance with Federal statutes, regulations, and the terms and conditions of the subaward; and that subaward performance goals are achieved.

"Subrecipients may be evaluated as higher risk or lower risk to determine the need for closer monitoring. Generally, new subrecipients require closer monitoring. For existing subrecipients, closer monitoring may be warranted based on results noted during monitoring and subrecipient audits, (e.g., the subrecipient has a history of non-compliance as either a recipient or subrecipient, new personnel, or new or substantially changed systems).

- Programs with complex compliance requirements have a higher risk of non-compliance;
- The larger the percentage of program awards passed through, the greater the need for subrecipient monitoring;
- Larger dollar awards are of greater risk."

UOVC monitoring of the subrecipient includes:

- (1) Reviewing financial and performance reports required by UOVC and OVC.

(2) Following-up and ensuring that the subrecipient takes timely and appropriate action on all deficiencies pertaining to the Federal award provided to the subrecipient from UOVC detected through audits, on-site reviews, and other means.

(3) Issuing a management decision for audit findings pertaining to the Federal award provided to the subrecipient from UOVC as required by §200.521 Management decision.

Depending upon UOVC's assessment of risk posed by the subrecipient (as described in paragraph (b) of this section), the following monitoring tools may be useful to ensure proper accountability and compliance with program requirements and achievement of performance goals:

(1) Providing subrecipients with training and technical assistance on program-related matters; and

(2) Performing on-site reviews of the subrecipient's program operations;

(3) Arranging for agreed-upon-procedures engagements as described in §200.425 Audit services. (See CFR 200.331)

The purpose of these monitoring activities is to provide reasonable assurance that the subrecipient has administered the pass-through funding in compliance with the laws, regulations, and the provisions of the award and that the required performance goals are being achieved.

Monthly/Quarterly Review and Approval of Reimbursement Requests

The purpose of this review and authorization of expenses is to determine with reasonable assurance if claimed reimbursements were authorized, allowable, reasonable, and supported, and in compliance with applicable laws, regulations, guidelines, and the terms and conditions of the grant.

As such, in order to approve a reimbursement request, grant analysts should:

1. Determine with reasonable assurance if claimed reimbursements were authorized, allowable, reasonable, supported, and in compliance with applicable laws, regulations, guidelines, and the terms and conditions of the grant
2. Compare reimbursement requests with grant budget (including specific employees and their hours and rates) as authorized on grant to determine compliance with grant
3. Determine if program activities are in compliance with the grant agreement specifications or if they are in need of additional program assistance
4. Provide technical assistance to subgrantees
5. Identify potential problems with subgrantees before they become obstacles to the program and offer solutions to address those problems when they occur
6. Clarify any potential issues with subgrantee

The review and approval of reimbursement requests is performed by the Grant Analyst over the grant.

Quarterly Reviews of Performance Reports

Grant Analysts from each grant should review quarterly performance reports from each subgrantee. In this review they should verify that subgrantees are fulfilling the purposes of the grant and provide guidance to struggling subgrantees. Grant analysts will review each quarterly report to ensure that it has record of service provided, filled out completely, and that information reported is allowable, and authorized by VOCA and the specific grant in question.

Programmatic Review of Quarterly Report, Grant Objectives and Allowable Costs/Activities

Grant Analysts will perform a Programmatic Review of Quarterly Report, Grant Objectives and Allowable Costs/Activities at the same time as the desk review. The purpose of this activity is to assess program compliance and achievement. This is one part of UOVC's monitoring activities to assess programmatic compliance.

In addition to checking programmatic compliance review activities under grant guidelines for allowable costs and activities and what was originally allowed on the grant. After analysis, upload a copy of the coversheet form as well as accompanying Review Form will be uploaded into GMS to document this monitoring activity.

During this review, Grant Analysts check to ensure that following guidelines are adhered to:

- The projected outcomes of the objectives (both the number as well as what is being measured) is the same as what was listed in the grant and this remains consistent each quarter.
- What actually is reported matches what is projected to be reported
- If the subgrantees are reporting on various outcomes for one objective that they remain consistent and report on the same outcome each quarter
- The report should provide a narrative that should vary each quarter that explains how that objective was achieved or why it was not achieved. Anecdotal information may also be included.
- If subgrantees use the same reporting form each quarter, they should ensure that the necessary information (e.g. outcomes, dates, etc.) is updated with each submission.

If errors are found, please take the appropriate action to get errors corrected, whether that is notifying the subgrantee of errors or noncompliance, or investigating further to determine financial amount of any unallowable activities, etc.

Review of performance reports should include milestones achieved/to be achieved; any significant problem, issues, or concerns, timely accomplishments and delays, and actual cost incurred compared to each budget line item with variances explained.

Review of SUCCESS Report information

As part of the Governor's SUCCESS program, UOVC compiles information on each grant's objectives. This information is used to create the SUCCESS report which is reviewed by both UOVC and the Governor's Office.

UOVC has solicited feedback and followed up with grantees both from grantees that are reaching their goals and objectives and those that are not. In particular, UOVC has required subgrantees in the categories of “needs improvement” and “below average” to outline their plan of how they will reach objectives in the future. UOVC will continue to communicate with subgrantees to help them reach their grant objectives.

Annual Report Review

Grant Analysts help “close out” the grant, and also review an Annual Report from each grant, which, among other things, shows the number of victims served in the grant year. It includes program statistics, victim statistics, and service statistics, training activities, improving the service delivery system, and emerging trends. This report should be compared with the grant application, which among other things, projects the number of victims and services provided with grant funds. Grant Analysts should provide feedback to subgrantees that are particularly struggling or doing particularly well.

Communication

During any of the monitoring activities outlined, grant analysts can and should reach out to organizations to clarify expenditures or other issues. This can be termed a mini desk review. Thus, if concerns arise, a findings letter should be sent to the organizations Executive Director and filed with GMS, and in the UOVC hard copy file folder for each grant.

This constant review of reimbursement requests and other reports and exchange of information with subgrantee employees and UOVC employees, significantly increases the likelihood that grants are successful and in compliance with VOCA and grant conditions. It is important that UOVC employees have a good working relationship with subgrantees and their employees.

UOVC “monitor[s] subrecipient activities throughout the year include regular communication with subrecipients, and appropriate inquiries concerning program activities; performing subrecipient site visits to examine financial and programmatic records and observe operations; and reviewing detailed financial and program data and information submitted by the subrecipient.”

Certified Assurances and Grant Conditions

The Certified Assurances and Grant Conditions, as well as information and application instructions, pass on relevant terms and conditions pertaining to each grant.

Training

UOVC provides annual training which subgrantees are required to attend. In this training, UOVC Grant Analysts teach and explain unallowable costs, cost principles, and emphasize terms and conditions as stated in the Certified Assurances and Grant Conditions.

Grant Change Requests

Grant Change Request Forms can be submitted to the UOVC grant analyst that oversees a grant. These requests are generally for minor changes (an employee quit, new employee hired, etc.) and are usually unforeseeable. These requests must align with and cannot be contrary to the grant that

was originally approved by the UOVC Board and the Screening and Allocation Committee. UOVC has the final authority on whether or not a Grant Change Request will be granted.

Desk Audits

Grant Analysts perform a detailed review of reimbursement requests for a specified period, to provide reasonable assurance that the subgrantee administered awards in compliance with grant requirements. Desk audits can choose to focus on specific categories of costs such as personnel, travel, equipment, etc., with specific categories chosen on a rotating basis.

A desk audit can be performed in conjunction with the review of a monthly/quarterly reimbursement request. Desk audits are performed by the grant analyst over that grant, so that each grant has a desk audit once per grant year.

In addition to a pre-planned schedule of desk audits, anomalies can trigger a desk audit. For example, grant analysts typically perform an expense to budget ratio report. If a subgrantee is spending significantly over or under what is expected, a desk audit can be triggered. Additionally, if a subgrantee requests reimbursement for employees that are not approved in the grant contract, a desk audit is triggered.

A desk audit typically consists of:

- 1.) Sending a letter to subgrantee point of contact requesting supporting documentation for a previous quarter/month. It is good practice to require subgrantees to tie out each expenditure listed in the ledger to supporting documentation.
- 2.) Grant Analysts should tie out each cost item to valid supporting documentation, verifying the correct cost was asked for reimbursement, was allowable, reasonable, and allocable.
 - a. This review includes reviewing timesheets or PAR to verify that employee time was spent on allowable grant activities, for the correct amount of hours outlined in the grant and requested in reimbursement. Timesheets are checked to ensure that they were signed by employee and approved by a supervisor with firsthand knowledge of work performed, that timesheets reflect an after-the-fact distribution of actual activity of each employee, and that the timesheet accounts for the total activity for which the employee was compensated.
 - b. Review paycheck stubs
 - c. Review mileage reimbursement request and travel documentation.
 - d. Request invoices and expenditures for any office supplies and costs.
 - e. Grant Analysts verify expenditures are expended according to grant conditions and specifications, are in the appropriate cost category, and are not spent on unallowable activities such as lobbying, food, entertainment, etc.
 - f. For employee wages, Grant Analysts verify that the wage rate and fringe rate for each employee match the wage and fringe/benefit rate approved in the grant. They also verify that employee titles/positions are the same employees and positions as were approved in the grant.
- 3.) Review of journal ledger for the grant, including revenue and expenditure accounts. If unallowable or suspect transactions are noted, the Grant Analyst will inquire into

allowability of such transactions. Grant Analyst will review journal ledger to determine if subgrantees financial accounting system tracks revenues and expenditures for each grant separately as required in the Federal Financial Guide.

- 4.) Request receipts of other expenditures, including any that seem suspect to verify the receipt matches the amount and category requested for reimbursement. It is a good practice to choose expenditures of both small and large amounts.
- 5.) An Expense to Budget Ratio comparison for each of the categories of funding and employees on the grant. The purpose of this is to look for anomalies and review the pattern/consistency with which funds are spent. Subgrantees must bill according to actual work done and not pre-pay or post-pay.
- 6.) Perform other processes or procedures necessary and reasonable to provide reasonable assurance that expenditures, policies and practices are in accordance with grant conditions.
- 7.) If unallowable costs are found to have been spent on the grant, UOVC should request reimbursement of these questioned costs.
- 8.) A copy of the letter to subgrantees requesting information for the desk audit, as well as any key documents showing problems or unallowable costs, are uploaded to GMS to record that a desk audit was completed.
- 9.) If subgrantees are requesting reimbursement not based on actual work done, a finding is made with corrective action and managerial letter from the subgrantee detailing corrective action plan to come in compliance with Federal Financial Guide requirements or Grant Objectives and Conditions.

Typically, a Programmatic Review of Grant and Quarterly Reports should be done at the same time as a Desk Audit to verify subgrantee is meeting grant goals and objectives and not any deficiencies. See Programmatic Review of Quarterly Report, Grant Objectives and Allowable Costs/Activities.

Audits

As the DOJ Financial Guide States, “**For fiscal years beginning on or after December 26, 2014.** If you are a non-Federal entity that expended \$750,000 or more in Federal funds (from all sources including pass-through subawards) in your organization’s fiscal year (12-month turnaround reporting period), then you are required to arrange for a single organization-wide audit conducted in accordance with the provisions of Title 2 C.F.R. Subpart F (§ 200.500 et seq.).”

For fiscal years beginning before December 26, 2014. if you are a non-Federal entity (other than a for-profit/commercial entity) that expended \$500,000 or more in Federal funds (from all sources including pass-through subawards) in your organization’s fiscal year (12-month turnaround reporting period), then you are required to arrange for a single organization-wide

audit conducted in accordance with the provisions of Office of Management and Budget (OMB) Circular A-133 Compliance Supplement 2014.

If you are a non-Federal entity that expended less than the applicable audit threshold a year in Federal awards, you are exempt from Federal audit requirements for that year. However, you must keep records that are available for review or audit by appropriate officials including the Federal agency, pass-through entity, and U.S. Government Accountability Office (GAO).”

Conditions on required audits are included with each subgrantees contract terms and conditions. Subgrantees that are required to have a single audit that complies with OMB Circular A-133 or 2 CFR Part 200, as outlined are required to send a copy of their reporting package/audit to UOVC within 9 months after their year-end or one month after the issuance of the audit. By State code, local governments must complete their audit within six months of the end of their fiscal year, other agencies must complete their audit within nine months. UOVC Grant Analysts will follow-up with subgrantees to ensure that audits have been received in October of each year. Upon receipt of the subrecipient audit UOVC Grant Analysts will:

- “Evaluate the impact of subrecipient activities on your organization’s ability to comply with applicable Federal regulations,
- Issue a management decision on audit findings within 6 months after receipt of the subrecipient’s audit report, and
- Ensure that the subrecipient takes timely and appropriate corrective action on all audit findings.” (DOJ Financial Guide)

Grant Analysts use “the information in the Federal Audit Clearinghouse (FAC) database as evidence to verify that the required audit was performed and the subrecipient had “no audit findings.” This verification is in lieu of reviewing submissions from the subrecipient when there are no audit findings. The FAC database is available online.

In cases of continued inability or unwillingness of a subrecipient to have the required audits conducted, UOVC will take appropriate action using sanctions. In addition, UOVC subgrantees are required by Utah law to submit financial statements and audits depending on the expenditures/revenues of each organization to the Utah State Auditor’s Office. UOVC trains on these audit requirements annually during grant training. UOVC is also required annually to report to the Utah State Office of Victims of Crime the amount of funding received by subgrantees who are NGOs or Nonprofits as required by SB 132 (2015).

UOVC will consider whether the results of the subrecipient's audits, on-site reviews, or other monitoring indicate conditions that necessitate adjustments to UOVC’s own records and consider taking enforcement action against noncompliant subrecipients as described in §200.338 Remedies for noncompliance and in program regulations.

Site Visits

Site Visits are required

UOVC conducts on-site monitoring in which each subgrantee is visited at least once every three years or as staffing allows.

High-Risk Model

UOVC follows the high-risk model, in which the time devoted to site-visits should be principally devoted to subgrantees that are considered high-risk.

A subgrantee may be designated high risk and therefore warrant more thorough site visits, if it has 1) significant funding from UOVC 2) high turnover 3) a new Executive Director 4) is a first-time grant recipient 5) a high number of grant change requests 6) late or incomplete reimbursement requests, progress reports, or other required documentation 7) significant concerns from reviews performed by UOVC 8) Grant Analysts have significant financial or programmatic concerns including spending grant funds too quickly or slowly 8) a grant is “Below average” on the SUCCESS program or consistently does not meet its goals and objectives 9) concerned calls from community or media reports 10) concerned calls from whistle blowers 11) significant audit findings 12) inability to conform to federal guidelines or certified assurances and grant conditions 13) an accounting systems that does not meet the standards set forth in 29 CFR 66.20 14) not conformed to the terms and conditions of previous awards 15) not been responsive to requests to address audit findings or recommendations 16) a lack of, or significant decrease in volunteers 17) Board list that is too small or shows appointment of almost entirely new board

There are several purposes for site visits. The over-arching purpose is to add a monitoring level that helps UOVC provide assurance that subgrantees are in compliance with federal or state grant requirements and the specific conditions of each grant. Further, site-visits are required by federal guidelines and are also a best practice for subgrantee management. In addition, it provides an avenue to visit the organization, observe operations, interview leadership and employees and provide technical assistance on financial and programmatic aspects of the grant.

UOVC monitors should also review the effectiveness and efficiency of the policies, procedures, and internal controls that the subgrantee has in place to manage federal funds, and provide an opportunity for UOVC to offer assistance and recommendations.

Documents typically requested in a site-visit

Financial and Programmatic Review Form

This is 14-page questionnaire which is divided into two sections 1) financial and 2) programmatic. It asks a variety of questions and is a good gauge for helping monitors understand the strengths and weakness of a subgrantee across a variety of issues. Subgrantees can fill out the questionnaire for each current grant, or can do one questionnaire for all grants. If subgrantees fill out only one questionnaire, subgrantees should add text to explain differences among the grants. Often, additional explanation is necessary to answer a question fully; long answers to questions should be submitted on a separate paper.

Documentation Request List

Documentation regarding organization

Depending on the type of organization visited (non-profit, governmental, etc.), UOVC typically requests the following documentation, if applicable:

Purchasing policies and procedures, personnel policies and procedures, payroll policies and procedures, equal employment plan, if applicable, travel policies and procedures, sample timesheet, documentation showing current 501 (c) 3 status, business license, document showing tax-exemption, if applicable, current list of board members and their positions on the board, board bylaws, agendas for last three board meetings, financial audits for last two years, any single-audit, or other audits, if applicable for last two years, as well as a list of employees funded on UOVC grants, their rates of pay and fringe/benefit rates, and hours funded on each UOVC grant.

Support Documentation for Expenses Paid on the Grant

In addition, UOVC typically requests supporting documentation for payments made on each grant. This includes payroll (timesheets) and financial documentations (receipts) as well as programmatic documents evidencing direct services to victims. Typically, UOVC will request the supporting documentation for one month/quarter for each UOVC grant, going back three years. Thus, if an agency has four grants with UOVC, twelve months/quarters would normally be selected for review. A smaller sample could also be selected for review.

All corresponding backup documents to substantiate financial transactions and to show that costs were allowable to the grant should be provided, including receipts and invoices, payroll journal, timesheets, personnel activity forms (PAF), mileage log, utility bills, rental space (if in contract), etc. and programmatic documents (i.e. volunteer logs, records of counseling and/or other direct services to victims). The purpose of this, in part, is to verify that subgrantees are retaining grant records for three years after closing of the grant, as required by law. It is also to compare supporting documents to reimbursement requests to verify accuracy.

In addition, a review of performance and SUCCESS reports is done to verify subgrantees are on task in meeting grant goals and objectives.

Preference for scanned documents sent via email

UOVC typically requests organizations scan and email all documentation two days prior to the site visit so that UOVC staff can review the documentation before the site visit and also have it accessible to review in greater detail after the site visit. Copies of documentation requested should also be provided at the site visit.

Depending on the risk level and level of subgrantee internal controls, UOVC monitors/grant analysts can choose to request supporting documentation for a smaller sample of transactions. In addition, UOVC monitors can choose to focus a site review on either programmatic or financial concerns, depending on the history of concerns with an organization and common trends found with the subgrantee or similar subgrantees, but generally both are reviewed. UOVC monitors should be respectful of subgrantee time while on site and before the site visit by communicating expectations clearly. Site visits generally take a significant part of a workday, generally between 4 – 6 hours, sometimes more.

Typically, at a minimum, UOVC monitors meet with organization employees and 1) understand an employee's job duties and role in the organization and on the grant, as well as any challenges and successes of working on the grant. In addition, when meeting with financial, programmatic

or administrative employees UOVC monitors should 1) familiarize themselves with agency processes and procedures regarding both financial and programmatic issues, 2) review a sample of supporting documentation of expenditures, and where applicable, 3) make recommendations or corrective actions to subgrantee to ensure compliance with federal or state grant guidelines and specific conditions of grants, or improve processes and procedures for internal controls.

Absent more specific policies and procedures, the *Federal Financial Guide* will be used as the authority for determining reasonableness of financial practices and expenditures.

Typical procedures for conducting a site-visit

Pre-Visit

- 1) Call Executive Director and set up a convenient time for site-visit.
- 2) About 10 days before site visit send executive director A) a letter formally explaining what to expect in the site visit, including a request for a verbal presentation of organization and UOVC grants B) Financial and Programmatic Review Form and request it be signed, scanned and returned, two days prior to site visit and, C) Document Request List. See sample site visit letter.
- 3) Review current grants
- 4) Review at least one grant reimbursement request and compare to budget in grant agreement
- 5) Review organization's history of success as shown on SUCCESS plan for each grant and evaluate progress in meeting grant goals and objectives.
- 6) Review Financial and Programmatic Review Form prior to site-visit, marking any areas of concern and points of discussion with organization
- 7) Review documentation sent by subgrantee prior to site visit, noting any areas of question or concern

During Site Visit

- 1) Meet and introduce UOVC monitors to subgrantee leadership, discuss site visit schedule
- 2) Ask if organization has questions for UOVC monitors
- 3) Subgrantee presentation on grants and organization, including verbal description of the purposes of each grant and how programmatic and financial employees track the work/time or expenses billed to each grant.
- 4) Discussion of SUCCESS program and rate of success in reaching objectives for each grant
- 5) Obtain copy of documentation previously requested
- 6) Tour facility
- 7) Meet employees on UOVC grants and interview some
- 8) Interview financial employees, programmatic employees, as well as Executive Director
- 9) Review questions that arose from Financial and Programmatic Review Form as well as other questions
- 10) Review supporting documentation provided
- 11) Ask questions to agency leadership/executive director that arose from Review of Supporting Documentation

- 12) Meet with Executive Director and discuss positive aspects of subgrantee as well as any concerns of UOVC monitors and discuss probable recommendations or corrective actions, if any.
- 13) Discuss likely next steps and ask if subgrantee has any questions.

Post-Visit

- 1) Review in greater detail documentation provided
- 2) Compare a sample of financial supporting documentation and their corresponding reimbursement requests to original grant
- 3) Perform additional reviews, or analytic steps as necessary and reasonable to identify problems including material problems the subgrantee should correct in order to be in compliance with state and federal law and fulfill the terms and conditions of each grant.
- 4) Write management letter or findings letter, if site visit produced findings.
- 5) Send findings or management letter to Executive Director/organization head stating positive aspects of the program, issues found during review, if any, and recommendations and corrective actions required, if any.
- 6) At UOVC's discretion, if findings are significant, a copy of management letter will be sent to the president or other members of the board, if applicable.
- 7) If there are findings, UOVC will require a corrective action plan should be submitted to UOVC within 60 days of site visit letter.
- 8) Grant analysts will retain initial letters, completed monitoring checklist, any subsequent management letters or corrective action plans between UOVC and agency, if any, as well as key documentation giving rise to findings, if any, in grant folders.
- 9) Other supporting documentation received during the course of the site visit will be retained.

In addition to the above procedures, a condensed Site Visit Checklist will be used by the Grant Analyst to document audit procedures completed, and document any notes or concerns.

Follow-up site visit or additional review for subgrantees with significant findings or who need additional guidance – “High Risk” Subgrantees

If it is determined that the subgrantee has significant findings or concerns, UOVC will follow-up with agencies corrective action/managerial letter to ensure that deficiencies are corrected. In addition, a follow-up site-visit or desk audit may be scheduled approximately 3-6 months after completion of the site visit to verify corrections. If subgrantees fail to correct deficiencies, it may result in suspension or ultimately termination of the grant. In addition, special conditions or restrictions may be placed on high risk subgrantees as conditions in future awards, if any.

Remedies of subrecipient noncompliance

If a subrecipient fails to comply with Federal statutes, regulations, or the terms and conditions of a Federal award, the pass-through entity may impose additional conditions. However, if it is determined that noncompliance cannot be remedied by imposing additional conditions, the pass-through entity may take one or more of the following actions: withholding of disbursements or further awards; Disallowance of cost; Suspension/termination of award; Suspension/Debarment; Civil lawsuit, or Criminal prosecution.

(See also DOJ Financial Guide. Quotations came from DOJ Financial Guide 2016)

State of Utah

OFFICE FOR VICTIMS OF CRIME

350 East 500 South Suite 200

Salt Lake City, Utah 84111

Phone: (801) 238-2360

Fax: (801) 533-4127

Toll Free: 800-621-7444

Revised June 2011

FINANCIAL & PROGRAMMATIC REVIEW FORM

Subgrantee Information

Contract Number	
Program Period	
Subgrantee Name	
Address:	
Phone	
Fax	
Contact Person:	
Project Staff Present	
Date of Report	

Short Description of Grant:

UOVC Use Only	
Date of Initial Site Visit	
Name of Monitor	
Follow-up visit date:	

I certify that the information given by me on this form is correct and has been answered to be the best of my ability.

X _____
Financial Officer's Name (print) and Signature Date

I certify that the information given by me on this form is correct and has been answered to be the best of my ability.

X _____
Program Administrator's Name (print) and Signature Date

FINANCIAL REVIEW

I. General Guidelines

A. Control Information	Y	N	NA
1. Are financial duties segregated among personnel? (i.e. Purchasing, Receiving, Approval of Invoices, Disbursements, etc.)			
2. Are checks prepared by someone other than the individual who authorized payment?			
3. Does the subgrantee have written, uniform purchasing policies and procedures?			
4. Are purchase orders/requisitions:			
a. Pre-numbered and controlled?			
b. Required of all purchases?			
c. Approved by the department head or program manager?			
d. Required to identify the account to be charged?			
5.			
6. If purchase orders/requisitions are not prepared, are all purchases approved by an individual outside of the purchasing department?			
7. Does the subgrantee have a policy regarding competitive bidding?			
8. Does the bid policy comply with Federal and State purchasing regulations?			

B. Management Oversight	Y	N	NA
1. Is the program manager's written approval required on all expenditures associated with this grant?			
2. Does the subgrantee have and use a list of approved vendors or suppliers who comply with their purchasing policies?			
3. Are members of the grant project following the purchasing policies of the subgrantee?			
4. Have procedures been instituted to identify costs and expenditures not allowable under Federal and State grant programs? (i.e. Land Acquisition, Compensation of Federal Employees, Travel of Federal Employees, Bonuses, Commissions, Military Equipment, and Lobbying)			
5. Does the program manager have access to General Ledger and/or summary type reports for all financial transactions related to the grant?			
6. Does the Board of Directors have access to General Ledger and/or summary type reports for all financial transactions related to the grant?			

C. Grant Budget	Y	N	NA
1. Have funds been expended according to the approved contract budget?			
2. Has the subgrantee purchased items NOT APPROVED in the budget?			
3. Have expenditures exceeded the approved contract budget for any category?			
a. Did subgrantee expend more than 10% of an approved category?			
b. Did subgrantee submit a Grant Change Request Form?			
c. Was the Grant Change Request approved by the Office of Crime Victim Reparations?			

4. Was a cash match required for this grant?			
a. Has the subgrantee met their required match?			
b. Has the subgrantee provided sufficient documentation of cash match expenditures? (i.e. Receipts, Personnel Time Sheets, Payroll Records, Travel Vouchers)			
c. Has the subgrantee matched in the approved contract match categories?			
5. Was an in-kind match required for this grant?			
a. Has the subgrantee met their required match?			
b. Has the subgrantee provided sufficient documentation of in-kind match? (i.e. Receipts, Volunteer Logs, Donation Records, etc.)			
6. Were any payments and/or obligations made previous to the beginning of the award period?			
7. Were all payments associated with this grant contract made within 90 days of the end date?			

D. Single Audit Review	Y	N	NA
1. Does the subgrantee receive federal funding of \$500,000 or more annually?			
2. Has the Office of Crime Victim Reparations received a copy of the subgrantee's most recent Single Audit?			
3. Did the Office of Crime Victim Reparations receive a copy of Management Letters with the Single Audit?			
4. Did Management properly address and respond to any findings outlined in the Management Letters?			
5. Are there any findings in the audit that could affect the integrity of federal grant funds?			
6. Do grant revenues reported on the schedule of Federal Financial Assistance match CVR payment records?			

II: Grant Expenditures

A. General Guidelines	Y	N	NA
1. Are all disbursements made with pre-numbered checks?			
2. Do payroll and other checks require two signatures?			
3. Are any checks being made out to "Cash"?			
4. Are grant funds being used to purchase items not approved under Federal grant guidelines and/or the OJP Financial Guide?			
5. Is the following documentation on file for grant expenditures & reimbursements?			
a. Purchase orders or requisitions?			
b. Invoices approved for payment by authorized personnel prior to checks being printed and signed?			

c. Receipts for items purchased?			
d. Copy of payment checks?			
e. Log of incoming reimbursement checks? Deposit Ledger kept.			
f. Copy of reimbursement checks?			
g. Copy of deposit slips?			
h. Copy of bank reconciliation?			
1. Does this subgrantee claim tax exempt status on purchases or seek reimbursement of taxes paid from the Utah Tax Commission?			

B. Personnel	Y	N	NA
1. Have written personnel and payroll policies and procedures been established by the subgrantee?			
2. Does the subgrantee have a written equal opportunity hiring procedure?			
3. Do you have a written Equal Employment Opportunity Plan?			
4. Have there been any adverse findings of discrimination by either a Federal or State court, State Administrative agency or other administrative agencies?			
5. Are appropriate regulations being followed in regard to payroll withholdings, wages, and hours?			
6. Has a salary/wage schedule been developed and approved by the subgrantee?			
7. Does the subgrantee have written job descriptions for grant program employees?			
8. Are grant program employee wages and benefits in line with other staff performing similar tasks?			
9. Are wage and salary rate changes made only upon written authorization?			
10. Are only those authorized in the grant application being paid with grant funds?			
11. Are grant funds being used to supplant other State or Local funds?			
12. Is overtime being paid with grant funds when work is tied directly to the purpose of the grant, is authorized in the budget, and is reasonable?			
13. Is an overtime authorization form being used and signed by a supervisor?			
14. Is overtime pay in accordance with the Fair Labor Standards Act?			
15. Is comp time being accrued when work is tied directly to the purpose of the grant?			
16. Is comp time authorized by a supervisor prior to the accrual of the time?			
17. Are personnel required to complete time sheets?			
18. Do time records contain such information as:			
a. Employee's name, title, and signature?			
b. Total daily hours and dates worked?			
c. Daily hours charged to the project?			
d. Project Director's or Supervisor's signature?			
19. When an employee works on more than one project during the pay period, is the distributed time reconciled to the total time?			
20. Is this grant funding new employees? If yes:			
a. Were the numbers of new employees hired as outlined in the contract budget?			
b. If current employees were transferred to newly created positions, were their positions backfilled with new employees?			

C. Contracted Fees	Y	N	NA
1. Is this grant paying for contract and/or consulting services? And if so:			
a. Does the subgrantee have a written policy regarding bid procedures?			
b. Are contracts the result of competitive bidding?			
c. Was the lowest bid awarded the contract? If not, why?			
d. Does the subgrantee have a contract on file specifically outlining the work to be performed?			
2. Is the Federal limitation for consulting fees of \$56.25/hr or \$450/day being observed?			
3. If the consulting fee limitation is not being met, was the contract bid out and			

approved by the Office of Crime Victim Reparations?			
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D. Equipment	Y	N	NA
1. Is this grant paying for any equipment?			
2. Has the Equipment Inventory requirement been signed by the authorized official?			
2. Does the subgrantee have copies of the purchase orders and/or invoices?			
3. Does the subgrantee have an inventory summary of all equipment purchased for the past three program years?			
4. If equipment is being shared by multiple projects, was the cost of the equipment pro-rated among funding sources?			
5. Does the subgrantee have written documentation of how the cost of equipment was pro-rated?			

E. Travel and Training	Y	N	NA
1. Are travel expenses approved for this grant?			
2. Does the subgrantee have written travel policies and procedures?			
3. Are members of the grant project following the subgrantee's travel policies?			
4. Are expenditures for travel substantiated by travel vouchers?			
5. Do travel vouchers contain information such as:			
a. Name and signature of the employee?			
b. Travel destination?			
c. Date and time of departure and return?			
d. Per diem rates and reimbursement amounts of the subgrantee?			
e. Lodging expenses with appropriate receipts?			
f. Transportation expenses with appropriate documentation?			
g. Conference registration fees and documentation?			
h. Cash advances?			
i. Name and signature of supervisor approving request?			
6. Does the subgrantee have a written policy for reimbursement of private car miles?			
7. Does the subgrantee require odometer readings or atlas figures be recorded?			
8. Does the subgrantee's private car mileage exceed \$0.50/mile?			

F. Supplies & Operating	Y	N	NA
1. Are supplies and/or operating expenses approved for this grant?			
2. Does the subgrantee have copies of invoices and/or receipts for purchases or payments of bills?			
3. Does the subgrantee have documentation to indicate the appropriate funding source to be charged?			
4. If operating costs are being shared by multiple projects, was the expenditure pro-rated among funding sources?			
5. Does the subgrantee have written documentation of how operating costs were pro-rated?			

G. Other	Y	N	NA
1. Are "Other" expenses approved for this grant?			
2. Has the subgrantee been approved for 'Emergency Monies' to assist victims of crime with their emergency needs?			
3. Does the subgrantee have written policies and procedures regarding distribution of emergency monies?			
4. Does the subgrantee have documentation for emergency money expenditures? If so, does it include:			
a. Date and amount of expenditure?			
b. A description and/or receipt for the expense?			
c. Signature of person authorized to distribute funds or make purchases on behalf of victims?			
5. Does the subgrantee keep emergency monies in a secure place?			

G. Recovery Specific Questions	Y	N	NA
1. Does the subgrantee track FTE's for new or retained positions under an ARRA Grant?			
2. Has the subgrantee reported FTE's for any ARRA positions monthly?			
3. Are only hours paid for with ARRA funds reported as FTEs?			
4. Does the subgrantee report on financial reimbursement requests by the 5 th of each month?			

Subgrantee's Justification:

Federal Civil Rights Compliance Checklist

1. Has the subgrantee taken mandatory online training (<http://www.justice.utah.gov/grants.html> > Discrimination Policy Training) required by the State of Utah Office for Victims of Crime? Do you have a copy of Certificate of Completion?

Yes No

Reviewer's Comments:

2. Does the subgrantee conduct any training for its employees on the requirements under federal civil rights laws?

Yes No

Reviewer's Comments:

3. Does the subgrantee have an Equal Employment Opportunity Plan (EEOP), in accordance with 28 C.F.R. §§ 42.301-.308 on file for review?

Yes No

If yes, on what date did the subgrantee prepare the EEOP?

4. Has the subgrantee submitted an EEOP Short Form to the Office for Civil Rights (OCR), Office of Justice Programs (OJP), U.S. Department of Justice (DOJ), if required by 28 C.F.R. §§ 42.301-.308? If you are not required to submit an EEOP Short Form to the OCR, has it submitted a certification form to the OCR claiming a partial or complete exemption from the EEOP requirements?

Yes – submitted an EEOP Short Form

Yes – submitted a certification

No

If the subgrantee prepared an EEOP Short Form, on what date did you prepare it?

5. How does subgrantee notify program participants and beneficiaries that it does not discriminate on the basis of race, color, national origin, religion, sex, disability, and age in the delivery of services (e.g. posters, inclusion in brochures or other program materials, etc.)?

Reviewer's Comments:

6. How does subgrantee notify employees that it does not discriminate on the basis of race, color, national origin, religion, sex, and disability in employment practices (e.g. posters, dissemination of relevant orders or policies, inclusion in recruitment materials, etc.)?

Reviewer's Comments:

7. Does the subgrantee have 50 or more employees and receive DOJ funding of \$25,000 or more? If not, skip to 8. If yes, continue here. Has the subgrantee taken the following actions:
 - a. Adopted grievance procedures that incorporate due process standards and provide for the prompt and equitable resolution of complaints alleging a violation of the DOJ regulations implementing Section 504 of the Rehabilitation Act of 1973, found at 28 C.F.R. Part 42, Subpart G, which prohibit discrimination on the basis of a disability in employment practices and the delivery of services.

Yes No

- b. Designated a person to coordinate compliance with the prohibitions against disability discrimination contained in 28 C.F.R. Part 42, Subpart G.

Yes No

- c. Notified participants, beneficiaries, employees, applicants, and others that the subrecipient does not discriminate on the basis of disability.

Yes No

Reviewer's Comments:

8. Has the subgrantee complied with the requirement to submit to the UOVC any findings of discrimination against the subgrantee issued by a federal or state court or federal or state administrative agency on the grounds of race, color, religion, national origin, or sex?

Yes No

Reviewer's Comments:

9. What steps has the subgrantee taken to provide meaningful access to its programs and activities to persons who have limited English proficiency (LEP)?

Reviewer's Comments: (indicate the subgrantee has developed a written policy on providing language access services to LEP persons)

10. Do you conduct religious activities as part of its programs or services, if so, do you:

- a. Provide services to everyone regardless of religion or religious belief.

Yes No

- b. Ensure that it does not use federal funds to conduct inherently religious activities, such as prayer, religious instruction, or proselytization, and that such activities are kept separate in time or place from federally-funded activities.

Yes No

- c. Ensure that participation in religious activities is voluntary for beneficiaries of federally-funded programs.

Yes No

Reviewer's Comments:

PROGRAMMATIC REVIEW

Facility	Y	N	NA
1. Are the facilities clean, safe, and well maintained?			
2. Are the facilities appropriate for the services being offered, for both staff and clients?			
3. Are the facilities easily accessed by handicapped victims?			
4. If children are served, is play space with appropriate toys and equipment provided?			

Goals/Objectives/Evaluation	Y	N	NA
1. Are the project objectives and activities clearly written and eligible?			
2. Are the project objectives realistic and attainable, with consideration given to the service areas and available resources?			
3. Are project objectives measurable (number of victims, services, time lines, etc.)?			
4. Do the project objectives take into consideration the population, geographic variables, and area crime victims' needs?			
5. Have the project's proposed activities matched the services offered?			
6. Do the services offered and number of victims served seem reasonable when compared to the actual expenditures to date?			
7. Have contract objectives been met?			
8. Is the project evaluated on services offered, either internally or externally?			
9. What tools are used to evaluate the program objectives and activities?			
10. Are crime victims asked to evaluate the services provided to them?			
11. Attach survey's or other evaluation tools, etc.			

Policies & Procedures	Y	N	NA
1. Does the subgrantee have written agreements with area hospitals, public agencies, nonprofit agencies, law enforcement agencies, etc. for providing services and referring crime victims?			
2. Does the project have procedures for referring individuals that cannot be served in emergency situations?			
3. Does the project have written procedures for intake, treatment, referral, and follow-up with crime victims?			
4. Does the project have written procedures for clinical supervision?			
5. Does the project have written procedures for client data collection and record-keeping?			

Data Collection	Y	N	NA
1. Are client records maintained in a systematic manner			
2. Are client records maintained in a secure manner to assure confidentiality?			
3. Are staff members required to sign a confidentiality agreement?			
4. Are expenditures for travel substantiated by travel vouchers?			
5. Does the project collect and maintain statistical information in a systematic way?			

6. Does the project collect and maintain statistical information on victim services provided by nation origin, race, sex, age, and disability?			
7. Does the subgrantee submit reports in a timely and satisfactory manner?			

Personnel	Y	N	NA
1. Are paid and unpaid staff required to pass a background check before providing direct services to victims?			
2. Is there evidence that staff credentials meet the criteria for professional positions?			
3. Does the project staff include representatives from the client populations to be served?			
4. Do the project objectives take into consideration the population, geographic variables, and area crime victims' needs?			
5. Does the subgrantee use unpaid staff in professional positions?			
6. Does the subgrantee have an active volunteer recruitment program?			
7. Has the subgrantee maintained the # of volunteers specified in their contract?			
8. Does the subgrantee provide training to paid and unpaid staff?			
9. If so, how often is the training provided and what types of training are provided. Is the training mandated through training policies?			
10. Does the subgrantee require unpaid staff to sign a confidentiality agreement?			
11. Do project personnel receive training on assisting victims in applying for victim compensation?			
12. Does the project provide appropriate supervision to direct service providers of the VOCA Victim Assistance funded project?			
13. Do the VOCA Victim Assistance funded staff receive performance appraisals?			
14. Does the project have a high level of staff turnover?			
15. If there is a high staff turnover, what is the reason for the high turnover rate?			
16. Have the VOCA staff members who have left the agency filed complaints during their employment or when they left their employment?			
17. Have there been any adverse findings of discrimination by either a Federal or State Court, State administrative agency, or other administrative agencies?			

Collaboration	Y	N	NA
1. Has your agency engaged in a collaborative project?			
2. Do you have a list of the 'key agencies' in your service area that provide services to victims?			
3. Do you have a list of your agency's collaborative team?			
4. Why have you selected your particular team members?			
5. What does your team see as 'gaps' in the criminal justice system?			
6. What strategies are you working on to stop the violence against women and ensure their safety?			
7. Do you have copies of your collaborative meetings/agendas?			

Outreach	Y	N	NA
1. Does this grant project limit services to victims of specific types of crimes?			
2. Are the project services well publicized throughout the community?			
Non-Profit Organizations	Y	N	NA
3. Are the project services easily accessible to crime victims?			
1. Is the subgrantee incorporated as a nonprofit corporation?			
2. Is there evidence of discrimination by race in serving victims of crime?			
3. Do the by-laws include the subgrantee mission/purpose?			
4. Do the by-laws provide leadership structure for the corporation?			
5. Does the subgrantee operate under the leadership structure required by its by-laws?			
6. Has the subgrantee Board of Directors/Trustees maintained the required membership?			
7. Are members of the Board required to complete a background check?			
8. Do the subgrantee Board of Directors/Trustees meet regularly as required under the by-laws?			
9. Does the subgrantee Board of Directors/Trustees elect its leadership as required under the by-laws?			
10. Does the subgrantee Board of Directors/Trustees require officer and membership terms of office?			
11. Does the subgrantee Board operate within the required terms of office?			
12. Do the by-laws provide a committee structure for the corporation?			
13. Does the Executive Committee meet as required under the by-laws?			
14. Does the Nominating Committee meet as required under the by-laws?			
15. Does the Finance Committee meet as required under the by-laws?			
16. Does the subgrantee authorized official sign the VOCA contract?			
17. Do the members of the Board of Directors/Trustees sign a confidentiality agreement?			
18. Does the subgrantee provide orientation for new Board members?			

Victims' Rights	Y	N	NA
1. Is there evidence to support that the Law Enforcement and Prosecution agencies adhere to the Victims' Rights Constitutional Amendment and enabling legislation? Do policies and procedures from the administrative level to the police officer level adhere to these statutes ensuring that all victims have the right "to be treated with fairness, respect, and dignity, and to be free from harassment and abuse throughout the criminal justice process?"			
2. Are Law enforcement and Prosecution responsibilities being met? They include:			
a. Represent link between the victim and available services			
b. Provide information regarding the level of protection from intimidation and harm available to victims and witnesses and sources of that protection			
c. Provide information about the criminal justice process and the role of victims and witnesses in that process			
d. Provide clear explanations regarding legal proceedings			
e. Inform victim of State Crime Victim reparations program and provide needed assistance in understanding procedures for obtaining reparations			
f. Safely maintain property held as evidence and return that property as soon as it is no longer needed as evidence (Law enforcement only)			
g. Establish policies and procedures to encourage a speedy disposition of criminal cases			
h. Provide individual with timely notice of court appearances as well as postponements			
i. Inform parent/guardian of community resources available to children involved in crime			
j. Inform victim within seven days of filing felony charges			
3. Are police officers and prosecution aware of the VOCA/Victim Assistance Program purposes?			
4. If so, is training provided on the purposes of the program, staff, and how officers/prosecutors should interface with the program staff?			
5. Do police officers access the Victim Assistance program services (law enforcement only)			
a. At the scene of the crime?			
b. For bilingual services?			
c. Make referrals to support group?			
6. Do prosecutors access the Victim assistance programs services (prosecutor's only)			
7. Are administrative and police officers responsive to:			
a. Victim Complaints (verbal/written)			
b. Victim Assistance staff input & recommendations			
c. Other agencies input such as prosecution, etc.			
8. If a complaint is received or input and recommendations made, what steps are taken to ensure these actions do not result in a hostile work environment?			
9. If a crime victim felt their rights were violated, would the Victim Assistance Staff inform the victim of the Victim Rights Complaint process and provide them with the complaint form?			
10. If not, why not?			

State Treasurer's Office Policy and Procedure Manual

Policy Name: **Employee Code of Ethics and Conduct**
Effective Date: April 2015
Revised Date: June 2016
Approved By: David Damschen

Purpose:

The Utah State Treasurer's Office (Office) requires that its employees conduct themselves in accordance with high ethical standards and core values as outlined below. By adhering to these core values and standards of conduct in our everyday actions, we ensure that high standards of ethical and professional conduct are maintained. This policy establishes the values and standards of conduct expected of Office employees.

Policy:

1. The Office has the following core values:
 - a. Integrity
 - b. Respect
 - c. Innovation
 - d. Accountability
 - e. Transparency

2. All employees are expected to reflect these core values in their daily activities and in all interactions with those both internal and external to our agency. When in doubt about the correct way to handle any particular situation, employees should ask themselves:
 - a. Is it consistent with our core values?
 - b. Is it ethical?
 - c. Is it legal?
 - d. Will it reflect well on me and the Office?
 - e. Would I want to read about it in the newspaper?

If the answer to any of these questions is "no," then the course under consideration is likely inadvisable and management should be sought for guidance on the proper course.

3. If an employee is concerned that activities are occurring in violation of the Office's core values, they should report their concerns to management. If an employee is concerned with the activities of a member of management, escalation to the applicable manager's supervisor is appropriate. Violations may also be reported directly to The State Auditor's Office through the whistleblower hotline by emailing auditorhotline@utah.gov. Whistleblowers are protected from management retaliation by UCA 67-21-3.

4. The Office does not tolerate retaliation against anyone in connection with a good faith report of an ethics violation, illegal conduct, sexual or other forms of harassment, discrimination, inappropriate workplace behavior or any other serious ethics issue. Not only is retaliation a violation of the Employee Code of Ethics and Conduct, it is also illegal.

The Office will investigate all retaliation allegations. Anyone who engages in retaliatory behavior will face disciplinary action, up to and including termination.

5. The Office will not tolerate harassment or discrimination based on race, religion, color, creed, age, sex, national origin or ancestry, sexual orientation (including gender expression or identity), genetic information, disability, veteran status, citizenship status, marital status or other factors that are protected by law.

6. Employees are not permitted to use, possess, distribute, manufacture, sell, attempt to sell, or be under the influence of alcohol or illegal drugs on capitol grounds or while conducting official business.

The only exception to this policy is the moderate consumption of alcohol at business-related functions, provided employees drink responsibly and do not return to work after the event.

7. Employees will apply themselves to, and will fulfill their assigned duties during the time for which they are compensated.

8. Employees will make prudent and frugal use of state funds, equipment, buildings and supplies.

9. Employees will treat their fellow employees with respect and courtesy.

10. Employees will not be insubordinate, disloyal or disrespectful towards a supervisor or manager.

11. Employees will avoid all impropriety and appearance of impropriety when accepting gifts and gratuities. This is more fully described in UCA 67-16 Utah Public Officers' and Employees' Ethics Act.

12. Employees may not reveal confidential information to unauthorized individuals, or may be subject to criminal penalties as describe in UCA 63G-2-801.

13. Employees will abide by all administrative laws, rules, workplace policies and procedures governing their work or professional activities

14. Employees may not intimidate, use physical harm or threats of physical harm against co-workers, management, or the public at any time.

15. Employees may not use state-owned computers for personal financial gain or political lobbying, for visual or sexually explicit use, nor any other purpose which violates state or federal laws or workplace policies. This is more fully described in Department of Technology Services Rule R895-7, Acceptable Use of Information Technology Resources.

16. Employees may not misuse sick leave, rest periods, or overtime privileges.

17. Employees will make every effort to maintain appropriate skills for their job assignments.

State Treasurer's Office Policy and Procedure Manual

Policy Name: **Mail, Cash and Check Receipting Procedures**
Effective Date: November 1, 2009
Revised Date: November 1, 2009
Approved By: Richard Ellis

Purpose:

In accordance with Finance Policy FIACCT 13-00.00 it is the responsibility of each department to establish written procedures that provide for good internal controls to ensure that all monies received are properly receipted, safeguarded, deposited, and recorded in the State's accounting system.

Incoming Mail Handling Procedures:

1. Open mail and log checks (Primary responsibility - Executive Secretary and Financial Analyst I. Backup responsibility - Financial Analyst II, Financial Manager).

Two employees must jointly complete the following steps for both morning and afternoon mail deliveries:

- a. Open mail.
 - b. Restrictively endorse all checks.
 - c. Log all checks received in the mail reconciliation log spreadsheet.
 - d. Sum the checks in the mail reconciliation log spreadsheet and print. Each employee signs the log to jointly verify that it is complete and accurate. A mail reconciliation log must be completed for each mail delivery. If no checks are received within a delivery, the log sheet is still printed & signed by both employees and should indicate "no checks received this delivery".
 - e. Provide the signed log to the Financial Manager for review and verification.
2. Distribute checks (Primary responsibility - Executive Secretary. Backup responsibility Financial Analyst I).
 - a. PTIF checks are distributed to Financial Analyst II to prepare cash receipt documentation.
 - b. All other checks are stored in the locked safe until deposited.

PTIF Check Procedures:

1. Preparation of cash receipting documentation (Primary responsibility - Financial Analyst II. Backup responsibility Financial Analyst I, Financial Manager).
 - a. Obtain a CR number from the CR number log. Total the PTIF checks and enter the total on the log of CR numbers.
 - b. Make photocopies of PTIF checks received.

- c. Prepare cash receipting documentation in triplicate, hand write CR number on cash receipting documentation and initial bottom left of form.
2. Distribution of cash receipting documentation (Primary responsibility - Financial Analyst II. Backup responsibility Financial Analyst I, Financial Manager).
 - a. Distribute cash receipting documentation as follows:
 - White copy to Executive Secretary.
 - Mail yellow copy to pool participant.
 - Pink copy, with photocopies of checks attached, placed in PTIF folder for entry in QED system by Financial Analyst III with Financial Analyst I as backup.
 - b. Return pool checks to Executive Secretary to be deposited.

Check Deposit Preparation Procedures:

1. Preparation of Daily Deposit Summary (Primary responsibility - Executive Secretary. Backup responsibility - Financial Analyst I).
 - a. Prepare a 10-key tape of all checks in deposit.
 - b. Photocopy non-PTIF checks.
 - c. Input information from checks and remittance information, where applicable (i.e. C-500 form), into the checks tab of court fees coding spreadsheet. (Each row itemizes a single check). The spreadsheet will automatically update the coding tab ("Daily Deposit Summary") of the spreadsheet, which contains all necessary FINET coding information.
 - d. If it is determined a check should be returned to sender, make a note in the mail reconciliation log spreadsheet and ensure that the check is photocopied (See step 1.b. above).
 - e. Verify that the 10-key tape total matches the total from the court fees coding spreadsheet.
 - f. Print both the checks tab and the Daily Deposit Summary tab of the court fees coding spreadsheet.
 - g. Write the CR number on the Daily Deposit Summary as provided on the white copy of the cash receipting documentation received from the Financial Analyst II (See **PTIF Check Procedures** step 1.c.).
 - h. Enter the CR number in the mail reconciliation log next to each applicable logged check in the deposit.
 - i. Write the same CR number on the C-500 form.
2. Distribution of cash receipting documentation (Primary responsibility – Executive Secretary. Backup responsibility - Financial Analyst I).
 - a. Compile CR documentation as follows:
 - Daily Deposit Summary.
 - Check stubs of non-PTIF checks.
 - Printout from checks tab of the court fees coding spreadsheet.
 - White copy of PTIF cash receipting documentation as provided by Financial Analyst II.
 - White copies of C-500 form.
 - Copies of non-PTIF checks.
 - b. Log the CR deposit total onto the check deposit log.

- c. Provide CR documentation to Financial Analyst I for input into FINET accounting system.
- d. Mail yellow copy of C-500 form to each justice court that has remitted payment.

Checks and Cash Deposit Procedures (including miscellaneous agency deposits):

1. Deposit Checks using Wells Fargo Desktop Deposit (Primary responsibility – Executive Secretary. Backup responsibility – Financial Analyst I, Financial Manager).
 - a. Log in to Wells Fargo Desktop Deposit system and for each deposit:
 - Select proper depository account, enter control total from 10-key tape for each deposit, enter deposit name and bag number.
 - Scan all checks and resolve scanning errors (misread MICR lines, improper or missing amounts, etc.).
 - Compare control total as entered from 10-key tape to total calculated within Wells Fargo Desktop Deposit. If the two amounts match, submit the deposit.
 - Print deposit confirmation.
 - b. At the end of the day, compare each deposit confirmation with the check deposit log.
 - c. Place deposited checks in a bank bag, seal bag and remove bag receipt strip.
 - d. Compile the following deposit documentation:
 - Bag receipt strip.
 - Deposit log.
 - Deposit confirmations.
 - e. File deposit documentation.
 - f. Store sealed bank bags of deposited checks in the safe and destroy after 45 days.
2. Agency Cash Deposits (Primary responsibility – Executive Secretary. Backup responsibility – Financial Analyst I, Financial Manager).
 - a. As cash deposits are received from other agencies, ensure that the cash deposit log is filled out by agency personnel and that each cash deposit is received in a sealed bank bag.
 - b. Store agency cash deposits in the safe.
 - c. Weekly, transport cash deposits (along with the cash deposit log) in a briefcase to Wells Fargo Bank & make deposit. (This approved procedure of the Utah State Treasurer’s Office constitutes a written, approved variance as required by UCA 51-4-1).
 - d. Bank tellers will take the cash deposits, photocopy the cash deposit log, return the original cash deposits log and provide deposit receipts from the previous cash deposit.
 - e. Compare the returned cash deposit receipts from the prior week to the corresponding cash deposit log and file. Notify applicable agency of any discrepancy.

Reconciliation Procedures:

Daily:

1. Reconcile mail reconciliation log spreadsheet to previous day's deposit detail on Wells Fargo Treasury Information Reporting and Daily Deposit Summary. (Primary responsibility – Financial Analyst III).
 - a. Compare the total of all checks on the mail reconciliation log spreadsheet to the total deposited in the bank and to the CR recorded in FINET.
 - b. Initial log indicating that the totals match and file the log.
 - c. Follow up with Executive Secretary to resolve discrepancies.

2. Ensure that all daily bank deposits and withdrawals are recorded in FINET (Primary responsibility – Financial Analyst I).
 - a. Receive previous day Wells Fargo Bank report from Investment Officer with notations indicating the nature of bank transactions.
 - b. Ensure that all bank transactions are booked in FINET accounting system and write FINET transaction number next to each transaction and file the documentation.
 - c. Follow up as necessary to ensure all bank transactions are recorded.

Monthly:

1. Reconcile Wells Fargo bank statement (Primary responsibility – Financial Analyst III).
 - a. Receive monthly transaction download from Financial Manager.
 - b. Reconcile monthly bank transactions to activity in FINET.
 - c. Complete Finance monthly reconciliation form.
 - d. Follow up with Financial Analyst I to correct FINET posting errors.

Names and Duties

<i>Name</i>	<i>A</i>	<i>B</i>	<i>C</i>	<i>D</i>	<i>E</i>	<i>F</i>	<i>G</i>	<i>H</i>	<i>I</i>	<i>J</i>	<i>K</i>	<i>L</i>	<i>M</i>	<i>N</i>	<i>O</i>	<i>P</i>
Allen Rollo	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	<input checked="" type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	<input checked="" type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>
Angela Gunderson	<input checked="" type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	<input checked="" type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	<input checked="" type="checkbox"/>	<input type="checkbox"/>
Christine Brandt	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	<input checked="" type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>
David Damschen	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	<input checked="" type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	<input checked="" type="checkbox"/>	<input checked="" type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>
Emily Barton	<input type="checkbox"/>	<input checked="" type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	<input checked="" type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	<input checked="" type="checkbox"/>	<input type="checkbox"/>	<input checked="" type="checkbox"/>	<input checked="" type="checkbox"/>
Jason Nielsen	<input type="checkbox"/>	<input checked="" type="checkbox"/>	<input type="checkbox"/>	<input checked="" type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	<input checked="" type="checkbox"/>	<input checked="" type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	<input checked="" type="checkbox"/>	<input type="checkbox"/>	<input checked="" type="checkbox"/>	<input type="checkbox"/>
Kathy Wilkey	<input checked="" type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	<input checked="" type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	<input checked="" type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>
Kirt Slaugh	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	<input checked="" type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	<input checked="" type="checkbox"/>	<input checked="" type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>
Michael Burke	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	<input checked="" type="checkbox"/>	<input checked="" type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>
Stephanie Baldes	<input checked="" type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	<input checked="" type="checkbox"/>	<input checked="" type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>

Conflicts

<i>Name</i>	<i>Conflict</i>	<i>Description</i>	<i>Note</i>	<i>Summary</i>
Angela Gunderson	AK	The employee could manipulate a disbursement (a check) to conceal the misappropriation of cash.	Even though Angela has access to blank checks, Jason and Kirt must enter the check details (i.e., payee, amount, etc.) of the disbursement into the online bank system before the check can clear. If a check is presented to the bank that was not entered into the online bank system, it is posted to an exception report which is reviewed by Jason.. Emily also performs the monthly bank reconciliation and would notice any unusual transactions as well as any other processed disbursements.	NEN
Angela Gunderson	AO	The employee could manipulate the posting of disbursements or receipts to the general/sub ledger to conceal the misappropriation of cash.	Even though Angela has access to the general/sub ledger and blank checks were a missappropriation could be concealed, all checks and disbursed amounts are reviewed and verified by Emily and Jason. Emily also prepares the bank reconciliation and would notice any unusual transactions.	NEN
Angela Gunderson	KO	The employee could prepare a check and adjust the general ledger to conceal the transaction. (This would prevent detection in the bank reconciliation.)	Even though Angela has access to blank checks, Jason and Kirt must enter the check details (i.e., payee, amount, etc.) of the disbursement into the online bank system before the check can clear. If a check is presented to the bank that was not entered into the online bank system, it is posted to an exception report which is reviewed by Jason. Emily also performs the monthly bank reconciliation and would notice any unusual transactions as well as any other processed disbursements.	NEN
Emily Barton	HM	An employee could make an improper disbursement and avoid detection.	Disbursements are also reviewed and approved by Jason or Allen. FINET requires two levels of approval.	NEN
Emily Barton	HO	The employee could adjust the general ledger to conceal an inappropriate or misdirected disbursement.	FINET requires two levels of approval and therefore; inappropriate entries would require collusion which is considered rare and a minimal risk. Jason or Allen also must approve all processed disbursements.	NEN
Emily Barton	HP	The employee could conceal an inappropriate disbursement in the bank reconciliation.	Emily does not have access to cash or to blank checks. Also, she cannot approve transactions that she initiates.	NEN
Emily Barton	MO	An employee could adjust the general/sub ledger to cover a misappropriation and avoid detection because there is no independent review. However, the employee would probably need to have additional duties or abilities for this to be a weakness (for example, the approval of disbursements or access to receipts).	FINET requires two levels of approval and therefore; inappropriate entries would require collusion which is considered rare and a minimal risk. Jason also must approve all processed disbursements.Emily has no access to receipts or blank checks.	NEN

Jason Nielsen	DO	The employee could initiate a transaction, collect the cash, and cover the misappropriation by adjusting the general/sub ledger.	FINET requires two levels of approval and therefore; inappropriate entries would require collusion which is considered rare and a minimal risk. Also Emily performs the bank reconciliations and would note any discrepancies.	NEN
Jason Nielsen	HM	An employee could make an improper disbursement and avoid detection.	Disbursements are reviewed and approved by Jason, Allen, and Emily. Processed disbursements are reviewed by Emily also.	NEN
Jason Nielsen	HO	The employee could adjust the general ledger to conceal an inappropriate or misdirected disbursement.	Disbursements are reviewed and approved by Jason, Kirt, and Emily. Processed disbursements are reviewed by Emily also.	NEN
Jason Nielsen	IM	The employee could alter a check and avoid detection because there is no independent review of processed disbursements.	Disbursements are reviewed and approved by Jason, Kirt, and Emily. Processed disbursements are reviewed by Emily also.	NEN
Jason Nielsen	IO	The employee could alter a check and adjust the general ledger to conceal the transaction.	Disbursements are reviewed and approved by Jason, Kirt, and Emily. Processed disbursements are reviewed by Emily also.	NEN
Jason Nielsen	MO	An employee could adjust the general/sub ledger to cover a misappropriation and avoid detection because there is no independent review. However, the employee would probably need to have additional duties or abilities for this to be a weakness (for example, the approval of disbursements or access to receipts).	FINET requires two levels of approval and therefore; inappropriate entries would require collusion which is considered rare and a minimal risk. Emily also reviews processed disbursements. Jason has no access to receipts or blank checks.	NEN
Kathy Wilkey	AK	The employee could manipulate a disbursement (a check) to conceal the misappropriation of cash.	Even though Kathy has access to blank checks, Jason and Kirt must enter the check details (i.e., payee, amount, etc.) of the disbursement into the online bank system before the check can clear. If a check is presented to the bank that was not entered into the online bank system, it is posted to an exception report which is reviewed by Jason.. Emily also performs the monthly bank reconciliation and would notice any unusual transactions as well as any other processed disbursements.	NEN
Kathy Wilkey	KN	An employee could take petty cash and replace it with a check.	Even though Kathy has access to blank checks, Jason and Kirt must enter the check details (i.e., payee, amount, etc.) of the disbursement into the online bank system before the check can clear. Emily also performs the monthly bank reconciliation and would notice any unusual transactions as well as any other processed disbursements.	NEN
Stephanie Baldes	AK	The employee could manipulate a disbursement (a check) to conceal the misappropriation of cash.	Even though Stephanie has access to blank checks, Jason and Kirt must enter the check details (i.e., payee, amount, etc.) of the disbursement into the online bank system before the check can clear. If a check is presented to the bank that was not entered into the online bank system, it is posted to an exception report which is reviewed by Jason.. Emily also performs the monthly bank reconciliation and would notice any unusual transactions as well as any other processed disbursements.	NEN

Stephanie Baldes

AL

The employee could manipulate a disbursement (a check) to conceal the misappropriation of cash.

Even though Stephanie has access to blank checks, Jason and Kirt must enter the check details (i.e., payee, amount, etc.) of the disbursement into the online bank system before the check can clear. If a check is presented to the bank that was not entered into the online bank system, it is posted to an exception report which is reviewed by Jason.. Emily also performs the monthly bank reconciliation and would notice any unusual transactions as well as any other processed disbursements.

NEN

The U.S. BANK Purchasing Card PROGRAM.



usbank.
Corporate Payment
Systems

POLICIES & PROCEDURES MANUAL

Matt Jenkins
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2110 State Office Building, SLC, UT, 84114

*State of Utah
Purchasing Card*

1.0 Overview

The purpose of the State of Utah Purchasing Card Program is to establish a more efficient, cost-effective method of purchasing and payment. The program is designed to supplement a variety of processes including petty cash, local check writing, low-value authorizations, and repetitive purchase orders.

All cards are issued per your Department policies. Card usage may be audited and/or rescinded at any time. **You are the only person entitled to use your card!**

This booklet provides the guidelines under which you may utilize your Purchasing Card. Please read it carefully. Your signature on the enclosed Cardholder Agreement indicates that you understand the intent of the program and agree to adhere to the guidelines established for the program. You will receive your State of Utah Purchasing Card upon receipt of the signed Agreement to Accept the Purchasing Card, and you may begin using it immediately upon receipt. As you use the card, please contact your manager or the State Purchasing Card Program Administrator if you have questions.

Record keeping will be essential to ensure the success of this program. This is not an extraordinary requirement — State Finance and Purchasing policies require retention of receipts, competitive price quotations, etc. And as with any charge card, you must retain receipts for your protection and the State’s protection.

Finally, remember you are committing State funds each time you use the State of Utah Purchasing Card. This is a responsibility that cannot be taken lightly!

2.0 Policies and Procedures

2.1 To obtain a card

We recommend that you read the Policy and Procedures section in its entirety before requesting your State of Utah Purchasing Card. This section provides a variety of information about the process, the types of purchases that can and cannot be made, who will accept the card, records that must be maintained and reconciled monthly and miscellaneous information about the program.

After you read this and understand the procedures outlined, complete a US Bank/State of Utah Purchasing Card Application. Indicate your office address on the form to receive statements and correspondence related to the program. Please do not use any special characters in these fields. (i.e. @#\$%)

Your manager must indicate approval by signing the form. All requests will be processed through the State Purchasing Card Program Administrator.

During this process the prospective cardholder must attend a cardholder training session. These training sessions will be conducted by the Site Coordinator.

Part of the card application is the “Agreement to Accept the US Bank VISA Purchasing Card”. Please read this carefully. It explains the conditions under which you receive the Purchasing Card. If you are in agreement with what is stated sign your name and have your manager also sign.

When you receive your card, sign the back of the card and always keep it in a secure place! Although the card is issued in your name, **it is the property of the State and is only to be used for State purchases as defined in this document.**

2.2 General information

- The program helps to eliminate the use of repetitive purchase orders, petty cash, requests for checks, and the use of personal funds reimbursed by expense report.
- The program is **NOT** intended to avoid or bypass appropriate purchasing or payment procedures. Rather, the program complements the existing processes available.
- **The program is not intended to replace the current travel and entertainment program, and should not be used for travel reimbursable expenses.**
- **The card is not to be used for personal use.**
- The program can be used for in-store purchases as well as mail, e-mail, internet, telephone and fax orders.
- **You** are responsible for the security of your card(s) and the transactions made with the card(s). The card is issued in your name and it will be assumed that any purchases made with the card will have been made by you. Failure to comply with the guidelines established for this program may result in severe consequences, **up to and including termination of employment.**

2.3 Examples of when the Purchasing Card may be used:

- The card may be used to purchase from State Contracts. In accordance with State Procurement Code, any transaction not on contract and exceeding \$1000 must be accompanied by a minimum of two telephone quotations. Also any transaction over \$5,000 and not on contract must go through the Division of Purchasing's formal bid process.
- Business related uses, subscriptions, seminars, dues, books, video tapes
- Office supplies, furniture
- Small tools (purchase/rental), electrical, safety, and building maintenance supplies
- Film and film processing
- Cell phone bills/utilities
- Certain Allowable Travel Expenditures:
 - Conference registrations or seminar rooms
 - State sponsored group gatherings (see **Finance Rules FIACCT 10-04.00** for additional requirements)
 - Hotel rooms

2.4 Examples of when the Purchasing Card should **NOT** be used:

- Any merchant, product, or service normally considered to be inappropriate use of State funds

- Capital equipment purchases/repairs
- Travel expenses subject to reimbursement (other than hotel rooms) - The State has contracted with an outside travel agency to provide travel services (airline, rental car, rail and bus service etc.) (NOTE: **All state employees, except legislative officials, are required to use this service. This includes non-state employees where the state is paying for their travel in whole or part.**)
- Gift cards/certificates – see Finance Rules for specifics
(NOTE: gift cards/certificates are *CASH EQUIVALENTS* and are recorded in the Payroll System or as 1099 payments which are not allowed by purchase card policy)

2.5 Services (1099 eligible)/Unincorporated Suppliers:

The card may be used to make purchases from 1099 eligible suppliers. (This is a recent change to the policy.)

For example:

- Personal services
- Hospital / Doctor visits
- Consultants
- Attorney fees

2.6 Built-in restrictions

Each card has been assigned **Monthly and Single-Purchase credit limits** that are based on previous purchasing activity. If you find over time that these limits are too low to accommodate your monthly requirements, please contact your manager to re-evaluate your limits. If your manager agrees that it would be appropriate to raise your limits, the manager should contact the Program Administrator. U.S. Bank will not change your credit limits without the approval of the Program Administrator.

Some supplier's **Merchant Category Code (MCC's)** codes have been "blocked" from usage in the program. If you present your card to any of these suppliers, the transaction will be declined. It is likely that any supplier you currently utilize as a source for products or services will accept your card. If you are declined and feel the decline should not have occurred, call the 800 number on your card (800-344-5696). U.S. Bank Customer Service will determine if you were declined because of merchant blocking or exceeding the monthly credit limit or single-purchase limit imposed on your card.

3.0 The Purchasing Card Log

(Example in Forms Appendix)

The Purchasing Card Log becomes an ongoing record of information about the transactions made on your card. The form is simple and easy to use, and will require a minimum amount of time to maintain.

If the purchase is between \$1000.00 and \$5,000.00 and not on contract you will need to keep documentation of the two price quotations you have received to comply with State Purchasing policy.

Individual receipts typically itemize merchandise purchased. The log allows management to review the types of goods and services purchased on the card and determine where the

card is being used. It also provides a record of activity enabling you to reconcile your Monthly Reconciliation Statement. In addition, the receipts retained in conjunction with the log provide the documentation necessary should there be an audit.

Always obtain a receipt when using the Purchasing Card. This is not an extraordinary requirement — you currently do this for reimbursement purposes. In the log, record the date of the transaction, the name of the supplier, identifies the merchandise purchased, and the dollar value of the sale. A separate line item is required for each purchase. Indicate if the order was placed via phone, faxed, mail, e-mailed or in person.

This log is the record against which you will reconcile your Monthly Reconciliation Statement. The original log must be signed by your manager to indicate approval and review. Original documents will be retained and stored in accordance with agency policy consistent with other financial documents.

4.0 Specific cost accounting needs

Each card is hard coded with a predetermined FiNet coding block. The purpose of this program is to simplify processes for small dollar purchases.

In many cases, these purchases will now be categorized in a special U.S. Bank account code and will no longer be divided into a variety of departmental accounts. However, for those purchases that need to be directed to different cost accounts, whether for legal, tax, or contract accounting issues, *it may be appropriate for you to have multiple cards representing these specific accounts*. Otherwise, your agency accounting may be required to transfer costs from your account statement and/or Purchasing Card Log to the correct account code. Please consult with your manager to determine the best course of action for your accounting needs.

5.0 Reconciliation and payment

The U.S. Bank Purchasing Card Program carries corporate, not individual, liability. Invoices will be paid by your agencies Accounts Payable Department and you will not be required to pay your Monthly Statement using personal funds. **The program does not impact your personal credit rating in any way.**

6.0 It is required, however, that you retain all receipts for goods and services purchased!

If you purchase via phone, fax, mail, e-mail, or other electronic means, ask the supplier to include an itemized receipt with the goods when the product is shipped to you. This itemized receipt is the only original documentation specifying whether or not sales tax has been paid against the purchase. It will also be used for auditing purposes.

Each cardholder will receive a statement identifying all transactions made against the card during the previous billing cycle. The statement will be mailed to you at the address identified on your New Account Information Record. The statement must be reconciled against your Purchasing Card Log and the retained receipts for accuracy. Please forward your reconciled statement to your manager for review and approval. The statement will be forwarded to your agencies Accounts Payable Department for retention in case of a state audit.

Actual payment of a central invoice will be made by your agencies Accounts Payable; however your activity may be audited at any time.

7.0 If your records don't agree with your statement

(Example in Forms Appendix)

There may be occasions when items on your statement do not correlate with the entries in your log or your retained receipts. You may not have made the transaction, the amount of the transaction may be incorrect, or you may have a quality or service issue.

First contact the supplier involved to try to resolve the error. If the supplier agrees that an error has been made, he/she will credit your account. Highlight the transaction in question on your log as a reminder that the item is still pending resolution.

Second if the supplier does not agree that an error has been made, contact U.S. Bank Customer Service using the 800 number on the back of your Purchasing Card (800-344-5696). State that you would like to dispute a charge on your card. You will be asked to submit the information in writing so that U.S. Bank can research the disputed item. You may fax the completed Purchasing Cardholder Dispute Form to your representative at U.S. Bank. The amount of the next invoice will be reduced by the amount of the disputed item until the transaction in question is resolved.

8.0 Disputed Transactions

(Example in Forms Appendix)

Any transaction you wish to dispute **must be identified in writing to U.S. Bank with a copy sent to State Purchasing Card Program Administrator, within 60 days of the statement date.** Disputes will then be resolved by U.S. Bank within 90 days. If a dispute is not identified in writing to U.S. Bank within 60 days of the statement date the issue must then be resolved between the agency and the supplier.

You are responsible for the transactions identified on your statement. If an audit is conducted on your account, you must be able to produce receipts and/or proof that the transaction occurred. If an error is discovered, you are responsible for showing that the error or dispute resolution process was completed.

9.0 Lost or stolen cards

The U.S. Bank Purchasing Card is the State of Utah's property and should be secured just as you would secure your personal credit cards. If your card is lost or stolen, notify the Program Administrator, and contact U.S. Bank Customer Service (800-344-5696) immediately! Written confirmation of cancellation must then be accomplished by mail or fax to the State Purchasing Card Program Administrator.

Upon receipt of your call, further use of the card will be blocked. Prompt action in these circumstances can reduce the company's liability for fraudulent charges.

10.0 Sales and use tax

You should **NOT** pay sales tax. Your card will state tax exempt on it.

You may be charged tax when you suspect you should not. We realize there may be an insignificant number of cases where tax will be paid unnecessarily. In these situations present a tax exemption certificate verifying that the purchase is exempt.

Should you have additional questions regarding whether or not tax should be paid, please contact the State Purchasing Card Program Administrator for assistance.

11.0 Suppliers who do not accept the card

Although we do not endorse Visa or any of its associated banks specifically, we encourage suppliers to become involved in the State of Utah Purchasing Card Program so that cardholders can use the program most effectively.

Suppliers may contact their local bank or financial institution to become Visa capable, or they may contact the provider of the Purchasing Card Program, U.S. Bank, Minneapolis, Minnesota, for assistance. These institutions can implement the processing of charge card transactions by suppliers.

12.0 In summary

- Suppliers are paid within three days of your business transaction. **Please indicate to suppliers that you do not wish to be invoiced, as an invoice could result in duplicate payment. However you should always request an itemized receipt.**
- The program is designed to be simple and easy to use, providing you with the materials needed to perform your job more quickly and efficiently. However, appropriate controls must also be maintained to ensure the ongoing success of the program.
- We ask you to exercise good judgment and act responsibly when using your Purchasing Card. The Purchasing Card is issued in your name, and all activity will be assumed to have been incurred by you. We ask you to maintain your Purchasing Card Log accurately and always retain your receipts!
- In addition, random audits may be conducted for card activity, retention of receipts/sales slips, as well as for your Purchasing Card Log. **Consequences, ranging from suspension of cards to termination of employment, will be invoked for improper use of the program.**
- Your feedback regarding this program is important! You are testing the procedures developed for our organization. We need to know if you have issues or concerns, and we welcome suggestions for improvement.
- We strive to improve the way we conduct business. Your use of this program in conducting your daily business can help us make significant change in eliminating a variety of manual transactions. If you have any questions about the program or need additional information, please contact the Program Administrator.

13.0 HELP!

Matt Jenkins

State Purchasing Card Program Administrator

Phone: (801) 538-3615 Fax: (801) 538-3562

2110 State Office Building, SLC, UT, 84114-1110

U.S. Bank Customer Service

1-800-344-5696

Toll-free: 24-hour, 7 days-per-week servicing.

Purchasing Card Program Website

<http://finance.utah.gov/pcard.html>

US Bank Access Online Website

<https://access.usbank.com>

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State Treasurer's Office Policy and Procedure Manual

Policy Name: PTIF Investment Policy and Procedure Effective Date: July 2013 Revised Date: July 2013 Approved By: David Damschen, Chief Deputy

Purpose:

This policy applies to the investments of the Public Treasurer's Investment Fund (PTIF or Fund).

Policy:

It is the policy of the Office of the Utah State Treasurer (Office) to invest funds in the PTIF in a way that ensures maximum safety, provides liquidity sufficient to meet operating requirements, and achieves the highest available investment return consistent with the primary objectives of safety and liquidity.

General Provisions:

1. Investment of funds in the PTIF will comply with applicable provisions in law, including the State Money Management Act (Act), Rules of the State Money Management Council (Rules), and will also conform to provisions of pertinent bond resolutions or indentures and other applicable legal restrictions.
2. The Investment Officer will invest available funds with the following objectives and priorities:
 - a. Safety of principal.
 - b. Liquidity sufficient to meet both expected and unexpected outflows from the Fund.
 - c. Yield.
 - d. Recognition of differing objectives and needs of various participant accounts.
 - e. Conformance with state law, pertinent bond resolutions or indentures, or other applicable legal restrictions.
 - f. Maximization of the rate of return on investment consistent with the above objectives.
3. Any funds administered by a public treasurer may be invested in the PTIF. This includes funds held by Utah local governments, city and county treasurers, state boards, commissions, institutions, departments, divisions, agencies, or other similar instrumentalities, school districts, and other public bodies.
4. The PTIF has no minimum balance or minimum/maximum transaction requirements.
5. Withdrawals of \$10,000,000 or more:
 - a. Can be made one day following request, if such request is made before noon on the date of the request.

- b. Can be made two days following request, if such request is made after noon on the date of request.
6. All PTIF participants must complete and sign a “New Account Application and Change Form” which specifies those individuals authorized to initiate deposits and withdrawals on behalf of the participant entity. The form also contains depository bank information. Written notice is required to make changes to authorized individuals.
7. The State of Utah (State) does not insure or otherwise guarantee investments in the PTIF. However, it is the intent of the Office to minimize fluctuations in the Fund’s net asset value to +/- \$0.005. The State has no claim on assets invested in the PTIF except for investments of the State in the PTIF.
8. Investment selection will be made with the exercise of judgment and care, under circumstance then prevailing, which the prudent investor’s discretion and intelligence would ordinarily exercise, not for speculation but for investment, considering the safety of capital, the expected benefits to be derived, and the duration for which such investment may be made.
9. Internal Controls

The Office maintains a system of internal controls subject to annual evaluation and review by the Office of the Utah State Auditor. These controls are designed to safeguard PTIF investments from loss as a result of fraud, employee error, misrepresentation by third parties, or imprudent actions by staff. Such controls provide for, but are not limited to:

- a. Separation of transaction authority from accounting and record keeping.
- b. Appropriate segregation of other related duties.
- c. The settlement, custody, accounting, and safekeeping of securities at a third-party custody bank.
- d. Clear delegation of investment authority.
- e. Frequent reconciliation of investment ledger to general ledger.
- f. Written confirmation of telephone transactions.
- g. Supervisory control, transaction approval and oversight.
- h. Documentation of transactions and strategies.

The State Treasurer is bonded in compliance with provisions of the Act and Rules.

10. Ethics and Conflicts of Interest

The State Treasurer, the Investment Officer, and other officers involved in the investment process will refrain from any activities that might create conflicts of interest which could adversely affect the performance of Fund investments, or which would impair the officers’ ability to make impartial investment decisions.

11. Reporting Requirements

The Office reports previous-month transaction and investment earnings detail to PTIF participants on a monthly basis.

12. Marking to Market

The Office or its independent pricing agent will mark to market all securities each month to account for market fluctuations and volatility. If a significant market event takes place during the month that materially and adversely affects the value of the portfolio, the Office or its agent will re-mark the portfolio to market as needed to determine the resulting impact to portfolio valuation.

13. Matching Term of Maturity to Operational Needs for Liquidity

The term of investments administered by the Office may not exceed the period in which those funds must remain readily available for operations. The maximum weighted adjusted average life to maturity of the PTIF will not exceed 90 days. The maximum maturity of any security will not exceed three years. However, a maximum maturity of five years will be allowed for treasury or agency securities whose rate adjusts at least annually. The Investment Officer will, before purchasing any security, calculate its impact on the fund's weighted average maturity.

14. Custodial Safekeeping

All securities will be settled on a DVP (delivery versus payment) basis to the Office's custodial safekeeping bank or to the Office. The Office or its custodian will have custody of all securities, and all evidence of deposit and investment of public funds.

15. Investment Strategy

The State Treasurer, Deputy Treasurer, and Investment Officer (the Committee) will meet periodically to review investment portfolio analytics, market and economic conditions, and market outlook. Together they will review the investment strategy to maintain compliance with this policy.

Securities that become subject to actual or potential downgrade by one or more NRSROs subsequent to purchase are reviewed by the Committee to determine whether limitation or liquidation should be considered.

The Investment Officer will submit all trade tickets to the Deputy Treasurer or the Financial Manager (in the Deputy Treasurer's absence) for daily review and approval.

Securities may be sold before their maturity to provide liquidity as needed or to restructure maturities. All trades will be executed with the objectives of attaining the best bid or offer price available. It is the responsibility of the Investment Officer to know the market before executing trades.

The Office will ensure that the Investment Officer has access to adequate sources of current market and economic data and analysis, online business information services, and training sufficient to support the investment evaluation and decision making process.

General Investments:

Deposit and investment of public funds must be made with eligible instruments in accordance with the Act, Title 51, Chapter 7, Section 11, as follows:

1. Collateralized repurchase agreements
2. Reverse repurchase agreements
3. First tier commercial paper
4. Banker's acceptances
5. Fixed rate negotiable deposits issued by permitted depositories
6. United States Treasury bills, notes and bonds
7. Obligations other than mortgage pools and other mortgage derivative products issued by the following agencies or instrumentalities of the United States in which a primary reporting government securities dealer makes a market:
 - a. Federal Farm Credit banks
 - b. Federal Home Loan banks
 - c. Federal National Mortgage Association
 - d. Federal Home Loan Marketing Association
 - e. Federal Home Loan Mortgage Corporation
 - f. Federal Agriculture Mortgage Corporation
 - g. Tennessee Valley Authority
8. Fixed rate corporate obligations that are rated "A" or better by two Nationally Recognized Securities Rating Organizations (NRSROs) and comply with Section 51-7-11.3(i).
9. Tax anticipation and general obligation bonds of the state or of any county, incorporated city or town, school district, or other political subdivision of Utah.
10. Bonds, notes, or other evidence of indebtedness of any county, incorporated city or town, school district, or other political subdivision of the state that are payable from assessments or from revenues or earnings specifically pledged for payment of the principal and interest on these obligations, including bonds offered on a when-issued basis.
11. Shares or certificates in a money market mutual fund that comply with the diversification, quality and maturity requirements of Rule 2a-7 or any successor rule of the Securities and Exchange Commission, and assesses no contingent deferred sales charge or other similar charges.
12. Variable rate negotiable deposits that comply with section 51-7-11.3(m).
13. Variable rate securities that are rated "A" or better by two NRSRO's and comply with Section 51-7-11.3(n).

Prohibited Investments:

Investment by the Office in the following securities is prohibited:

- Mortgages, mortgage-backed securities, mortgage derivative products or any other security making unscheduled periodic principal payments other than optional redemptions.
- Reverse repurchase agreements proceeds which are invested in securities whose maturity is not matched with the maturity of the reverse repurchase agreement.
- Inverse floating rate securities.

This list is not intended to be all inclusive.

Diversification and Issuer Concentration Limit:

In accordance with Rule 17, the Fund may not invest more than 5% of the portfolio in the securities of any one issuer. In addition, the Treasurer will not deposit into any one qualified depository an amount in excess of 25% of its public funds allotment as determined by the Commissioner of Financial Institutions. Exceptions to the limit on deposits with qualified depositories may be made at the discretion of the Investment Committee.

Administrative Charge:

The PTIF may charge an administrative fee intended to cover actual operating expenses and related costs. This fee will be deducted from gross earnings and will not exceed 10 basis points (one tenth of one percent [.001]) applied to the average account balance.

Interest Earnings:

The PTIF will pay interest on all funds invested in the PTIF using a simple average based on the actual number of days in the month and a 360 day year. The monthly apportionment of interest includes accrued interest, amortization of premium or discount, realized gains and losses, any addition or reduction from/to interest reserves, and is net of all administrative and safekeeping charges.

The PTIF may maintain an interest reserve for the purpose of smoothing the monthly apportionment of interest. The interest reserve target balance is 0.50% (plus or minus 0.10%) of the previous twelve months' rolling average balance. Any balance maintained in the interest reserve will be added to the fair market value of the pool's investments in determining the net asset value.

Type of Fund:

The PTIF is a short term liquidity fund managed with the intent of maintaining a stable net asset value.

Other:

Any deviation from this investment policy will require the prior specific written authority of the Treasurer.



Utah State Treasurer's Office PTIF Instructions and Information

PTIF OBJECTIVES

The Utah Public Treasurers Investment Fund (PTIF), or the "Pool," invests to maintain safety of principal, liquidity and a competitive return on short term investments.

WHO CAN INVEST

Any funds administered by a State of Utah public treasurer may be invested in the Pool. This includes funds held by Utah local governments, city and county treasurers, state boards, commissions, institutions, departments, divisions, agencies, or other similar instrumentalities, school districts, and other public bodies.

WHY INVEST IN THE POOL?

Investing in the Pool is a convenient and effective way to invest excess and idle liquidity. The Pool can readily accommodate large investments while providing local government or agency officials with a high degree of liquidity.

Investment professionals in the State Treasurer's Office have extensive, regular interactions with local and national securities dealers, analysts and fund managers. By investing in the PTIF, public entities can leverage the expertise of the Treasurer's Office while minimizing the expense of investment management to local taxpayers.

STABILITY

Every dollar invested today is managed to be worth a dollar tomorrow plus income earned at competitive rates.

COMPETITIVE RATES

The pooling of monies from numerous public entities within Utah enables the Treasurer's Office to purchase securities in large block sizes. Large block sized transactions such as these minimize and/or avoid certain investment service charges and/or spreads often assessed by banks and brokers on smaller-lot purchases, providing Pool investments with a lower cost, higher-yielding structure than is available to smaller portfolios. Reduced cost and effective selection of securities results in a safe and competitive yield on your investment. Pool yield fluctuates with prevailing market interest rates.

LIQUIDITY

The high degree of liquidity offered by the Pool eliminates the need for pool participants to predict precisely how long excess funds can be invested in the Pool. The prevailing pool yield is paid on all pool investments regardless of how long the funds are invested. The Pool is not intended to be a substitute for a treasurer's operating accounts, sweep account, or daily repurchase arrangements. While providing daily liquidity, the Pool is intended for funds which are invested for several days or longer. The Treasurer's Office may invest state monies in the Pool and may withdraw such monies from time to time in the same manner as other participants.

SECURITY

All investments in the PTIF must comply with the [Money Management Act](#) and Rules of the Money Management Council. Refer to the Money Management Act, Section 51-7-11, for details.

The Pool invests primarily in money market securities, including time certificates of deposit, domestic commercial paper, short term corporate notes, obligations of the U.S. Treasury and of certain U.S. government agencies. These securities are issued by top rated, highly credit-worthy corporations and government agencies and, as held within the Pool in a diversified portfolio, represent limited risk to pool participants.

The maximum final maturity of any security purchased by the Pool is five years. The maximum adjusted weighted average maturity of the portfolio does not exceed 90 days.

By statute, investment transactions are conducted only through [certified dealers](#), [qualified depositories](#) or directly with issuers of the securities.

All purchased securities are delivered to the custody of the Treasurer's Office, assuring a perfected interest in the securities. For safety and convenience, the Treasurer's Office uses a custodial bank to take delivery of some securities. Securities owned by the Pool are completely segregated from securities owned directly by the State. The State of Utah has no claim on assets owned by the Pool except for those investments of State monies *in* the Pool. Pool deposits are not insured or guaranteed by the FDIC, the State of Utah or any other instrumentality of the United States.

Investments managed by the Treasurer's Office (including those held by the PTIF) are reviewed periodically by the Money Management Council and are audited by the Utah State Auditor.

DIVERSIFICATION

By combining the funds of many investors, the Pool can diversify among many issuers, thereby avoiding excessive concentration in the securities of any one issuer. In accordance with the Rules of the Money Management Council, no more than 5% of the Pool may be invested in the securities of any single issuer.

NO MINIMUM BALANCE REQUIREMENT

The Pool has no minimum balance requirement and no limit on the number of pool account transactions.

HOW TO OPEN AN ACCOUNT WITH THE PTIF

Complete, sign and submit a [PTIF New Account Application and Change Form](#). The form can be submitted by mail, FAX or email as follows:

By Mail:	Utah State Treasurer 350 N. State Street, Suite 180 P.O. Box 142315 Salt Lake City, UT 84114-2315
By FAX:	(801) 538-1465
By Email:	To ptifadmin@utah.gov

Key points to remember when completing the [PTIF New Account Application and Change Form](#):

- Only individuals authorized on the Form may request transactions.
- Deposit and withdrawal transactions can only settle to or from the depository bank account detailed on the Form.
- The Form requires two signatures.

After the Form is processed, you will be contacted by the Treasurer's Office with your PTIF account number and to arrange for an initial deposit into the Pool.

ONLINE TRANSACTIONS USING iPAS

iPAS is an online, web-based tool that provides Pool participants with the ability to securely initiate ACH deposits and withdrawals online via the Internet. It also allows Pool participants access to account balances, transaction details and account statements.

Once your Pool account is established, you can gain iPAS access by calling the Treasurer's Office or emailing your request to ptifadmin@utah.gov.

TRANSACTIONS REQUESTED BY PHONE

Pool participants can also request transactions (including deposits, withdrawals or interfund transfers) by calling the Treasurer's Office at (801) 538-1470 or (800) 395-7665 (toll free).

When requesting **deposits** or **withdrawals** by phone, please provide the following details:

- Date funds are to be transferred¹
- Amount to be transferred
- Pool account name and number
- Name of bank and account number to which the transfer will settle

When requesting **interfund transfers** by phone, please provide the following details:

- Date funds are to be transferred²
- "From" Pool account name and number
- "To" Pool account name and number
- Amount to be transferred

POOL DEPOSITS INITIATED BY WIRE TRANSFER OR ACH CREDIT

The Treasurer's Office processes wire transfer deposits on a limited basis due to the relatively high transaction costs associated with wires. If Pool deposits are initiated by wire transfer or ACH credit, **same-day phone or email notification must be provided to the Treasurer's Office before noon** to ensure that the deposit is credited to the Pool account on the date the deposit is transmitted.

¹ Transfer requests made by 11:59 a.m. will settle via ACH on the following business day or any future date as specified.

² Interfund transfers can be processed on any date of the current month.

POOL DEPOSITS MADE BY CHECK

For deposits by check or warrant, mail or hand-deliver your deposit to:

Utah State Treasurer
350 N. State Street, Suite 180
P.O. Box 142315
Salt Lake City, Utah 84114-2315

Funds deposited to Pool accounts by check or warrant begin earning interest on the day they are collected:

<u>Type of Check or Warrant</u>	<u>Funds are Collected</u>
In-state.....	Day after receipt
Out-of-state.....	Two days after receipt

INTER-FUND TRANSFERS

The Treasurer's Office can make transfers from one entity's Pool account to another entity's Pool account to distribute tax revenues and other amounts. (For example, property taxes collected by a county can be conveniently and efficiently distributed to a city or to a school district using this method.) Such transfers can be initiated using the following methods:

- Initiate online using iPAS
- Request in writing by FAX to (801) 538-1465
- Request via email to ptifadmin@utah.gov . (Multiple transfers can be effected through use of electronic file. Contact PTIF support for detailed instructions).
- Request by phone by calling (801) 538-1470

When requesting interfund transfers, remember to provide the date funds are to be transferred, the "from" Pool account name and number, the "to" Pool account name and number, and the amount to be transferred.

POOL OPERATING GUIDELINES

- Pool participants **must provide the Treasurer's Office with at least 48 hours' advance notice** when withdrawing more than \$10,000,000.
- Deposit and withdrawal transactions **must be requested prior to noon** for next business day settlement.
- Inter-fund transactions³ can be processed on any date of the current month.
- All funds withdrawn are delivered directly to the Pool participant's designated bank account. Treasurer's Office internal control policies prohibit payments to third parties.

INTEREST EARNED

Interest earnings are calculated on an accrual basis and credited to each account on the last day of the month. The monthly yield is quoted as a simple average using the actual number of days in the month and a 360 day year. As an

³ "Inter-fund transactions" refers to transfers from one PTIF account to another.

example, an account having an average daily balance of \$100,000 during the month earns \$333.33 at a 4% yield, calculated as follows:

$$\$100,000 \times 4.00\% \times 30 \text{ days} / 360 \text{ days}$$

Most money market investment vehicles quote yields based on a 365 day year and may quote a compounded "return". Using the example above, an investment that paid \$333.33 would yield 4.0555% based on a 365 day year.

The monthly apportionment of interest includes accrued interest, amortization of premium or discount, realized gains and losses, any addition or reduction from/to interest reserves, and is net of all administrative and safekeeping charges (see "ADMINISTRATIVE CHARGES").

The PTIF may maintain an interest reserve to stabilize the monthly apportionment of interest. Any balance maintained in the interest reserve is reflected in the GASB 31 fair market value factor⁴.

Funds transferred to the Pool begin earning interest on the day they are collected:

<u>Mode of Transfer</u>	<u>Funds are Collected</u>
ACH or wire.....	Day of transfer
In-state check.....	Day after receipt
Out-of-state check.....	Two days after receipt

Funds continue to earn interest until withdrawn by the participant.

MONTHLY INVESTMENT STATEMENT

Statements of account are available online via iPAS or are mailed to participants, and detail the following information:

- Beginning and ending balances
- Deposits and withdrawals
- Interest earned and credited
- Weighted average balance
- Average yield for the month

Statements are prepared and mailed on the third or fourth business day of each month, and are available online via iPAS by the third business day of each month. The monthly statement should be retained as a permanent record.

ADMINISTRATIVE CHARGES

A minimal administrative fee is charged to help cover operating expenses and related costs for Pool operations. This fee is deducted from gross earnings and is not reflected on the monthly statement. The fee is subject to adjustment from time to time based on costs incurred. The Treasurer's Office has established a maximum fee of 10 basis points (one-tenth of one percent (.001)) per annum, applied to the average account balance on a monthly basis. Historically, the total charge has averaged about 1 basis point (.0001) per annum. No other costs or fees are assessed by the Treasurer's Office.

⁴ GASB Statement 31 requires fair value reporting of all investments. The fair value of your investment in the PTIF can be calculated by multiplying the pool's fair value per share factor times your pool balance, as shown on your statement.

State of Utah Board of Pardons and Parole Internal Operating Policies and Procedures	Reference: 2.00	Effective Date: 6-17-2013
		Last Revision Date:
Subject: Board Administration – Employee Code of Conduct and Professionalism		
Reference: - DHRM Rules: R477-2 (Administration), R477-8 (Working Conditions) R477-9 (Employee Conduct), R477-14 (Substance Abuse and Drug Free Workplace), R477-15 (Workforce Harassment Policy and Procedure). - DTS Rule 895-7 (Acceptable Use of Information Technology Resources). - BOPP Agency Memo (Social Networking and Media, dated 03-08-2011).		
Authorized by: <div style="text-align: center;">Clark A. Harms, Chair</div>		

I. PURPOSE

The purpose of this policy is to identify and define the standards of professionalism and conduct applicable to employees, interns, and volunteers (employees) of the Utah Board of Pardons and Parole (BOPP), and with which BOPP employees shall comply.

Many of these standards are based upon federal and Utah state laws, Utah Executive Orders, BOPP administrative rules or policies, and other regulations. When applicable, these regulations and laws should serve as the primary references for resolution of questions, concerns, and appropriate procedures.

The standards identified in this policy are intended to assist BOPP employees professionally discharge their duties in the furtherance of BOPP’s constitutional and statutory mandates, in discharging the responsibilities and authority of BOPP, and in maintaining the public trust and best interests of the State of Utah. This Code of Conduct and Professionalism is also intended to describe and foster appropriate employee, agency and workplace relationships, and maintain exemplary personal work ethics among BOPP employees.

Following the effective date of this policy, each then current and incumbent BOPP employee shall sign a copy of this policy, attesting that they have received and understand this policy, that they will abide by and conform their conduct to this policy, and that they agree to be bound by this policy as a term and condition of their continued BOPP employment.

Following the effective date of this policy, any employee thereafter hired or appointed by BOPP shall, prior to beginning BOPP employment, and as a term and condition precedent to such employment or appointment, sign a copy of this policy, attesting that they have received and understand this policy, that they will abide by and conform their conduct to this policy, and that they agree to be bound by this policy as a term and condition of their continued BOPP employment.

II. POLICY

In their discharge of employment assignments or duties, and as employees, agents, and representatives of this agency, BOPP employees shall engage in conduct that is consistent with the best interests of the state, BOPP, and the public interest. These standards of conduct apply to all work-related activities of BOPP employees. They may also apply to non-work activities when those activities affect the ability of BOPP employees to provide professional and efficient services for BOPP, other state agencies, other collaborative entities, and the public.

Employees shall observe these standards and comply with all applicable laws, statutes, rules, and policies. This policy requires that all BOPP employees maintain civility, professionalism, and ethical behavior in their interactions with co-workers, state officers and employees, and the public, and conduct themselves in such a way so as to maintain the public trust. BOPP employees who do not abide by this policy and these standards of ethics, professionalism, and civility are subject to disciplinary action, even if the actual unethical, unprofessional, or uncivil conduct is not specifically listed in this policy.

A. FOSTERING PUBLIC TRUST

1. Relationships with the Public

- a) Employees shall avoid relationships or commitments that would knowingly be detrimental to the interests of the State of Utah or BOPP, or create an actual conflict of interest in the discharge of their BOPP duties and responsibilities.
- b) Employees shall avoid any appearance of impropriety or any relationship or commitment that may reasonably appear to be detrimental to the interests of the state or BOPP, or create an appearance of an actual conflict of interest in the discharge of their BOPP duties and responsibilities.
- c) Employees shall not use their position, employment, or information acquired through their BOPP employment, to coerce, harass, or otherwise improperly influence any person.
- d) Employees shall not use their position, employment, or information acquired through their BOPP employment to solicit or provide favors to or from any person.

2. Managing Records and Information

- a) Employees shall respect and protect the confidentiality and privacy of confidential records and information, and shall not use information contained in a private, controlled, or protected record for any non-governmental or personal purpose. Confidential records include but are not limited to private, controlled, or protected records as defined by federal or state law or BOPP policy, as well as UCJIS and BCI records.
- b) Employees shall take reasonable steps to secure confidential information wherever it is maintained, i.e., desks, offices, filing cabinets, etc.
- c) Employees shall neither reproduce confidential information nor use confidential information for any purpose other than the performance of BOPP duties and assignments.
- d) Employees shall, upon request or termination of BOPP employment, deliver to BOPP all documents, materials, and equipment received, or which originated from BOPP or BOPP duties and activities.
- e) Employees shall not knowingly violate any state or federal law, including the Government Records Access and Management Act (GRAMA), that specifically states when and how other agencies or members of the public may inspect or copy the BOPP's records. Employees shall follow and comply with GRAMA.
- f) Employees shall not falsify or wrongfully destroy any BOPP record or report, or knowingly enter, or cause to be entered, any false or improper information in BOPP records.
- g) Employees shall not disclose or improperly use controlled, private, or protected information acquired by reason of their official position or in the course of their official duties, and shall exercise appropriate judgment to prevent disclosure to others.
- h) Employees shall not access BOPP or other state records and information without an agency or governmental need for doing so.

B. RELATIONSHIP WITH OTHER EMPLOYEES

1. Working Relationships

- a) Employees shall treat fellow employees and supervisors respectfully, professionally, and with civility.
- b) Employees shall not harass or demean any co-worker.
- c) Employees shall refrain from engaging in any communication or activity that is inappropriate, disparaging, demeaning, belittling, or which is knowingly or could reasonably be interpreted to be offensive to other employees.
- d) Employees shall not intimidate or use physical harm or threats of physical harm against co-workers, supervisors, BOPP administrators, or the public at any time.
- e) Employees shall not be insubordinate, disloyal, or disrespectful to any BOPP supervisor, administrator, or Board Member. Employees shall follow and comply with the reasonable or appropriate requests, assignments, or orders of a supervisor, administrator, or Board Member. An employee may seek assistance from the BOPP Administrative Coordinator, Board Vice Chair, or Board Chair if the employee believes an inappropriate request, assignment, or order has been given or made.
- f) Employees shall report any instance of questionable, unethical, unprofessional, or uncivil behavior to the BOPP Administrative Coordinator or any Board Member.

2. Supervisory Relationships

- a) Supervisors or other administrators shall treat employees respectfully.
- b) Supervisors or other administrators shall encourage and facilitate the professional development of employees in fulfilling their job duties within available resources.
- c) Supervisors or other administrators shall not exploit employees for personal favors or gain.
- d) Supervisors or other administrators shall not use their position of authority to harass, demean, discriminate against, or become involved in sexual relationships with any employee.
- e) Supervisors shall be mindful of their responsibilities in maintaining a

harassment-free work environment by setting an example of appropriate behavior, taking a proactive stance in preventing workplace harassment, and by taking appropriate action in a timely manner if inappropriate behavior occurs.

C. WORK ETHIC, COMPETENCE, AND PERFORMANCE

1. Laws, Rules, and Regulations

- a) Employees shall abide by all municipal, state and federal laws.
- b) Employees shall abide by and comply with all regulations, rules, and policies governing their employment by the State of Utah and BOPP in all work and professional activities.
- c) Employees shall abide by and comply with all BOPP administrative rules and internal policies and procedures.

2. Professional Competence

- a) Employees shall truthfully represent their professional credentials, licensure, education, training, and experience to BOPP, state officials and administrators, other stakeholders, and the public.
- b) Employees shall support a work environment that is safe from all forms of violence, including domestic violence perpetrated within the workplace.
- c) Employees shall not engage in unprofessional conduct on or off the job that compromises the ability of the employee, BOPP, or the state to fulfill their responsibilities including, but not limited to, engaging in any off-duty illegal activity or other conduct unbecoming to the public reputation of BOPP.
- d) Employees who have access to the BCI data base as part of their job shall inform their supervisor within 10 calendar days of any arrest or misdemeanor citation, excluding minor traffic offenses.
- e) Employees shall inform their supervisor within 10 calendar days if they are convicted of or have entered a plea of guilty, no contest, or a plea in abeyance to any misdemeanor or felony.
- f) Employees shall not willfully cause damage to public property, waste public resources, or use public property for personal or private gain.
- g) Employees shall not use state-owned communication equipment or services (i.e. computers, fax machines, copiers, cell phones, etc.) in violation of the Department of Technology's Acceptable Use of Information Technology

Resource Rule, or any other BOPP or state acceptable use policy or agreement.

3. Performance of Duties

- a) Employees shall perform their assigned duties during all hours for which they are being compensated.
- b) Employees shall not engage in any activity that could be considered a dereliction of duty, including, but not limited to, unauthorized absence without leave, abuse of leave, habitual tardiness, willful delays or neglect to perform assigned duties and responsibilities, inattention to duty, or leaving their work area inappropriately attended.
- c) Employees shall not participate in, condone, conceal, or be associated with dishonesty, fraud, misrepresentation, or theft.
- d) Employees shall maintain approved work schedules. Employees may not misuse rest or lunch breaks. Employees shall not incur or seek to incur overtime or compensatory time without approval of the Board Chair, or in violation of BOPP policies.
- e) Employees shall not consume or use alcohol or illegal substances, or be under the influence of alcohol or illegal substances, while on compensated work time, on-call, on state property, or while operating any vehicle on duty.
- f) Employees shall not consume any controlled substance, as defined in Utah Code Ann. § 58-37-2(1), that impairs the employee's ability to safely perform their duties during compensated work time, while on-call, on state property, or while operating a state vehicle. Any employee desiring an exception to this policy shall submit a written request for approval to his or her immediate supervisor with an explanation as to how the duties may be temporarily changed or limited to ensure the employee's safety and the safety of others, and to ensure acceptable work performance.
- g) Employees shall not sell or promote products or services for personal gain in the workplace when doing so may interfere with BOPP operations or the employee's efficient performance of their responsibilities and assignments, or when the activities could result in criticism or an appearance of a conflict of interest.
- h) Employees shall not solicit political contributions during their hours of employment. Employees shall not use state-owned computers or other communication devices or state information to conduct political activities or to solicit political contributions.

D. PROCEDURES

1. Reporting Violations

- a) Employees shall immediately report suspected violations of this policy and code of conduct to their immediate supervisor. If for any reason that is not possible or appropriate, the report should be directed to the BOPP Administrative Coordinator, Vice Chair, or Chair.

2. Policy Enforcement

- a) Depending on the circumstances, nature of the violation, degree of the employee's intent or culpability, and the employee's prior compliance, conduct, performance, or behavior, BOPP may take one or more of the following actions, consistent with Department of Human Resource Management Rule R477-10 and/or 11:
 - i. corrective action;
 - ii. disciplinary action, up to and including termination;
 - iii. referral of the matter to law enforcement, or the Office of Attorney General, for possible legal action, including criminal prosecution.
- b) The Board Chair or designee shall initially determine the most appropriate action to take in response to an employee's violation of this policy and code of conduct. If the initial action and response to an employee's violation of this policy and code of conduct is made by a supervisor or Board Member designee of the Chair, it shall be ratified by the Chair.
- c) Employees who are subject to a lawsuit resulting from violations of this policy or other acts that are unlawful, illegal, out of the scope of state employment duties, or not under color of authority may not be indemnified under the Governmental Immunity Act.

Cash Disbursements Internal Control Questionnaire

CASH DISBURSEMENTS, PURCHASING, PAYABLES, & BUDGETS

As public servants, it is our responsibility to utilize the taxpayer's dollars in the most effective and efficient way possible while adhering to laws and regulations governing those processes. There are many reasons for placing controls at various points in these processes that may appear bureaucratic, but are necessary to ensure compliance and accountability. Internal controls over cash disbursements help ensure the following:

- Compliance with purchasing policies and procedures.
 - Competitive bidding and contracting.
 - Properly approved purchases.
- Sufficient budget to meet the commitment.
- Lawful, properly authorized expenditures that represent a responsible and appropriate use of State funds.
- Goods or services are actually received and meet quality standards.
- Expenditures are sufficiently documented, accurately and completely recorded, charged to the proper accounting period (fiscal year) and properly classified as to category of expense.
- Obligations for goods and services are paid in a timely manner as required by law or contractual terms, in sufficient time to take advantage of early payment discounts.
- Accounts payable are properly recorded at yearend in the correct fiscal year. Any estimates are reasonable and sufficiently documented.

Control Objectives:

1. Controls are in place in the process to ensure accountability is established as early as possible at all points along the accountability chain.
2. Segregation of duties, including mitigating controls, as necessary, exists within transaction processing authorization, custody, and recording functions.
3. Segregation of duties exists between the various types of transactions processed (e.g., procurement, accounts payable, disbursements).
4. The quantity and quality of goods and services received is documented and agrees with the requisition and performance expectations such as service level agreements, contract terms, and vendor performance.
5. Transactions are properly verified before disbursement.
6. Transactions and activities are properly authorized.
7. Transactions and events are properly recorded.
8. Accountability for refunds and credits are maintained.
9. Staff understands their duties, responsibilities, and accountabilities.
10. Procurement practices and procedures are documented, and in compliance with State, federal, and other requirements such as contract terms and conditions.
11. Applicable laws and regulations are complied with.
12. Procurement records for authorizations and transactions are maintained in accordance with established requirements.
13. Accounting records are protected from theft, obsolescence, or destruction.
14. Assets are safeguarded from loss through watchful and responsible care and reconciliation functions.

Segregation of Duties

Segregation of duties is one of the most important features of an internal control plan. The fundamental premise of segregated duties is that an individual or small group of individuals should not be in a position to initiate, approve, undertake, and review the same action. These are called incompatible duties when

Cash Disbursements Internal Control Questionnaire

performed by the same individual. Examples of incompatible duties include situations where the same individual (or small group of people) is responsible for:

- Managing both the operation of and record keeping for the same activity.
- Managing custodial activities and record keeping for the same assets.
- Authorizing transactions and managing the custody or disposal of the related assets or records.

Stated differently, there are four kinds of functional responsibilities that should be performed by different work units, or at a minimum, by different persons within the same unit:

1. (Entry) Recording transactions: This duty refers to the accounting or record keeping function, which in most organizations, is accomplished by entering data into a computer system.
2. (Approval) Authorization to approve payment: This duty belongs to persons with authority and responsibility to have others initiate and enter transactions.
3. (Custody of assets) Custody of assets involved in the transactions: This duty refers to the actual physical possession or effective physical control/safekeeping of property. Property can take the form of cash, checks, or other assets (including the receiving of assets purchased function).
4. (Reconciliation) Periodic reviews and reconciliation of existing assets to recorded amounts: This duty refers to making comparisons at regular intervals and taking action to resolve differences.

The advantage derived from proper segregation of duties is twofold:

1. Fraud is more difficult to commit because it would require collusion of two or more persons, and most people hesitate to seek the help of others to conduct wrongful acts.
2. By handling different aspects of the transaction, innocent errors are more likely to be prevented, or detected, and flagged for correction.

Ideally, the following activities should be segregated:

- Individuals responsible for data entry of purchasing and payment transactions should not be responsible for approving these documents.
- A department should not delegate expenditure transaction approval to data entry personnel or to the immediate supervisor of data entry staff when they also have the ability to enter transactions. Individuals approving expenditure transactions should not supervise data entry staff. In FINET, a compensating control for this weakness is that no one can both enter and approve the same transaction.
- Delegated expenditure authority must be in writing and approved by the appointing authority.
- Individuals responsible for acknowledging the receipt of goods or services should not be responsible for purchasing or accounts payable activities.
- Individuals who prepare/record payments should not approve the payments.
- Individuals who prepare/record payments should not perform budget compliance and review.
- Individuals responsible for cash receipts functions should be separate from those responsible for cash disbursements.

State of Utah Accounting Policies and Procedures:

FIACCT 04 Purchasing — all sections.
FIACCT 05 Payments — all sections.



Cash Disbursements Internal Control Questionnaire

INSTRUCTIONS

Each State agency is to complete this Cash Disbursements ICQ for each business area that performs these functions. A business area may not handle all functions, in which case “N/A” would be marked. Even large agencies should be able to complete this questionnaire for each business area at one time. If this is not practical, please coordinate with the DAS Division of Finance.

At a minimum, one Cash Disbursements ICQ should be completed for each agency/department for disbursements processed directly through FINET. If your agency is large or decentralized, then one ICQ is needed for each separate division for disbursements processed directly through FINET. If your agency (or division) has additional disbursement systems in addition to checks processed directly through FINET, then an additional ICQ is needed for each such system.

Non-FINET Disbursement Systems

This Cash Disbursements ICQ has few if any applicable questions to non-FINET disbursement systems. Therefore, for the disbursement systems listed below and any other systems of which Finance may not be aware, the ACT representative should submit a narrative instead of an ICQ:

- MMIS at the Department of Health.
- CAPS at the Department of Human Services.
- Child Support Payments at the Department of Human Services.
- Unemployment Compensation at the Department of Workforce Services.
- UWORKS at the Department of Workforce Services.
- Food Stamps at the Department of Workforce Services.
- Disability Payments at the Labor Commission.
- GenTax at the Tax Commission.
- Other Disbursement Systems to which the Cash Disbursements ICQ does not apply.

The narrative should include all key controls in the disbursement systems to help ensure the following control objectives:

- Controls are in place in the process to ensure accountability is established as early as possible at all points along the accountability chain.
- Segregation of duties, including mitigating controls, as necessary, exists within transaction processing authorization, custody, and recording functions.
- Segregation of duties exists between the various types of transactions processed (e.g., procurement, accounts payable, disbursements).
- The quantity and quality of goods and services received is documented and agrees with the requisition and performance expectations such as service level agreements, contract terms, and vendor performance.
- Contractor performance, including costs and/or services, is monitored/audited.
- Transactions are properly verified before disbursement.
- Transactions and activities are properly authorized.
- Transactions and events are properly recorded.
- Accountability for refunds and credits are maintained.
- Staff understands their duties, responsibilities, and accountabilities.
- Procurement practices and procedures are documented, and in compliance with State, federal, and other requirements such as contract terms and conditions.
- Applicable laws and regulations are complied with.
- Procurement records for authorizations and transactions are maintained in accordance with established requirements.
- Accounting records are protected from theft, obsolescence, or destruction.
- Assets are safeguarded from loss through watchful and responsible care and reconciliation functions.



Cash Disbursements Internal Control Questionnaire

Please attach the last page of the Cash Disbursements ICQ with the necessary signatures to the narrative before submitting the narrative to State Finance.

Instructions to the ACT Representative

The ACT representative (or the internal control contact if delegated by the agency) for each agency will need to do the following: (1) attend the monthly ACT meetings, (2) complete the ICQs or distribute the ICQs to those who will complete them, (3) gather the completed ICQs back up after they are completed, (4) have the Chief Financial Officer, Director of Finance or Comptroller of the agency review and approve them, (5) send the completed and approved ICQs electronically back to the Division of Finance, and (6) send the completed and approved ICQs to the agency's internal auditors, if your agency is required by the Internal Audit Act to have an internal audit function. Please submit this ICQ electronically to any employees listed on the Division of Finance Internal Control website - as either a Word (.docx) or scanned (.pdf) document attached to an email. When the names of the people approving the ICQ are typed into the signature page of the document, the agency is representing that those individuals saw and approved the completed ICQ.

The Chief Financial Officer, Director of Finance, or Comptroller for each agency will need to do the following: (1) determine which and how many ICQs are needed, (2) review and approve each ICQ after they are completed, (3) have the agency head/executive director review and sign/acknowledge them, (4) determine which optional ICQs will be completed.

Please answer each question by checking the appropriate box (either Yes, No, or N/A). A **"No"** response identifies an internal control weakness or that the control is achieved with another compensating control. Please describe in the Comments field a detailed explanation for each **"No"** answer:

- The plan to resolve the weakness including the estimated date of completion, or
- The compensating control(s) and why they adequately compensate for the **"No"** response.

ICQs containing **"No"** responses, but without adequate and complete explanations, will be sent back to the agencies for revision and resubmission to State Finance. Compensating controls are appropriate for ICQ questions not involving compliance (such as segregation of duties); however, for laws, rules, and State policies, coming into compliance is the only solution for noncompliance. If the question is **"NA"** because the agency is specifically exempted by statute, then the statutory citation should be provided in the **"Comments"** column.

"N/A" responses, when the reason is not readily apparent, also need an explanation.

For system and internal control documentation purposes, agencies are strongly encouraged to add a brief description of the control/procedures for many or all **"yes"** responses.

Smaller agencies with few employees for proper segregation of duties

For **"No"** responses due to smaller organizations with fewer staff, making proper segregation of duties more difficult, compensating controls must be included in the **"Comments"** column. Comments such as **"Limited staffing"** or **"We do the best we can with the resources we have"** are insufficient. Limited staffing is not a good reason for agency management to accept internal control weaknesses. In many, if not most cases, the agency should explain how it is going to increase **"supervision"** in the applicable area to compensate for the noted weakness in segregation of duties. However, supervision is not the only way to compensate for segregation of duties internal control weaknesses.

When an ICQ question is worded in such a way that it does not apply exactly to the agency's situation, please attempt to apply the meaning or purpose of the question to the agency's situation.

For more information about the Internal Control Program and these Internal Control Questionnaires, or for contact information of the coordinator of this program, see the State Division of Finance website, <http://finance.utah.gov/>. Then, click on **"Internal Control."**

Complete the certification on the last page for each ICQ completed.



Cash Disbursements Internal Control Questionnaire

SEGREGATION OF DUTIES CONTROL QUESTIONS

		Yes	No	N/A	Comments
1.	Are the individuals responsible for the requisitioning/receiving and purchasing functions different from the individuals responsible for the invoice processing/accounts payable?	X			
2.	Are the individuals responsible for the requisitioning/receiving and purchasing functions different from the individuals responsible for the budget monitoring/review?	X			
3.	Are the individuals responsible for the purchasing function different from the individuals responsible for the requisitioning/receiving functions? [A compensating control for this weakness might be that all disbursements are reviewed and approved by a supervisor/manager.]	X			Assistant Program Directors review and approve all purchases. They do not have access to FINET.
4.	Are the individuals responsible for the payment input/creation function different from the individuals responsible for budget monitoring/review?	X			
5.	Are the individuals responsible for the payment approval function different from the individuals responsible for budget monitoring/review? Though these individuals are sometimes the same, for FINET transactions, the compensating control is that no one can both enter and approve the same transaction.	X			
6.	Are the individuals responsible for transaction data entry, as well as their immediate supervisor with the ability to enter transactions, different from those who approve the transactions?	X			
7.	Have all individuals received training on the policy and procedures for the business functions they perform?	X			
8.	Have all individuals received FINET system training for the transactions they have been given security to perform?	X			

Cash Disbursements Internal Control Questionnaire

PROCEDURAL CONTROL QUESTIONS

		Yes	No	N/A	Comments
	Requisitioning procedures and controls:				
9.	For purchases over \$5,000, is the initiation of purchases of goods and services done by preparing requisitions bearing the approval of officials designated to authorize requisitions?	X			
10.	Does the person requesting the purchase indicate the budget to be charged on the purchase requisition?	X			
11.	Are there procedures that monitor budgets to ensure that expenditures do not exceed the budget for year to date and for the fiscal year?	X			
12.	Do technical specifications accompany requests for special purpose (non-stock items) materials or personal services?	X			
	Purchasing procedures and controls:				
13.	Are appropriate employees signed up to receive Purchasing's electronic newsletter containing important Purchasing Information and facts?	X			
14.	Are employees encouraged and supported to attend optional and required procurement training courses offered through the DAS Division of Purchasing?	X			
15.	Is a procedure in place to determine availability of item/service from another State agency?	X			
16.	Are procedures in place to determine if item/service is currently available on agency contract within your agency/department?	X			
17.	Are procedures in place to determine availability of an item on the State Cooperative Contract through the DAS Division of Purchasing?	X			
18.	For purchases under \$1,000, are appropriate management authorizations in place?	X			
19.	For purchases containing a single procurement item between \$1,001 and \$5,000, are agency competitive bidding procedures <u>in place</u> (obtain minimum of two quotes)?	X			

Cash Disbursements Internal Control Questionnaire

		Yes	No	N/A	Comments
20.	For purchases containing a single procurement item between \$1,001 and \$5,000, are agency competitive bidding procedures <u>documented</u> (telephone quote sheet)?	X			
21.	For purchases (on P-card or not) containing a single procurement item between \$1,001 and \$5,000, are procedures in place to determine the lowest quote (bids) meeting minimum reasonable specifications and delivery date?	X			
22.	If two bids are not available, is the State sole source policy followed?	X			
23.	For purchases by an agency, division, or unit to the same vendor in the same fiscal year exceeding \$50,000, does the agency ensure the vendor is on State contract (or that the agency has a written exception for that vendor from State Purchasing)?	X			
24.	Does the agency ensure that all construction projects on or above an estimated value of \$100,000 is routed to DFCM? [FIACCT 04-09.00]	X			
25.	When determining the budget for a purchase, are freight and/or delivery charges included in the total estimated purchase price?	X			
26.	Does your agency promote the use of the State P-card Program to make payment on routine purchases of \$1,000 or less as well as purchases over \$1,000 on State contract? [Though not a policy, this question is designed to (a) promote and increase the rebates the State and agencies receive and (b) reduce costs since the cost of processing a check on FINET exceeds the cost of paying P-card invoices monthly.]	X			P-Cards are used where practical. There are material disadvantages to using the P-Card for purchases on contracts or for regular monthly payments. Encouraging vendors to sign up for EFT payments will satisfy the need to save money from printing checks and also overcomes many of the disadvantages that using P-Card presents. (Please see further information at the end of this document.)
27.	Is the P-card monthly statement reconciled on the Log to both approved supporting documentation for each expenditure line and the entry to allocate the expenditures on a monthly basis?	X			
28.	Are original receipts/invoices, not copies of receipts/invoices (to prevent duplicate payments and fraud) used to support the monthly P-card statement?	X			

Cash Disbursements Internal Control Questionnaire

		Yes	No	N/A	Comments
29.	When using a P-card to purchase via phone, fax, mail, email, or other electronic means, does the agency ask the supplier to include an itemized receipt with the goods when the product is shipped? [Purchasing Card Program Policies and Procedures Manual Policy Item 6]	X			
30.	Are P-card holders prohibited from giving out their P-card to others for use without the P-card holder being present and maintaining custody of the P-card? [Purchasing Card Agreement Form (Item #5) signed by card users before receiving a card]	X			
31.	For purchases made within agency specific delegated authority or limited purchasing delegation (LPD) authority, are procedures in place to obtain competition, select the appropriate supplier, and document the process (FIACCT04-14.01)?	X			This is rarely needed by Juvenile Justice Services.
32.	Are there procedures to prevent and detect splitting orders with the intent of avoiding obtaining and documenting higher levels of approval prior to the purchase?	X			
33.	Are procedures in place to account for fiscal year end purchases including: <ul style="list-style-type: none"> Meeting the April 15th deadline to send requisitions to DAS State Purchasing (RQS and RQM)? 	X			
34.	<ul style="list-style-type: none"> Ensuring delivery of goods prior to the end of the day on June 30, to pay with current fiscal year funds? 	X			
35.	<ul style="list-style-type: none"> Ordering from State Cooperative Contracts timely to ensure delivery prior to June 30? 	X			
36.	For one-time purchases estimated to exceed \$5,000, is a procedure in place to verify need, enter the RQS in FINET and coordinate with DAS State Purchasing?	X			
37.	Does the agency inquire about the cost of freight/shipping when obtaining quotes/bids to determine its impact on the total cost of the purchase – especially when it may cause the total to exceed \$5,000 requiring the involvement of State Purchasing? [FIACCT 04-05.00]	X			
38.	For agency contract purchases estimated to exceed \$5,000, is there a procedure in place to verify need, enter the RQM in FINET, and coordinate with DAS State Purchasing?	X			

Cash Disbursements Internal Control Questionnaire

		Yes	No	N/A	Comments
39.	Is your agency aware that if any suppliers have not met quality or other performance standards, your agency should maintain a record and have a process in place to inform DAS State Purchasing? (See Administrative Rule R33-6)	X			
40.	Are procedures in place for all IT related purchases to be routed through the DTS-Remedy system?	X			
41.	If your agency is statutorily exempt from Purchasing or DTS rules and policies, have you considered the need for other, similar policies to help ensure sound internal controls, including segregation of duties, and compliance with State and federal laws and regulations?			X	
42.	Are open purchase orders reviewed on at least a quarterly basis to determine if correct and valid? <i>(Resource: DataWarehouse; FINET Reports; Procurement . . . Reports; A640C & A640NC Purchase Order Reports)</i>		X		One JJS office has three open purchase orders for small expenditures but was not tracking the usage. This situation will be remedied immediately. All other offices with open purchase orders monitor them at a much greater frequency than once per quarter.
43.	Are changes to contracts or purchase orders subjected to the same controls and approvals as the original agreement?	X			
44.	Are periodic checks made for compliance with DAS State Purchasing policy and, where applicable, additional agency policies?	X			
	Agency contract administration procedures and controls:				
45.	Are contractor services and/or costs (or contractor performance) appropriately monitored or audited? [If not, whether or not there is a specific corresponding agency or State policy regarding it, there is an internal control weakness that needs to be addressed.]	X			Juvenile Justice Services has a full time Quality Assurance Group that is dedicated to thoroughly reviewing contractor performance and compliance.
46.	Are the results of the monitoring/auditing documented?	X			
47.	Does the monitoring/auditing ensure that the contractors are performing in accordance with the contract?	X			
48.	Is the reasonableness of progress payments validated and documented based on work performed?	X			

Cash Disbursements Internal Control Questionnaire

		Yes	No	N/A	Comments
49.	Is extra work (and/or contract modifications affecting price or cost) approved only with some form of cost or price analysis?	X			
50.	If your agency uses cost-reimbursement contracts, does the agency perform audits of the contractors' final costs? [See R33-3-7 in the Purchasing Rules for the various types of contracts.]			X	
51.	Are fixed price/lump-sum agency contracts subjected to pre-awarded cost or price analysis?			X	
52.	For agency contracts with renewal options, are procedures in place to ensure renewal process is started and completed prior to expiration date of contract?	X			The Office of Fiscal Operation (OFO) Bureau of Contract Management (BCM) tracks this. JJS has implemented a secondary method to assure these are handled on a timely basis.
53.	For agency contracts without renewal options, are procedures in place to begin the procurement process timely?	X			See comment for question 52.
54.	Is a procedure in place for agency purchasing personnel to forward to agency contract managers the "Contract Expiration Notification Report" email sent by DAS State Purchasing?	X			BCM forwards this to JJS contract managers
	Receiving procedures and controls:				
55.	Is the receipt of all goods documented with at least a signature and date?	X			
56.	Are claims filed against carriers or vendors for all shortages or damaged materials?	X			
57.	Are goods received accurately counted and examined to verify they meet quality standards prior to payment?	X			
58.	Are copies of receiving reports sent directly to accounting, purchasing, and (if applicable) inventory record keeping?	X			
59.	Is a government technical representative assigned to monitor and evaluate contractor performance and to approve receipt of services with respect to procurements of special-purpose materials, services, or facilities?	X			Juvenile Justice Services has a full time Quality Assurance Group that is dedicated to thoroughly reviewing contractor performance and compliance.
	Invoice processing procedures and controls:				
60.	Are payments/disbursements to employees and vendors made only on the basis of original receipts/invoices? [See FIACCT 10-02.02 and 10-02.05 for employee reimbursements and 05-01.00 C. for GAXs.]	X			

Cash Disbursements Internal Control Questionnaire

		Yes	No	N/A	Comments
61.	Are copies of receiving reports and applicable purchase orders obtained directly from issuing departments?	X			
62.	Are invoice quantities, prices, and terms compared with those on the purchase order?	X			
63.	Are invoice quantities compared with those on the receiving report?	X			
64.	Are differences in invoice and purchase order price, terms, shipping arrangements, discounts, or quantities referred to the purchasing department or appropriate manager for review and approval?	X			
65.	Are the original contracts reviewed for available discounts and proper pricing before payment?	X			
66.	Is the accuracy of all calculations checked?	X			
67.	Are available offered discounts entered on the payment transaction (if they were not entered on a preceding purchasing transaction such as a purchase order)?	X			
68.	Sales tax is not paid and exemptions are filed with vendors except for employee travel reimbursements?	X			
69.	Is a review of the distribution of charges in the accounting department done by an individual with the knowledge and experience to determine the correctness of the distribution?	X			
70.	Does the agency ensure that tax reportable payments, such as a payment for a non-overnight meal to a paid consultant, are made using an established vendor code and not a miscellaneous vendor code? [FIACCT 05-17.01, 1099 reportable payments must use a vendor code that is specific to the payee.]	X			
71.	Does the agency ensure that tax reportable payments to employees, including board members' meeting per diems, are paid through the Payroll System – not FINET? [FIACCT 05-07.00, Payroll System must be used in order to calculate and withhold the appropriate taxes and to include the payments on the W-2's.]	X			

Cash Disbursements Internal Control Questionnaire

		Yes	No	N/A	Comments
72.	Does the agency ensure that 1099 reportable object codes are not used for non-reportable payments? [The misuse of a 1099 reportable object code results in more work for State Finance including research into the misreported 1099 payments to the IRS.]	X			
73.	Does the agency ensure vendors are not paid and employees are not reimbursed for avoidable, unnecessary charges and fees? [For example, employee reimbursements for late check out fees at a hotel and vendor payments for late payment fees or interest.]	X			
74.	When an employee agreement exists, does the agency limit employee reimbursements to the limits/terms of the employee agreement? [For example, reimbursement for internet service when the employee works from home.]	X			JJS has a small number of education reimbursements
75.	Does the agency ensure an approval form and a cost comparison schedule is completed and submitted for private aircraft reimbursements and that the reimbursement does not exceed the approved amount? [FIACCT 10-02.06]			X	If the use of in-state aircraft is required, JJS uses the services of DOT aeronautics.
76.	Does the agency scan, retain, or attach all required supporting documentation with the payment transactions entered on FINET? [For example: vendor invoices, receiving documents, bids/quotes, full explanation when invoice amount and payment amount do not agree, agendas, group gathering authorization form (FI58), list of attending employees, travel receipts, credit card statements, cost analysis for use of private aircraft, etc. - as applicable.]	X			
77.	Does the agency reference the Limited Purchasing Delegation (LPD) both on the vendor invoice and in the description line when entering the payment into FINET? [FIACCT 04-14.00]	X			

Cash Disbursements Internal Control Questionnaire

		Yes	No	N/A	Comments
78.	Does the agency reference the purchasing document (PO or DO) on the PRC or GMA in the description field when the purchase is over \$5,000 or with a contracted vendor? [FIACCT 05-00.00]	X			For purchases over \$5,000, JJS always uses the services of the State Division of Purchasing. Those purchase documents are always referenced when payment is made. For purchases less than \$5,000, JJS uses its own internal purchase orders. These are checked for compliance with purchasing rules and proper authorization and are attached to the FINET payment prior to approval.
79.	Does the agency purchase from contracted vendors when the items are available from contracted vendors unless exceptions in FINET apply (regardless of the price)? [04-02.00 D]	X			
80.	Does the agency enter each vendor invoice and each line on the invoice on a separate line for payment in FINET? [FIACCT 05-02.00]	X			
81.	Are leases greater than 12 months approved by the Director of State Finance? [FIACCT 04-02.00 A]	X			
82.	Are the program and expenditure accounts to be charged reviewed for propriety and budget conformity?	X			
83.	Does a senior employee reviewing and approving invoices for payment, physically check each for completeness of supporting documents and required clerical checking?	X			
84.	Is the payment document number written on the invoice or kept as part of the batch documentation?	X			
85.	Are the paid invoices and documentation filed with the transaction they were paid on?	X			
86.	Are both the accounting and purchasing departments promptly notified of returned purchases?	X			
87.	When a vendor credit advice or refund check is received, is it matched with the notification of returned purchases for quantities, prices, and restocking fees?	X			

Cash Disbursements Internal Control Questionnaire

		Yes	No	N/A	Comments
88.	a.) If returned purchases are refunded with a check before any other accounting transactions are recorded, or b.) If a check is received for a duplicate payment, is a CR done in FINET for the amount received (entering the Vendor Number, using the original coding block, and noting the original transaction number in the reference field)? It is a good practice for an audit trail to open the original payment document and in the document comment section, insert a comment of the transaction number used to recover the returned purchases.	X			
89.	When you receive a credit advice from a vendor, do you perform one of the two following actions? a. Create a GAX or PRC in FINET document with a negative accounting line for the amount of the credit advice, using the same coding block as the payment that lead to the credit advice (and don't mark the single check flag). b. Contact the vendor and request they send you a check for the amount of the credit advice. (See FIACCT 05-10.1) (Note: in some situations it may be best to process an RE in FINET to invoice the vendor and receive a check payment from the vendor for the amount due.) It is a good practice for an audit trail to open the original payment document and in the document comment section, insert a comment of the transaction number used to recover the returned purchases.	X			
	Group Gatherings, Travel, & Relocation:				
90.	Does the agency include a list of attendees and an agenda in the supporting documentation for group gatherings? [FIACCT 10-04.00]	X			
91.	If the facility selected by the agency for a group gathering does not accept State per diem rates for food and/or lodging and if the total cost of the group gathering is estimated to cost between \$1,000 and \$5,000, then does the agency get two - preferably three - bids from other comparable facilities and select the facility with the lowest bid? [FIACCT 10-04.00]	X			

Cash Disbursements Internal Control Questionnaire

		Yes	No	N/A	Comments
92.	Does the agency ensure reservations are made through the State Travel Office when the agency is unable to stay within in-state lodging rates? [FIACCT 10-02.04, also applicable to group gatherings.]	X			
93.	Does the agency limit employee travel reimbursements for parking, taxis, and incidental travel expenses to \$19.99 when original documentation or receipts are not provided? [FIACCT 10-02.02]	X			
94.	Does the agency use the State Travel Office to reserve lodging, airline, car rental, hotel (except for conference hotels), and rail and bus service, for both State and non-State employees where the State is paying for their travel? [FIACCT 10-02.00 E & F, 10-02.04, and 10-02.06]	X			
95.	When a traveling employee's destination is at least 100 miles from their home and they do not stay overnight, does the agency record the employee reimbursement as "taxable"? [FIACCT 10-02.03]	X			
96.	Does the agency require the proper completion of the Out-of-State Travel Authorization Form (FI 5) and the approval of the executive director or designee prior to making arrangements for travel? [FIACCT 10-02.00]	X			
97.	Does the agency submit approved forms for employee relocation reimbursements, including the Form FI-48 and other supporting documentation, to the Division of Finance to pre-audit the request including ensuring all taxable amounts are properly recorded and then entered into the Payroll System? [FIACCT 05-03.03]	X			JJS rarely does employee relocation reimbursements.
	Disbursements procedures and controls:				
98.	Is the FINET payment transaction approved on a timely basis? (This practice would also help to ensure available discounts are taken.)	X			
99.	Does the person approving the transactions on FINET open up each transaction and review the details for reasonableness and accuracy prior to approval and not rely on the hard copy of the documentation?	X			

Cash Disbursements Internal Control Questionnaire

		Yes	No	N/A	Comments
	Accounts payable controls:				
100.	Payments are not made from vendor statements?	X			
101.	Are outstanding balances on vendor statements investigated to determine if not yet paid and the reason why?	X			
	Budget controls:				
102.	Are monthly expenditure and revenue detail reports reviewed for reasonableness and accuracy?	X			
103.	Are actual and projected expenditures and revenues compared to the appropriated budget and reported to agency management with reasonable frequency (monthly or on a timely basis)?	X			
104.	Are budget reports discussed with agency personnel, including explanations for significant variations from budget?	X			
105.	Are top management notified of significant variances from the budget?	X			
106.	Do personnel responsible for periodic budget monitoring and reporting provide timely notification to management; the executive branch; and when necessary, the legislative branch, of actual or projected expenditures in excess of the appropriated budget?	X			
	Bank Accounts, Foundations, and Nonprofits:				
107.	With the exception of employee gift funds, employee fitness centers, and employee sponsored continuing education associations, are all bank accounts that are managed or administered by any employees in your agency, known about and approved by the Utah State Treasurer's Office; and are the accounts' financial activity included in the State's accounting system (FINET)?	X			JJS has an account with Mountain America Credit Union for Social Security Representative Payee operations. This account is tightly monitored and controlled.
108.	Did the agency first obtain formal statutory authority before any of its employees established or helped establish any foundations, nonprofits, or similar organizations (any tax-exempt organization established with the IRS) currently in existence whether or not the financial activity of the foundation is included in FINET?			X	JJS does not engage in this type of financial activity.

Cash Disbursements Internal Control Questionnaire

		Yes	No	N/A	Comments
109.	With the exception of employee gift funds, employee fitness centers, and employee sponsored continuing education associations, is the financial activity for all foundations, nonprofits, and similar organizations established by or with the help of agency employees included in FINET?			X	JJS does not engage in this type of financial activity.
110.	With the exception of employee gift funds, employee fitness centers, and employee sponsored continuing education associations, is the financial activity for all foundations, nonprofits, and similar organizations for which employees of your agency currently are (a) serving as a member of the board, (b) performing accounting function(s), or (c) performing any administrative function(s) included in FINET?			X	JJS does not engage in this type of financial activity.
111.	Are all foundations, nonprofits, and similar organizations that receive public or State funds, legislative appropriations, or other public financial support (excluding federal grantees, for example: free or reduced rent, supplies, or utilities; or donations in kind, including State paid time) included in FINET?			X	JJS does not engage in this type of financial activity.
	Does the agency ensure that employee gift funds, associations, or clubs (and any similar type accounts) which are not State accounts on FINET:				
112.	Do not have, "State," "department," "division," etc. in the name of the bank account?			X	
113.	Do not use the State's tax identification number?			X	
	PayPal accounts (unless authorized by State Treasurer's Office):				
114.	Does the agency prohibit the use of PayPal accounts in the State's or agency's name to collect payments?	X			
115.	Does your agency prohibit the use of personal PayPal accounts for State business?	X			

Cash Disbursements Internal Control Questionnaire

		Yes	No	N/A	Comments
	<p>Explanations: (1) PayPal provides a payment gateway services. Payment Gateway service is available under two current Statewide Purchasing Contracts through Chase Paymentech and Utah Interactive. According to FINET policies and procedures (FIACCT 04-02.00 (D)), an agency is required to use a statewide master agreement if it is available, with just a few exceptions. (2) PayPal may hold funds that belong to the State until the funds are drawn to the State's bank account. The period the funds are being held by PayPal would violate the provision that the State Treasurer is the custodian of public funds (Article VII, Section 15 (2)). Also, depending on how long the funds are held with PayPal, the agency may be in violation of the State's 3-day deposit rule. The 3 day deposit rule states that an agency shall deposit daily if practicable but no later than once every 3 banking days all collections of State money either with the State Treasurer or a qualified depository for the credit of the State, and PayPal is not a qualified depository.</p>				
	FINET Security:				
116.	Is the FINET security profile updated with DAS State Finance on a timely basis whenever there is a change in an employee's work assignment (including termination)?	X			
117.	Is the listing/report of the FINET security profiles for all employees requested (or downloaded online) from DAS State Finance and reviewed by the agency on an annual basis? [The review should include talking to the appropriate accounting personnel at the division or section level to include access to appropriate units and rights for entry versus approval.]	X			



Cash Disbursements Internal Control Questionnaire

AGENCY'S OVERALL COMMENTS BELOW, IF ANY

CERTIFICATION STATEMENT

For the agency and business area indicated on this form, we are providing this statement in connection with this internal control questionnaire for the purpose of acknowledging that we are aware of the risks and harms that might occur to the State if the agency has not established and/or does not follow strong internal controls.

We confirm that we have accurately completed this questionnaire (and others if needed) and documented all compensating controls and corrective action plans for internal control weaknesses in accordance with the instructions provided.

Agency Name: Human Services

Division/Bureau: Juvenile Justice Services

Prepared by: Mark R. Strebel _____ Date: April 25, 2016 _____

Title: Financial Manager II _____ Phone: (801) 538-4122

Approved by Chief Financial Officer, Director of Finance or Comptroller:

Approved by: _____ Date: _____

Title: Administrative Services Director _____ Phone: (801) 538-9843

Acknowledged by Division Director:

Acknowledged by: _____ Date: _____

Title: JJS Division Director _____ Phone: (801) 538-8224

Please submit this ICQ electronically to any employees listed on the Division of Finance Internal Control website - as either a Word (.docx) or scanned (.pdf) document attached to an email. When the names of the people approving the ICQ are typed into the signature page of the document, the agency is representing that those individuals saw and approved the completed ICQ.

[Provide names of all preparers below if there is more than one]





Cash Disbursements Internal Control Questionnaire

ICQ – Extended Explanations

26. Use of PCard as payment on contract purchases:

Use of the P-Card for items on contract has the following disadvantages:

- There is no field in the PCard IET's to place invoice numbers. This will easily lead to double payments and negate any cost savings of not printing checks.
- Payment for contract purchases with a PCard are not tied to contracts in FINET. This failure will cause contract usage to be understated. This can have other implications including future bids, analyses, auditing, etc.
- The Vendor field in FINET is used to analyze and audit payments to a vendor. When a PCard is used, the vendor field does not receive the vendor information in FINET.
- PCard transactions are not posted to FINET on a timely basis. It can take up to a month for a purchase to show up in FINET. Timely review is important to assure any problems or errors can be remedied in an effective, timely and efficient manner.
- Timely posting is critical for forecast purposes. The monthly posting of regular transactions (e.g. utility payments) enables a more accurate forecast and supports efficiency in analyses of trends. The untimely posting of one-time transactions can also adversely affect the forecast process.

The above costs clearly outweigh any benefits of using PCards to make payments. A better solution is to encourage more vendors to receive EFT payments. EFT payments meet the timely posting requirements and eliminate the processing of checks. This question should be re-worked for future ICQ's.



Cash, Cash Receipts, Petty Cash, and Travel and Change Funds

As public servants, it is our responsibility to safeguard taxpayers' dollars while adhering to laws and regulations governing processes over cash handling. Internal controls over cash and cash receipts are necessary to prevent mishandling of funds and to safeguard against loss. Strong internal controls also protect employees from inappropriate charges of mishandling funds by defining responsibilities in the cash handling process. "Cash," for purposes of this questionnaire, includes coin; currency; checks; money orders, travelers; checks; and electronic transactions such as automatic clearing house (ACH), wire transfer transactions, and credit card transactions.

There are many reasons for placing controls in various points in these processes that may appear bureaucratic, but are necessary to ensure compliance and accountability. Internal controls over cash help ensure the following:

- Compliance with cash receipts policy and procedures.
- Initial control over cash is established.
- All cash receipts are recorded and deposited promptly.
- Appropriate custody is maintained to protect cash from theft or misappropriation.
- Segregation of duties is properly maintained.

Control Objectives:

1. Controls are in place in the process to ensure accountability is established as early as possible at all points along the accountability chain.
2. Assets are safeguarded from loss through watchful and responsible care and reconciliation functions.
3. Segregation of duties (including mitigating controls, as necessary) exists within transaction processes, custody, and recording functions.
4. Transactions and events are properly recorded.
5. Staff understands their duties, responsibilities, and accountabilities.
6. Cash handling practices are documented and in compliance with State laws and regulations and, for credit cards, in compliance with Payment Card Industry Standards.
7. Transactions are properly authorized.
8. Records for authorization and transactions are maintained in accordance with established requirements.
9. Accounting records are protected from theft, obsolescence, or destruction.
10. An accurate and timely bank reconciliation is performed.

Segregation of Duties

Segregation of duties is one of the most important features of an internal control plan. The fundamental premise of segregated duties is that an individual or small group of individuals should not be in a position to initiate, approve, undertake, and review the same action. These are called incompatible duties when performed by the same individual. Examples of incompatible duties include situations where the same individual (or small group of people) is responsible for:

- Managing both the operation of and record keeping for the same activity.
- Managing custodial activities and record keeping for the same assets.
- Authorizing transactions and managing the custody or disposal of the related assets or records.

Stated differently, there are four kinds of functional responsibilities that should be performed by different work units, or at a minimum, by different persons within the same unit:

1. Custody of assets involved: This duty refers to the actual physical possession or effective physical control/safekeeping of property.
2. Recording transactions (entry): This duty refers to the accounting or record keeping function, which in most organizations, is accomplished by entering data into a computer system.

Cash Receipts Internal Control Questionnaire

3. Authorization to execute transactions (approval): This duty belongs to persons with authority and responsibility to initiate and execute transactions.
4. Periodic reviews and reconciliation of existing assets to recorded amounts: This duty refers to making comparisons at regular intervals and taking action to resolve differences.

The advantage derived from proper segregation of duties is twofold:

- Fraud is more difficult to commit because it would require collusion of two or more persons, and most people hesitate to seek the help of others to conduct wrongful acts.
- By handling different aspects of the transaction, innocent errors are more likely to be found and flagged for correction.

Ideally, the following activities should be segregated:

- Individuals responsible for data entry of cash deposits should not be responsible for approving these documents or have access to the cash received.
- Individuals responsible for cash receipts functions should not reconcile the accounts where the cash is deposited.
- Individuals responsible for cash receipts functions should be separate from those responsible for cash disbursements.

Lapping is a fraud scheme that involves altering accounts receivable records and/or bank deposits.

Under this scheme, cash or checks that are intended for the payment of a receivable or other purpose is stolen. Then, the first receivable collected or cash or check received is used to cover the theft, while the second receivable collected or cash or checks received is accounted to the first, the third to the second, and so on. Some of the internal control questions regarding cash receipt logs and reconciling total cash and total checks to the validated deposit slips are to help prevent or detect this type of scheme.

Related State of Utah Accounting Policies and Procedures:

FIACCT 05-23.	Agency Cash Funds (petty, change, travel).
FIACCT 07-08	Credit Cards.
FIACCT 19-00	Bank Accounts Overview.
FIACCT 19-01.01	Depository Bank Accounts and FINET Bank Codes – Reconciliation.
FIACCT 19-02.00 & .01	Trust Accounts & Trust Bank Account – Reconciliation.
FIACCT 19-03	Deposits in Lieu of Surety Bonds and Similar Accounts.
FIACCT 13-00	Cash Receipts – Handling, Depositing, and Recording.
FIACCT 06-01.12	Non-Sufficient Funds Checks – Receivables – ARS.
FIACCT 06-02.02	Non-Sufficient Funds Checks – Receivables – ARS Exempt Agencies.

Related State of Utah Forms:

FI 10	Acceptance of Cash Custody Form.
FI 52	Petty Cash Request Form.
FI 53	Petty Cash Reimbursement Request Form.
FI 57 / 57T	Depository / Trust Bank Account Reconciliation Forms.

Policy for Written Agency Procedures (FIACCT 13-00):

Each agency is responsible to establish written agency procedures that provide for good internal controls to ensure that all monies received are properly receipted, safeguarded, deposited, and recorded in the State's accounting system (FINET) as follows:

1. Require proper segregation of duties, including requiring someone without access to cash or monies received to review documentation and records to ensure that all cash or monies have been properly receipted, deposited, and recorded.
2. Safeguard the cash receipts and ensure monies are deposited in the bank daily whenever practical but not less than once every 3 banking days, unless given a written variance from the State Treasurer, according to state law (UCA 51-4-1).

Cash Receipts Internal Control Questionnaire

3. Include procedures for retaining and filing adequate supporting cash receipt documentation.
4. Use correct FINET coding blocks or reference the correct Receivable (RE) document on Cash Receipt transactions.
5. Provide for restrictive endorsement of all checks immediately upon receipt.
6. Provide for proper reconciliation of deposits to validated deposit slips and to the bank statement.

INSTRUCTIONS

Each State agency is to complete this Cash Receipts ICQ for each significant receipting stream. A receipting stream is a business area that performs the cash receipting functions of mail; cashiering; electronic transfers including drawdown, EFTs, and ACHs; receipting for goods and services provided; depositing of cash; and/or bank reconciliation. A business area may not handle all functions, in which case "N/A" would be marked. Most agencies should be able to complete a questionnaire for each receipting stream area at one time. If this is not practical in large agencies, please coordinate the schedule with the DAS Division of Finance. Some agencies may not have significant receipting streams. Employee, citizen, or reporter reimbursements for copies made on copy machines, for example, are not considered significant receipting streams in most cases.

At a minimum, one Cash Receipts ICQ should be completed for each agency/department for receipts processed directly through FINET. If your agency is much decentralized (example: Natural Resources and Human Services), then one ICQ may be needed for each separate division's significant receipting streams - including receipts processed directly through FINET and any receipts not processed directly through FINET. If your agency (or division) has multiple receipting locations (multiple parks, stores, field offices, etc.), then an additional ICQ may be needed for each receipting location processing a significant amount of cash receipts. The agency ACT representative shall determine how many ICQs are needed and who needs to complete them. For agencies with multiple receipting locations (such as liquor stores or State parks), the ACT may choose to have several locations complete this ICQ each year – rotating so that all are covered over time.

The ACT representative (or the internal control contact if delegated by the agency) for each agency will need to do the following: (1) attend the monthly ACT meetings, (2) complete the ICQs or distribute the ICQs to those who will complete them, (3) gather the completed ICQs back up after they are completed, (4) have the Chief Financial Officer, Director of Finance or Comptroller of the agency review and approve them, (5) have the agency head/executive director review and acknowledge them, (6) send the completed and approved ICQs electronically back to the Division of Finance, and (7) send the completed and approved ICQs to the agency's internal auditors, if your agency is required by the Internal Audit Act to have an internal audit function. Please submit this ICQ electronically to any employees listed on the Division of Finance Internal Control website - as either a Word (.docx) or scanned (.pdf) document attached to an email. When the names of the people approving the ICQ are typed into the signature page of the document, the agency is representing that those individuals saw and approved the completed ICQ.

The Chief Financial Officer, Director of Finance, or Comptroller for each agency will need to do the following: (1) determine which and how many ICQs are needed, (2) review and approve each ICQ after they are completed, (3) determine which optional ICQs will be completed.

Please answer each question by checking the appropriate box (either Yes, No, or N/A). A "No" response identifies an internal control weakness or that the control is achieved with another compensating control. Please describe in the Comments field a detailed explanation for each "No" answer:

- The plan to resolve the weakness including the estimated date of completion, or
- The compensating control(s) and why they adequately compensate for the "No" response.

ICQs containing "No" responses, but without adequate and complete explanations, will be sent back to the agencies for revision and resubmission to State Finance. Compensating controls are appropriate for ICQ questions not involving compliance (such as segregation of duties); however, for laws, rules, and State policies, coming into compliance is the only solution for noncompliance

"N/A" responses, when the reason is not readily apparent, also need an explanation.

For system and internal control documentation purposes, agencies are encouraged to add a brief

Cash Receipts Internal Control Questionnaire

description of the control/procedures for many or all “yes” responses.

When an ICQ question is worded in such a way that it does not apply exactly to the agency’s situation, please attempt to apply the meaning or purpose of the question to the agency’s situation.

Internal controls are designed to detect and/or prevent errors. However, internal controls are also designed to prevent and/or detect fraud – except in the case of fraud by collusion. Generally, internal controls strong enough to prevent and/or detect fraud by collusion are not cost effective. The questions in this ICQ were designed with these points in mind.

For more information about the Internal Control Program and these Internal Control Questionnaires, or for contact information of the coordinator of this program, see the State Division of Finance website, <http://finance.utah.gov/>. Then, click on “Internal Control.”

Complete the certification on the last page for each ICQ completed.

CASH RECEIPTS AND COLLECTIONS

Segregation of Duties Controls Questions:

		Yes	No	N/A	Comments
1.	Are individuals who have access to cash receipts (those responsible for collection and deposit preparation) different from those individuals who record or process cash receipts in FINET (or subsystem)?	X			Receipting streams are infrequent and insignificant. Controls are deemed adequate.
2.	Are responsibilities for cash receipts functions segregated from those for cash disbursements and accounts receivable?	X			Receipting streams are infrequent and insignificant. Controls are deemed adequate.
3.	Are cash receipting functions limited to those who have a legitimate need?	X			
4.	Is agency management aware that when employees who participate in the receiving or recording of cash do not take annual or periodic vacations there is a higher risk that fraud may be occurring? [When employees who handle cash or record cash do not take regular vacations, management should strongly consider rotating cash receipting duties periodically to reduce this risk and increase the potential that any such fraud will be detected.]	X			
5.	Have all employees with access to FINET gone through FINET training for the specific business process for which they have been given security? [Please answer this question for all areas – not just for cash receipts.]	X			

Cash Receipts Internal Control Questionnaire

6.	Are responsibilities for preparing bank reconciliations segregated from cash receipting responsibilities? [This internal control is important to prevent and detect fraud. If not, then someone - probably the supervisor of the person preparing the bank reconciliation - should review the monthly bank reconciliations and sign or initial them indicating that they have reviewed the bank statement for completeness and accuracy and have rechecked some or all of the reconciling items.]	X			All bank reconciliations are handled at the Admin Office.
7.	Are deposits held in trust from court orders or in lieu of surety bonds reviewed at least monthly by appropriate management that is not responsible to maintain the deposit?	X			
8.	Is the payment/release of deposits held in trust from court orders or in lieu of surety bonds authorized by appropriate management that is not responsible to maintain the deposit?	X			

Procedural Controls Questions:

		Yes	No	N/A	Comments
9.	Are there written procedures at each collection location to assure timely deposit and recording of Cash Receipts documents (CR)?	X			
10.	Does the employee preparing the bank reconciliation receive the unopened bank statement or have exclusive direct access to the on-line bank statement? [This internal control requires that the first person to have access to the online or mailed hardcopy bank statement be the person who performs the bank reconciliation. This control helps prevent and detect fraud by making it impossible for anyone to alter the bank statement prior to reconciliation. This control also helps prevent management override of internal controls which have been found to lead to fraud in some cases.]	X			
11.	Do the bank reconciliation procedures include comparison of deposit amounts and dates with cash receipt entries as opposed to just verifying totals?	X			
12.	Are bank reconciliations done and the bank reconciliation worksheets submitted to the Division of Finance by end of the following month?	X			
13.	Are specific reconciling items identified, listed on the bank reconciliation, and resolved on a monthly basis? [This control is important to prevent and detect errors and fraud.]	X			
14.	Are the necessary transactions processed to correct errors found in the bank reconciliation process as quickly as possible (preferably before the next month's bank statement is received but always by fiscal year closeout)?	X			

Cash Receipts Internal Control Questionnaire

15.	Are deposits of all receipts made daily, regardless of collection location, but not less than once every 3 business days as required by State law? [Agencies with significant receipts coming in daily should deposit daily (UCA 51-4-1).]	X			
16.	When practical, are CR documents entered no later than the day deposits to the bank are made, but always within 3 days?		X		Receipting streams are infrequent and insignificant. Controls are deemed adequate.
17.	Is the mail opened and are all cash receipts logged by two people who initial the log when completed? [There is often not an effective compensating control for a "No" answer to this question so the control needs to be in place.]	X			
18.	Are restrictive endorsements placed on incoming checks as soon as received? [When mail is logged or when received over the counter.]	X			
19.	Do all cash receipt logs document: (a) the method of payment (cash vs. check, check number), (b) the total cash and total checks, and (c) the account names or numbers to be credited? [This control is important to prevent and detect fraud.]	X			
20.	Is one copy of the log forwarded, along with the money intact, to the cashier or depositor?	X			
21.	Is one copy of the log used to enter the CR transaction and attached as supporting documentation?	X			
22.	Do all cash receipts (especially unexpected receipts) go through the normal process - or those individuals who usually process, log, record, or deposit cash receipts - without being diverted to another individual or process? [This control is important to prevent and detect fraud.]	X			
23.	Does a person who does not have access to cash receipts or deposits , compare the log(s), including both the total cash and the total checks, with the validated bank deposit slip/record and/or the bank statement to ensure that all cash and checks received were in fact deposited? [This control should be performed daily, when practical, or monthly on a test or sample basis.]	X			
24.	Does the bank reconciliation process include reconciling the accounting system, including all recorded Cash Receipt forms (CR), to the bank statement to ensure that all cash and checks received were in fact recorded?	X			All bank reconciliations are handled at the Admin Office.
25.	Is a secure or restricted area provided for processing and safeguarding incoming cash receipts?	X			
26.	Is cash protected from the point of receipt to when the deposit is made by using logs, receipts, registers, safes, or locked boxes and only handled and kept in areas with limited access?	X			

Cash Receipts Internal Control Questionnaire

27.	Is access to safe combinations, contents of safes, keys to locked boxes and contents of locked boxes (used for cash receipts) limited only to those with authorization to access cash receipts?	X			
28.	Is timely notice of cash receipts at separate collection locations given to the agency's central accounting?	X			
29.	Are personnel who handle cash receipts restricted to making cash deposits only? (no cash back and no making change with funds to be deposited)	X			
30.	Are non-sufficient funds checks, bank debit and credit memos, and deposit items returned as uncollectible delivered to and controlled by someone independent of those processing and recording cash receipts?	X			
31.	Are State accounting policy and procedures followed for non-sufficient funds checks? (See FIACCT 06-01.12 and 06-02.02.)	X			
32.	If checks received are forwarded to be used as posting media to customers' accounts, are there controls to ensure checks are returned promptly for deposit?	X			
33.	If payments are made in person, are receipts controlled by a cash register, pre-numbered receipts, or other equivalent means?	X			
34.	Does someone with no access to cash receipts or deposits account for all pre-numbered receipts including those marked "Void" and balance the receipts to the collections records/deposits? [This control should be performed daily, when practical, or monthly on a test or sample basis.]	X			
35.	Are records maintained to assure correct handling and final disposition of deposit amounts coded to temporary or suspense source/accounting?			X	JJS does not have or use suspense accounts
36.	Are deposits recorded to the correct accounting coding blocks, as much as possible to eliminate suspense accounting?	X			
37.	Are delays of deposits avoided by making sure accounting coding blocks are immediately determinable?	X			

PETTY CASH / TRAVEL FUNDS / CHANGE FUNDS [NOT APPLICABLE TO CASH REGISTERS]

Segregation of Duties Control Questions:

		Yes	No	N/A	Comments
38.	Is the custodian of the petty cash, travel fund, or change fund prohibited from handling more than one fund (permits "comingling") and not involved in the cash receipts, collection, depositing, and reconciliation functions? [Allowing "comingling of funds" is an internal-control weakness we would really like to avoid.] [This question is not applicable to cash registers.]	X			The Division has two petty cash funds of \$25 each. These are all in the Rural program. JJS does not have travel or change funds. All responses are based on the review of the two petty cash funds in the Rural Program. This Division will work to eliminate these last two funds.

Cash Receipts Internal Control Questionnaire

					Due to the small size of Rural office staff, there are some custodians involved in the depositing functions. However, very little cash is ever received at the facilities and reconciliations are done by Rural Admin staff.
39.	Are the reimbursement vouchers approved by a responsible employee who does not have direct access to the petty cash?	X			
40.	Is the petty cash fund replenished at least monthly? [If a petty cash fund does not need replenishing at least once a month, management should <u>consider</u> reducing the balance of the fund or closing the account altogether.]	X			

Procedural Controls Questions:

	Is the petty cash, travel, or change fund:	Yes	No	N/A	Comments
41.	Properly authorized by the Division of Finance?	X			
42.	The responsibility of only one person?	X			
43.	Are petty cash requests (F152) signed by the person receiving the cash?	X			
44.	Are petty cash requests prepared in ink and required for each disbursement?	X			
45.	Are petty cash vouchers supported by a receipt or invoice with the amounts and purpose spelled out?	X			
46.	Are the receipts and attachments properly canceled to prevent their reuse?	X			
47.	Is the petty cash, travel, or change fund periodically verified by surprise counts by someone other than the custodian?	X			
48.	Are IOUs, unauthorized advances, and personal checks prohibited?	X			
49.	Are petty cash funds restricted to disbursements not exceeding a fixed amount?	X			
50.	Are change funds accounted for each time a deposit is made?			X	This Division does not have change funds
51.	Are petty cash, travel, or change fund balances sufficient for the activity's needs?	X			
52.	Has the agency considered that the use of a state-issued purchasing card may replace the need for a petty cash fund?	X			JJS will work to eliminate these last two petty cash funds.

Custody:

		Yes	No	N/A	Comments
53.	Is the physical access to the petty cash, travel, or change funds restricted to only the person(s) who have authority for its use?	X			
54.	Are petty cash, travel, or change funds physically kept in a locked container at all times to safeguard the funds against theft?	X			



Cash Receipts Internal Control Questionnaire

AGENCY'S OVERALL COMMENTS BELOW, IF ANY

CERTIFICATION STATEMENT

For the agency and business area indicated on this form, we are providing this statement in connection with this internal control questionnaire for the purpose of acknowledging that we are aware of the risks and harms that might occur to the State if the agency has not established and/or does not follow strong internal controls.

We confirm that we have accurately completed this questionnaire (and others if needed) and documented all compensating controls and corrective action plans for internal control weaknesses in accordance with the instructions provided.

Agency Name: _____ Division/Bureau: _____

Prepared by: _____ Date: _____

Title: _____ Phone: _____

Approved by Chief Financial Officer, Director of Finance or Comptroller:

Approved by: _____ Date: _____

Title: _____ Phone: _____

Acknowledged by Agency Head/Executive Director:

Acknowledged by: _____ Date: _____

Title: _____ Phone: _____

Please submit this ICQ electronically to any employees listed on the Division of Finance Internal Control website - as either a Word (.docx) or scanned (.pdf) document attached to an email. When the names of the people approving the ICQ are typed into the signature page of the document, the agency is representing that those individuals saw and approved the completed ICQ.

[Provide names of all preparers below if there is more than one:]

**Department of Human Services
Trust Fund 721 Independent Verification**

Division: Juvenile Justice Services
Custodian: Julie Lazarakis
Reviewer: Dana Gauthier

Date: 2/16/2016
Custodian Supervisor: Jean Boyack
Period Review: July 2015 - December 2015

PURPOSES

The Independent Verification is a management monitoring procedure to provide reasonable assurance of the proper administration of each client's trust account. The reviewer should have fiscal expertise and be independent from any trust account activity.

REVIEW PERIOD

The Independent Verification should be conducted by the appointed reviewer on a half-yearly basis to review the entire previous six months of activity.

SAMPLING METHOD

This review adopts a sample selection process whereby samples are selected indiscriminately and without bias. Each item in the population has a opportunity to be selected. A sample will be selected without requiring a statistic tool for the random selection.

REPORTING

For each question mark Y (yes), N (no), or N/A (not applicable) in the applicable column of the table. For any N or N/A response, explain in the comments box how or why the response did not comply with policy, or why the question was not applicable. Also record in the comments box any additional information requested as part of the question, or any other information that is found to be important or that is needed to further clarify a response or situation.

Use the applicable schedules A-D to complete and document the findings for each examination.

The reviewer should complete the Independent Verification in the month and a half following the end of each six month period, and must submit a copy of the review to the Trust Fund Coordinator by February 15 and August 15 after the end of each period.

ROLE DEFINITION

Caseworker / Custodian
Caseworker Supervisor / Custodian Supervisor
Budget Officer
Reviewer

Julie Lazarakis
Jean Boyack
Cecil Robinson
Dana Gauthier

SECTION I CUSTODIAN / CUSTODIANS SUPERVISOR

Objective: To ensure that the Custodian understands that responsibilities of proper management for Client's trust funds.

#	Review Question	Y, N, N/A	Comments
1.1	Were all exceptions listed in the summary of the previous Independent Verification corrected? (if no, list any uncorrected exceptions)	Y	
1.2	Is the custodian able to locate the department trust fund policies?	Y	http://hsofo.utah.gov/files/client_trust/03.004.00%20Trust%20fund%20procedures.pdf
1.3	Are the blank and prewritten checks kept in a safe? (If yes, list the location of the safe and any foreseen problems)	Y	Checks are locked up in Mario Ramos's Office
1.4	Are individuals with the combination to the safe limited to an as needed basis? (List names of those with access and their reason for having it)	Y	Mario Ramos and Mark Strebel (supervisor). They are responsible for the Division's State Office's check deposits.
1.5	Are deposits made within three days after they are received?	Y	
1.6	Are outstanding checks over 90 days old stale-dated? (Have custodian describe the stale-dating process)	Y	The Division still honors the checks and they are processed.
1.7	Is the signature card current?	Y	
1.8	Are there any signers on the signature card the custodian is not aware of?	N	
1.9	Are changes to the signature card made through OFO? (Compare custodian's card with the card acquired from OFO and list any differences)	Y	
1.10	Are all Form 298s electronically or manually signed by the caseworker?	N	All Form 298s have 2 signatures on it: (1) Custodian/Caseworker Supervisor (2) Budget Officer
1.11	Do all Form 298s above \$500 include the electronic or manual signature of both the caseworker and the caseworker's supervisor?	N	All Form 298s have 2 signatures on it: (1) Custodian/Caseworker Supervisor (2) Budget Officer
1.12	On the Form 298 or in SAFE TrustAccounting, a supervisor must approve all transactions above \$500. A caseworker should not attempt to avoid this control by splitting a single transaction above \$500 into two transactions to remain under the \$500 limit. The custodian should report any attempted cases.		
1.13	Money from a closed account is first allocated towards cost of care or any unpaid expenses. Then the remaining balance may be sent to one of two places: the client or social security. Regardless of where the money is sent, either the custodian or the caseworker must inform the funding agency of the client's termination, the client's last known whereabouts, and any representative payee that has been assigned to the client. Briefly list the custodian's response in the comments box.		JJS's funding agency is the Social Security Administration. They are notified when a client has been terminated and any remaining balance is sent back to Social Security.
1.14	Are all closed accounts marked as such in SAFE Trust Accounting (CARE)?	Y	

1.15	Who completes the representative payee report from social security?		Federal Funds Eligibility Specialist (aka Caseworker/Custodian)
1.16	The representative payee report is to be done for each client receiving social security benefits on a yearly basis. There are separate forms for SSI and SSA money depending on which type of benefits the client receives. The report should be completed and signed in a timely manner (about one month after the end of the year) for each client receiving social security benefits. These reports should be kept in each client's file to summarize the year's transactions. JJS = THESE REPORTS ARE FILED ELECTRONICALLY.		
1.17	The supervisor should look to see that the cleared deposit and cleared check totals on the reconciliation match those amounts listed on the bank statement and other documentation, such as the interest allocation or direct deposit detail. They should also look to see that there are no uncleared transactions over 90 days old and that no client accounts are negative. Any problems should be discussed with the custodian and a plan should be made to resolve them. Briefly summarize the supervisor's response in the comments box.		Check Inflow and Outflow. Verify all cleared deposits and check totals on the reconciliation match amounts listed on the bank statement. Check to see that there are no uncleared transactions over 180 days old, that no client account is negative, and that the ending balance on the reconciliation report equals the total balance on the client alpha report.
1.18	If funds are received for an account that has been closed, a check should be written from the account to return the funds if no remaining cost of care is owed to the division for the client. The check should be sent to the payee using certified mail and a note of explanation detailing the closure of the account and the client's last known whereabouts should accompany the check. The resulting receipt sent from Social Security upon receiving the returned check should be kept in place of a deposit slip as documentation for the receipt writer entry.		
	If a physical check is received for a closed account, it should be receipted into either the receipt writer program or mail log and returned to Social Security using certified mail if no remaining cost of care is owed to the Division for the client.		
	If the client does owe outstanding cost of care, the check may be used to satisfy the liability. The client's account will have to be reopened, and any remaining balance that is not absorbed by the outstanding cost of care, must be returned to Social Security. Briefly summarize the custodian's response in the comments box.		The check is receipted normally into a receipt writer, then returned to Social Security using certified mail if no remaining cost of care is owed to the Division. A note explaining the closure of the account and the client's last known whereabouts are also included with the check.
1.19	Endorsing restricts the check to "deposit only" status, so it can only be deposited into the Trust Fund bank account. List in the comments box the person who received and endorses the checks. Ask questions 2.1-2.2 to this individual.		Federal Funds Eligibility Specialist (aka Caseworker/Custodian)
1.20	Safeguarding checks entails storing the restrictively endorsed checks until they are deposited. This person may or may not actually deposit the checks. Ask questions 2.3-2.6 to this individual. List in the comments box the person who does the safeguarding.		Mario Ramos

SECTION II CASH / CHECK RECEIPTOR

Objective: To verify the receptor's understanding and execution of the proper care of receipted checks and deposits so that all received checks are received correctly and deposited on a timely basis.

If all deposits for the period were received via EFT, then write "EFT deposits only" in the comments section and skip Section II.

#	Review Question	Y, N, N/A	Comments
2.1	Are checks immediately endorsed once they are received?	Y	
2.2	Ideally, two people should be present to open any mail, which should then be immediately entered into either the receipt writer or mail log, and then restrictively endorsed for deposit only. Provide a brief summary of their procedure in the comments box.		Two people are present to open any mail. Checks are entered into the receipt writer and then endorsed for deposit only.
2.3	Are checks/cash kept in a safe until deposited?	Y	
2.4	List those with access to the safe and their reason for having it (List only if this is a different safe than in question 1.4)		
2.5	Are checks deposited within three days after they are received?	Y	
2.6	Are all undeposited checks properly safeguarded and endorsed? (View any available undeposited checks)	Y	

SECTION III CASE WORKER / CASE WORKER SUPERVISOR

Objective: To ensure that Caseworker understands the responsibilities of tracking and managing individual accounts, and effectively provides for Client's needs.

#	Review Question	Y, N, N/A	Comments
3.1	What are your responsibilities in managing client accounts?		Determine the client's costs and compile proper backup of the amounts paid to meet those costs, submit authorized Form 298s in order to draw down money to reimburse JJS.
3.2	Are all Form 298s electronically or manually signed by the caseworker?	Y	
3.3	Do all Form 298s above \$500 include the electronic or manual signature of both the caseworker and the caseworker's supervisor?	Y	
3.4	Are transactions properly posted and reasonable?	Y	
3.5	Do you review the client's account on a monthly basis? If yes, what tool do you use and what do you look for?	Y	Bank Reference Report and Cash Journal (SSA/SSI). Search for unusual amounts.
3.6	Who completes the representative payee report from social security?		Federal Funds Eligibility Specialist (aka Caseworker/Custodian)
3.7	The representative payee report is to be done for each client receiving social security benefits on a yearly basis. There are separate forms for SSI and SSA money, depending on which type of benefits the client receives. The report should be completed and signed for each client receiving social security benefits in a timely manner after the end of the year and kept in his/her file to summarize the year's transactions. Is it completed, signed, and filed in a timely manner?	Y	This report is completed, and filed electronically with confirmation.
3.8	Do you notify the custodian of the closure of each client's account?	N/A	In JJS, the Caseworker and Custodian are the same person. This person is notified by Social Security of an account closure.
3.9	Do you notify the custodian of a client's account that has been inactive for 6 months or more?	N/A	In JJS, the Caseworker and Custodian are the same person. This person is notified by Social Security of an inactive account.
3.10	In cases of property management, do the client files contain a power of attorney allowing the department to act as an agent? (If no, list who has the power of attorney and why)	N/A	JJS only handles juvenile clients
3.11	Is there adequate documentation in the files to support transactions involving the disposition of client assets? (i.e., property appraisals, costs, and fees related to dispositions, etc)	N/A	JJS only handles juvenile clients
3.12	Is there adequate documentation in the files detailing the current location of retained assets and plans for their future disposition?	N/A	JJS only handles juvenile clients
3.13	What is the procedure for the distribution of a deceased client's assets?		JJS only handles juvenile clients

3.14	SSI benefits can be impacted if the SSI funds in a client's account exceed \$2,000 at the end of the month. Caseworkers should regularly monitor their client's account. If there is a balance concern, the caseworker should obtain guidance on how to handle the account properly. Do you monitor each client's account to ensure that no benefits are lost by exceeding the \$2,000 Medicaid limit?	Y	SSI = \$2,000 limit and SSA = no limit
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SECTION IV CHECK SIGNER

Objective: To ensure the Check Signer understands their responsibility of being a controlling factor for the accuracy and necessity of fund disbursements to the Client.

#	Review Question	Y, N, N/A	Comments
4.1	Select one of the check signers from the authorized list, and have them describe how they verify whether the checks which they sign are reasonable and supported with adequate documentation?		Check that the backup documentation matches the total check amounts. If there are any discrepancies, the Custodian is questioned and asked to provide an explanation.

SECTION V FUND DISBURSEMENTS (CHECKS)

Objective: To verify that checks are accurate, properly authorized, benefit the client solely, and are properly documented.

Sample Size

To sample checks, obtain from the custodian a copy of their check register for the past six months. Use the following ranges to determine the size of your required sample:

Number of Checks	Sample Size
10 or fewer	2
11-25	4
26-50	6
51-100	8
101 or above	10

Randomly select 75% of the required sample of checks from the check register. Judgmentally select the remaining 25% from the same report. Random selection should be done without much thought or pattern. The name of the client or amount of the check should not be considered, and every transaction should have an equal opportunity for selection. Judgmental selection should consider the potential risk and total amount associated with the transaction. The judgmental selection should include any transaction the reviewer finds to be risky or out of the ordinary.

If one of the checks selected has not cleared the bank, select another check. A check that has not cleared the bank will not have a check mark in the "cleared" column on the check register.

Fill out Schedule A

SCHEDULE A
Test of Trust Fund Disbursements

	Client Name	Check Number	5.1		5.2		5.3				5.4
			Supporting Documentation Exists	Form 298 Exists	Form 298 Authorized Properly	Amount on Corresponding Documentation	Amount on Form 298	Amount on Check Register	Amount on Actual Check	Provider Name Consistent	Check Authorized Properly
1	BIADA, JOSHUA	1424	Y	Y	Y	\$2,699.81	\$2,699.81	\$2,699.81	**	JIS	**
2	EVANS, BRUCE	1459	Y	Y	Y	\$30.00	\$30.00	\$30.00	\$30.00	SSA	Y
3	HILL, WILLIE	1472	Y	Y	N	\$714.00	\$714.00	\$714.00	\$714.00	SSA	Y
4	SAYAD-LOWE, GAVIN	1497	Y	Y	Y	\$150.00	\$150.00	\$150.00	\$150.00	SSA	Y
5	ZIMMERMAN, SHILO	1512	Y	Y	Y	\$9,473.77	\$9,473.77	\$9,473.77	\$9,473.77	JIS	Y
6	BJARNSON, BRIDGER	1533	Y	Y	Y	\$2,830.45	\$2,830.45	\$2,830.45	**	JIS	**
7	FINLEY-MARSHALL, MARKEL	1540	Y	Y	Y	\$2,968.30	\$2,968.30	\$2,968.30	\$2,968.30	JIS	Y
8	VARGAS, EVAN	1451	Y	Y	Y	\$3,677.16	\$3,677.16	\$3,677.16	**	SSA	**
9	PALMER, JAMES	1398	Y	Y	Y	\$3,008.74	\$3,008.74	\$3,008.74	\$3,008.74	JIS	Y
10	VEGA, DYLAN	1526	N/A	Y	Y	N/A	\$669.00	\$669.00	\$669.00	SSA	N

** COPIES OF CHECKS WERE HISTORICALLY NOT RETAINED, THIS IS A NEW PRACTICE
N/A = ACCOUNT WAS CLOSED WHEN CHECK WAS RECEIVED. FULL RETURN, BACK UP OF CALCULATION NOT REQUIRED.

SECTION VI FUND RECEIPTS (DEPOSITS)

Objective: To ensure that all of the client's trust money is distributed in an accurate and timely manner, and that all received checks are deposited.

Sample Size

Deposits are selected according to client rather than on an individual transaction basis. Obtain from the custodian a copy of their client alpha report. Select from this report the names of 5 clients. If there are not five clients, select all clients. You will be performing the audit on all deposits made for these 5 clients during the review period.

Fill out Schedule B

SCHEDULE B
Test of Trust Fund Receipts

Client Name	Funding Agency	6.1			Received as often as Required	6.2			6.3				
		Guaranteed Payment	Amount Received	Amount		Other Deposits Detail	Receipt Writer (Mail Log Date)	Receipt Writer (Mail Log Amount)	Deposit Receipt (Bank Slip Date)	Deposit Receipt (Bank Slip Amount)	Date Posted to Client's Account	Amount Posted to Client's Account	
MONTOTA, MANUEL	SSA	\$ 916.00	\$ 931.00		Y	N/A							
	SSA	\$ 916.00	\$ 931.00		Y	N/A							
	SSA	\$ 916.00	\$ 931.00		Y	N/A							
	SSA	\$ 916.00	\$ 931.00		Y	N/A							
	SSA	\$ 916.00	\$ 931.00		Y	N/A							
	SSA	\$ 916.00	\$ 931.00		Y	N/A							
FOUNTAIN, JAELYN	SSA	\$ 733.00	\$ 733.00		Y	N/A							
	SSA	\$ 733.00	\$ 733.00		Y	N/A							
	SSA	\$ 733.00	\$ 733.00		Y	N/A							
	SSA	\$ 733.00	\$ 733.00		Y	N/A							
	SSA	\$ 733.00	\$ 733.00		Y	N/A							
	SSA	\$ 733.00	\$ 733.00		Y	N/A							
WILSON, DYLAN LEE	SSA	\$ 126.00	\$ 128.00		Y	N/A							
	SSA	\$ 126.00	\$ 128.00		Y	N/A							
	SSA	\$ 126.00	\$ 128.00		Y	N/A							
	SSA	\$ 126.00	\$ 128.00		Y	N/A							
	SSA	\$ 126.00	\$ 128.00		Y	N/A							
	SSA	\$ 126.00	\$ 128.00		Y	N/A							
MONDA, BRANDON	SSA	\$ 733.00	\$ 733.00		Y	N/A							
	SSA	\$ 733.00	\$ 733.00		Y	N/A							
	SSA	\$ 733.00	\$ 733.00		Y	N/A							
	SSA	\$ 733.00	\$ 733.00		Y	N/A							
	SSA	\$ 733.00	\$ 733.00		Y	N/A							
	SSA	\$ 733.00	\$ 733.00		Y	N/A							
ZIMMERMAN, SHILO	SSA	\$ 1,578.00	\$ 1,605.00		Y	N/A							
	SSA	\$ 1,578.00	\$ 1,605.00		Y	N/A							
	SSA	\$ 1,578.00	\$ 1,605.00		Y	N/A							
	SSA	\$ 1,578.00	\$ 1,605.00		Y	N/A							
	SSA	\$ 1,578.00	\$ 1,605.00		Y	N/A							
	SSA	\$ 1,578.00	\$ 1,605.00		Y	N/A							

**** Most checks are transferred to JIS as EFT, not a hard check

SECTION VII FUND RECEIPTS (DEPOSITS)

Objective: To verify that voided checks are handled properly to ensure that the clients' money is only benefiting the client.

Sample Size

Voided checks are to be randomly selected from the voided check report in the same manner as are checks. Obtain this report from the custodian and select a sample of 5 voided checks. If the custodian does not have 5 voided checks select all voided checks.

(Policy changed in December 2015 = For checks to SSA, you should wait 180 days before voiding)

Fill out Schedule C

SCHEDULE C
Test of Trust Fund Void and Outstanding Checks

Client Name	Voided Check Number	Voided Check Amount	7.1		7.2		7.3
			Supervisor Approval	Stop Payment Required	Stop Payment Issued	What Documentation Exists/Explanation	
JEFFERSON, BARRETT	1445	\$ 1,030.00	Y	N	N		
BLACKSHIRE, LAUREN	1452	\$ 4,054.72	Y	N	N		
BLACKSHIRE, LAUREN	1453	\$ 5,089.28	Y	N	N		
EVANS, BRUCE	1456	\$ 30.00	Y	N	N		
EVANS, BRUCE	1457	\$ 1,001.51	Y	N	N		

A stop payment is required if a voided check is over \$500 and the check can not be located. A stop payment request should be sent to the Bureau of Finance Trust Fund Coordinator using the Stop Payment Request Form. A printout of the request form should be kept with the voided check as documentation of its occurrence.

>180 days/not voided yet Client Name	Outstanding Check Number	Outstanding Check Amount	7.4	
			Plan to Get Outstanding Check Voided	FOR OUTSTANDING CHECKS TO OCCUR.
NONE				

Policy changed in December 2015 = For checks to SSA, you should wait 180 days before voiding. JIS only sends checks to SSA.

SECTION VIII MISCELLANEOUS

Objective: To ensure that voided or missing checks as well as the signatures on the signature card are properly documented.

8.1 ITEM: CLIENT ALPHA REPORT = Look over the client alpha report for negative accounts. Negative accounts indicate the client's account has been overdrawn, and more money has been spent than the client had to spend. Since actual client funds are accumulated in a single account, the excess money spent belongs to another client. This causes a number of problems in many different areas and must be corrected through repayment as soon as possible. If any negative accounts are found, remind the custodian that a client's account must contain sufficient funds to cover the expense before a check can be written. **List any negative accounts as items that need to be corrected in the Summary (Section IX).**

→ *N/A - JJS has one universal account. Clients/Youth do not have individual accounts so there are no negative balances.*

8.2 ITEM: SIGNATURE CARD = Fill out Schedule D

8.3 ITEM: MISSING/VOID CHECK REPORT = Voided checks that are not issued a stop payment may still be cashed. In the rare occurrence that this happens, the check is re-entered in SAFE Trust Accounting using the same number as the originally voided check, thus creating a duplicate check. There should be no duplicate checks. If a check for which a replacement was issued is later cashed, this is a problem that needs to be resolved. The Bureau of Finance should be notified.

→ *N/A - JJS only releases checks to the Social Security Administration and to itself for reimbursement for charges already paid.*

8.4 ITEM: MONTHLY RECONCILIATION REPORT = Each monthly reconciliation report is to be submitted to the Trust Fund Coordinator by the 15th of every month. They are to be signed by both the custodian and their supervisor. **If any exceptions are found, include a reminder of proper policy in the Summary (Section IX).**

→ *This is documented correctly.*

8.5 ITEM: INTEREST DEPOSIT DETAIL - INTEREST ALLOCATION = Review the interest allocation and the deposit detail for two of the monthly interest allocations occurring during the review period. Select at least five clients and look for reasonableness or differences between the amount deposited and the amount allocated for each one. List any discrepancies as items to be corrected in the summary. If errors are found, increase the sample size. This test will ensure that the correct amounts are posted to the correct clients. If an automated system is used to allocate interest and post to trust accounts (e.g. SAFE), the Interest Deposit Detail should be reviewed. Verify that the interest amounts posted appear reasonable and investigate anything unusual.

→ *N/A - OFO creates the interest allocation and the deposit is only one entry in our account, not split up by client/youth.*

8.6 ITEM: OTHER INCOME REPORT = Obtain a list that shows each client with a closed account and the balances remaining in those accounts. Review the list and verify that no clients with a closed account have balances remaining. When a client's account is closed, it should have a zero balance. A positive balance indicates that we are in possession of money that belongs to the client. A negative balance indicates that the client spent more than was allocated to them. **Document as an item to be corrected in the Summary (Section IX) any account that does not have a zero balance.** Obtain from the custodian and explanation concerning why it occurred and how it will be corrected.

→ *N/A - Money isn't deposited in client/youth accounts. There is only one account, JJS. If money is received for a client/youth not in JJS custody any longer, that money is returned to the Social Security Administration.*

SECTION IX SUMMARY

The summary is for the benefit of both the custodian and the reviewers. It summarizes the corrective actions that need to take place before the next review, in a format that is convenient and easy to understand at a glance. In addition, it references reminders, recommendations, and things that are being done correctly. In short, the summary is the summation of the review that can be referred to as often as needed, without having to dig through all the documentation to find information.

On the first section, list all findings that can and must be corrected, including any items found in question 1.1 that remain uncorrected from the previous review, or any outstanding item that should be reviewed at the beginning of the next review. Start by referencing the number in the review where the exception was found, then list the name of the individual that will be making the correction and the action required to correct the problem. This becomes the checklist of items reviewed in question 1.1 of the next review.

The next section is for any exceptions found that do not require corrective action. These are usually exceptions to policy that require attention but no action to correct past errors. This section is to be used to remind individuals of proper policy and required future behavior.

The last section is reserved for any recommendations that the reviewer has for improving the efficiency, security, or accuracy of the trust account system. The reviewer may list in this section any compliments they feel are deserved for exceptional conduct.

The entire summary should be reviewed by all parties involved, not only to view the exceptions and fix the physical changes, but to review the recommendations and policy issues in an effort to improve operations.

SUMMARY:

Overall, the JJS process for Trust Accounting is maintained with high standards of accountability.

Discrepancies:

Section 5 / Schedule A: Check number 1472 - Amount \$714.00. This amount is a combination of a previous check for \$504.00, which received a stop payment, and new charges for \$210.00. The 298 form for the new charges did not received the Budget Officer signature. According to the Independent Trust Audit Policy, the Budget Officer is not required to sign the 298 Form, however JJS requires the Budget Officer to sign all 298 Forms as an internal measure. Also, the retained check copy for check number 1526 did not have the required 2 signatures on it. I believe a copy of the check was made before all signatures were obtained.

Section 6 / Schedule B: There are instances where the "Guaranteed Payment" is lower than the "Amount Received". SSA is inconsistent with sending new and updated payment letters when payment changes, mostly due to inflation.

Recommendations:

(1) For actual checks received (not EFT), I recommend a copy of the check and the deposit slip noting the check number be filed in the client's folder. These are currently filed in the bank reconciliation folder. This documentation may be best placed in both folders (even though this would be redundant).

(2) For future reviews, an updated copy of the client's Bank Reference Month Report (BRM) would be helpful when tracking deposited checks.

SECTION X REVIEW OF REPORT

After completing the Independent Verification and discussing the results consolidated in the summary with all involved parties, the Trust Custodian and the Custodian's Supervisor should sign the form below indicating that the results of the review were discussed with them, and that they had the opportunity for input. Their signatures do not mean that they necessarily agree with the observations.

Julie Lazarakis
Trust Custodian (Print Name)

2/16/16
Date

Jean L. Boyack
Supervisor (Print Name)

2/16/16
Date

After completing the review, sign and date below and communicate any suggestions or significant issues to the OFO Trust Fund Coordinator, Bureau of Finance, Department of Human Services, 195 North 1950 West, Salt Lake City, Utah 84116

Dana Gauthier
Reviewer (Print Name)

2/16/16
Date

Human Services Client Trust Fund–7290 Trust Accounting
System Procedures

03.004.00

Effective Date: September 12, 1997

Revised: December 28, 2015

**Department of Human Services
Client Trust Fund 7290
Trust Accounting System Procedures**

These accounting procedures are required for the Trust Accounting System. The procedures are considered minimum requirements for helping establish and maintain an adequate internal control environment associated with the Trust Accounting System. Because these procedures are considered to be minimum guidance, each Division/Office is expected to implement any additional procedures considered necessary and reasonable in order to effectively manage and safeguard the Human Services Client Trust Fund assets.

The following procedures are specific to Fund 7290; however, the minimum internal control concepts covered in these procedures (03.004.00) are applicable to all Department client trust funds.

These procedures cover accounting related issues. Policies regarding the actual management of the Trust Funds are the responsibility of the applicable Divisions.

I. Receipting

- A. Human Services Client Trust Fund (Trust Fund) receipts should be properly deposited at least once every three business days into the appropriate checking account with the bank. Upon receipt, checks should be promptly stamped "for deposit only" and, along with cash, properly secured until deposited into the bank.
- B. Trust Fund receipts shall be posted to the Trust Accounting System in a timely manner, preferably within one day of deposit (or receipt of deposit detail for electronic funds transfers). The Independent Review section provides additional control related to the receipting process.
- C. If a Social Security check is received for a closed account or deceased client, the check should be receipted normally and entered into either the receipt writer program or mail log, then returned to Social Security, using certified mail. A note of explanation detailing the death of the client, or the closure of the account and the client's last known whereabouts should accompany the check. Social Security should issue a receipt upon receiving the returned check. This receipt must be kept as supporting documentation.

- D. If a Social Security electronic funds transfer is received for a closed account (see E if client is deceased), the account will need to be re-opened and the deposit entered. A check for the balance will then need to be written and the same procedures for returning a Social Security check as described above (C) should be followed. After issuing check, promptly close the client account.
- E. If a Social Security electronic funds transfer is received for a deceased client, inform Social Security of the client's death. Social Security should then initiate the return of the funds electronically to Social Security. Do not re-open the client account or enter the deposit amount into the Trust Fund system.
- F. If the client of a closed account owes outstanding cost of care, and either a check or electronic funds transfer from Social Security is received; determine if proper to pay outstanding balance. If determined proper, then the account will need to be opened, funds recorded to the account, cost of care check issued, and then any remaining balance sent to Social Security following procedures listed above (C and D). If determined not proper to pay outstanding cost of care, then follow procedures for returning funds to Social Security.

II. Fund Disbursements

- A. Trust Fund disbursements must be authorized by the caseworker and have supporting documentation (e.g. receipts) before they can be processed. If the requested amount exceeds \$500, the disbursement must also be approved by the caseworker's supervisor.
- B. Before issuing a check, the custodian must ensure sufficient balance in a client account to cover the disbursement.
- C. For on-going residential care payments over \$500, approval by the caseworker's supervisor is required for the initial monthly payment. Subsequent payments may be processed without the additional supervisor signature unless there is a change from the prior month. There must be at least an annual review of the on-going authorization with caseworker and supervisor signatures approving the on-going payment arrangement. Changes to the payee or the payment amount require the additional supervisor approval for residential care payments exceeding \$500.
- D. If a hard copy Form 298 is used, it should be totaled with the total amount written on the form initialed by the caseworker.
- E. Completed checks require the signature of two separate individuals, who verify that the check is reasonable and supported with adequate documentation. Generally, check signers shall not be authorized to approve a fund disbursement.

Thus, caseworkers and custodians should not be check signers. Exceptions may be granted by the Finance Bureau for extenuating circumstances where compliance with this procedure causes undue hardship and where explanation of compensating controls have been provided.

- F. Authorized check signers should be limited to as few employees as is reasonable and necessary to provide adequate back-up. Authorized check signers should be updated timely with employee turnover, and all signature card changes must originate and be authorized by Finance Bureau.
- G. Blank checks should be kept in a secured, locked place only accessible to the Trust Custodian or the Custodian's back-up. Completed checks should be sent directly to the vendor or client. Circumstances (such as the objective to teach proper handling of funds to client) may possibly exist for a caseworker to handle the check, or accompany a client to cash a personal needs check. The client must be present for a caseworker to be involved in cashing a personal needs check, and the check must not be written to the caseworker.
- H. All disbursements require supporting documentation and adequate internal control. Documentation should provide evidence of who received funds. Specific receipts are optional limited to cumulative disbursements \$35 or less per month per client. Receipts are required regardless of dollar amount if Department employee is involved in purchase/disbursement.
- I. If a completed check is not sent directly to the vendor or client, the individual obtaining the check must sign a log (maintained by the Trust Custodian) representing their responsibility for the check. In addition, adequate internal control procedures must be implemented by the Trust Custodian's office ensuring that the disbursement is properly handled and used for proper purposes. The office must have these procedures written and available for auditor review. Procedures may include client verification of receiving the check, documentation of what was done with the check, or the client's receipt of funds after a check is cashed.
- J. Per DCFS, when closing the account of a child who is aging out of foster care, the remaining balance may be sent directly to the child. If the child's location is uncertain, the remaining balance should be returned to Social Security.

III. Check voiding

- A. Checks should be voided after remaining outstanding for 90 days. The payee should be contacted after 60 days outstanding to resolve the issue. After the 90 day outstanding period, the custodian may void the check with approval. If the payee is Social Security, the custodian should wait until the check has been outstanding for 180 days before voiding the check. Documentation of this

approval, and the resulting printed voided check form (from the system) should be kept with the voided check documentation.

- B. A voided check may necessitate a “stop payment” be placed. A stop payment is expected if the voided check is over \$500 and cannot be located. Stop payment requests should be sent to the Finance Bureau Trust Fund Coordinator using the Stop Payment Request Form, and evidence of the stop payment should be documented and maintained with the voided check.
- C. Excessive check voiding should not occur. The Trust Custodian Office should investigate procedures and circumstances if checks are being voided on a regular basis, especially if related to the same person or vendor. The Finance Bureau Trust Fund Coordinator should be notified of any stop payment issuance or voided check that is subsequently cashed.

IV. Bank Reconciliation

- A. The Trust Custodian must complete a monthly bank reconciliation in which the Bank Statement must reconcile with deposit records, the applicable trust accounting system, and disbursement supporting documentation.
- B. The Trust Fund Custodian and the Trust Fund Custodian’s Supervisor must sign and date the monthly bank reconciliation.
- C. A copy of the completed, signed Reconciliation and Client Account Balance Report shall be submitted to the Finance Bureau by the 15th of each following month.

V. Independent Review

- A. Independent Review of each Trust fund location shall be performed for each half of the calendar year. The reviews are due to the Finance Bureau Trust Fund Coordinator, following the end of each six-month period, by February and August 15th.
- B. An audit from the Bureau of Internal Review and Audit (BIRA) may replace an Independent Reviews if it covers the same period and if coordinated with the Finance Bureau.

VI. Dedicated Account

- A. Money specified by Social Security as “dedicated” is not allowed to be intermingled with other funds. A separate account is used to handle these funds.

The Finance Bureau Trust Fund Coordinator must be contacted in the event of an office receiving any such money. Access to the dedicated bank account may only be obtained through coordination with the Finance Bureau Trust Fund Coordinator.

- B. Permission must be received by Social Security before any payment may be issued. Written documentation (received via e-mail, letter, etc.) of this permission must be kept with the check.
- C. All other trust accounting policies and procedures apply.

Separation of Duties

Resources:

- Section 01-06.01 Forms and Instructions for model in [pdf](#) and [Word](#) format. Last updated: 5/14/2013.
- Forms specific to this section including Flow Charts of Collected Funds: Section 01-06 01 Forms and Instructions or Section 16 Forms, [16-01 Accounting Forms](#)

Also referred to as: Accounting Model, Transaction cycles
(Direct questions/comments regarding the Model to the AOC Audit Department.)

Purpose:

The purpose of “separation of duties” is to ensure that no single individual is placed in such a circumstance that (s)he can cause and conceal errors and/or irregularities (or be vulnerable to others doing so), while performing regularly assigned duties. Three fundamental categories of duties must be separated:

- a. Custody of assets
- b. Authorization of transactions (including authorization to execute a transaction); and
- c. Record keeping/accounting.

Critical duties are those duties which must be divided among employees to clearly establish accountability and to reduce opportunities for misuse of funds. Other non-critical duties may also occur in a given transaction cycle, but need not be addressed for the purpose of “separation of duties.”

Achieving a complete division of critical duties depends on the staff available in a court. A court with a small staff may have to allow some overlap of duties. In each instance of overlap, the Court Executive must document in writing a plan providing for an “External Review” of the documents and transactions that relate to that transaction cycle, to be done by an employee who is independent of that particular transaction cycle. Court Executives should assign Clerks of Court or other designees to conduct monthly “External Reviews,” as local court circumstances may require.

Adequate separation of duties would exist if only one employee performs the set of critical duties for any one category within the three fundamental categories of a transaction cycle. No individual employee should have control over all three categories of duties for a transaction cycle, either formally or informally.

Flow charts outline and separate the critical duties in transaction cycles within the State Court financial system. Court management needs to establish procedures for cash receipting, cash disbursement, and record keeping that comply with the process outlined on the respective flow charts.

Purchasing Card

Resources:

- [State Purchasing Website](#)
- Section 07-04.01 Forms and Instructions or Section 16 Forms, [16-07 Purchasing Form](#) for forms such as the [purchasing log](#), [missing receipt form](#) and Powerpoint [training module](#)
- Section 08-02 00 Forms and Instructions or Section 16 Forms, [16-03 Budget Forms](#) to access forms such as the [Court’s Approved Expense Object Code List](#).

Purpose:

1. The objectives of the Purchasing Card Program are to establish a more efficient, cost-effective method of purchasing and payment for small-dollar transactions. The program design is to supplement a variety of processes and to eliminate or reduce the use of small dollar purchase orders, requests for checks, and the use of personal funds for state purchases.
2. Local record keeping is essential to ensure the success of this program. State Finance and Court Finance purchasing policies require retention of receipts, competitive price quotations, etc. As with any charge card, receipts must be retained for protection. Each time the card is used, State funds are committed.
3. The program is NOT intended to avoid or bypass appropriate purchasing or payment procedures. Rather, the program complements the existing processes available.

Policy:

1. It is the intent of the Utah Judicial Council to allow the Purchasing Card to be used for in-store purchases, e-mail orders, internet orders, telephone orders, and fax orders.
2. The Purchasing Card MAY be issued to employees of the Judiciary who purchase small dollar items at least five (5) or more times per year on behalf of the Judiciary.
3. The Purchasing card will be issued in the name of the employee who is using it for Judiciary business purposes. No fee will be charged to the Judiciary or to the employee. The employee should use the card for payment of official state business expenses. These expenses may include payment for office supplies, forms, computer supplies, subscriptions, books, business fees, videotapes, software, miscellaneous equipment, membership fees and conference registration.

4. Employees shall not use the Purchasing Card for paying personal non-business expenses. The State Court Administrator will withdraw the card privilege and will take appropriate disciplinary action against any employee who misuses the card, up to and including termination of employment. In addition to administrative action, the State of Utah may pursue criminal action when appropriate.
5. The Purchasing Cardholder agrees to comply with all existing purchasing policies and guidelines. This includes usage of statewide contracts when applicable and obtaining at least two competitive bids for purchases from \$1,001 to \$5,000. The Purchasing Card is NOT intended to avoid state purchasing policies (FIACCT 04), Judicial Council Procurement Guidelines, or to replace the current travel and entertainment policies (State Purchasing Policy R33)
6. Purchasing cards may be used to purchase jury meals. See Section [10.01 00 Jury payments](#)).
7. Purchasing cards may be used to purchase refreshments for retirement and swearing in ceremonies. Object code 6276 should be utilized.
8. Purchasing cards can not be used to purchase gift cards, as these are taxable and must be entered on an FI48 form. See [Section 07-03.02](#) Employee Recognition. Non-taxable gifts can be purchased by card, charging object code 6276.
9. The Purchasing Card may be used for certain allowable travel expenditures:
 - a. Conference registrations or seminar rooms
 - b. In-state group gatherings (see [Finance Rules FIACCT 10-04.00](#) for additional requirements)
 - c. Hotel room(s) are allowed, but the Pcard Administrator (Dustin Treanor) must work with State Finance to allow hotel charges to occur on that particular card.
10. Sales Tax should NOT be paid when using the Purchasing Card. The card will state "Tax Exempt" on it.
11. The Purchasing Card may NOT be used for any services such as personal services, doctor visits, hospital charges, consultant fees, or attorney fees. Other examples of inappropriate usage:
 - a. Any item exceeding \$5,000 in value. If the purchase is between \$1,001 and \$5,000, at least 2 competitive bids are required. Price quotations will need to be documented and retained in order to comply with State Purchasing Policy R33.
 - b. Any merchandise, product, or service normally considered to be inappropriate use of state funds.
 - c. Capital equipment.
 - d. Gift cards/certificates – see Finance Rules for specifics
(NOTE: gift cards/certificates are *CASH EQUIVALENTS* and are recorded in the Payroll System or as 1099 payments which are not allowed by purchase card policy)
12. An agreement noting that the Purchasing Card holder has read and fully understands the policies in this document as well as general Purchasing Policy is to be signed prior to receipt of the Purchasing Card.

13. Card limits are set by the supervisor/TCE through the purchasing card administrator and can be changed upon request.
14. A Purchasing Card Log shall be maintained by the individual card holder.

Cardholder Responsibilities:

1. The Cardholder is responsible for recording each purchase made on the Purchasing Card on the PCard Log which is an ongoing record of information about the transactions made.
2. The Cardholder will receive a reconciliation statement from the bank each month. The Cardholder is responsible for reconciling this statement with the PCard Log and obtaining the approval signature.
3. The reconciled and approved PCard Log along with a copy of the bank statement, **itemized** receipts and all required backup information must be submitted to AOC Purchasing no later than the last day of the month it is received. Email to courtspccards@utcourts.gov
4. A copy of the PCard Log should also be provided to the budget support person responsible for reconciling expenses in FINET.

AOC Purchasing Responsibilities:

1. Review the PCard Logs to ensure that they are complete and all Purchasing procedures have been followed.
2. Redistribute expenses to the correct coding per the PCard Log.

Procedures for Obtaining a Pcard

1. Prospective cardholders should contact AOC Purchasing for application.

Internal Audit

Resources:

- [State Finance Quarterly Expenditure Audits](#)
- [State Auditor Reports](#)
- [Internal Audit Reports](#)
- [Audit Services Forms](#)
- [Management Training](#)

Purpose:

Utah State Courts Audit Services Mission Statement: We strengthen public trust and confidence in the courts by assisting management in the effective discharge of their fiscal responsibilities. We provide audit reports setting forth independent and objective analyses, appraisals, recommendations, and pertinent comments concerning the activities audited.

What Do We Do?

The department activities are performed in a manner which provides reasonable assurance that audit work conforms with The Standards for the Professional Practice of Internal Auditing, [Rule 3-415 CJA Auditing](#), and [UCA 63I-5 Internal Audit Act](#).

In the course of an audit examination, we:

- Review and appraise the adequacy, soundness, and application of accounting, financial, and other operating controls and make constructive recommendations for improved practices and techniques where appropriate.
- Determine that policies, procedures, state laws, and judicial rules are being interpreted properly and carried out as established; make recommendations for revision where changes in operating conditions have made them cumbersome, obsolete, or inadequate.
- Determine if assets are accounted for properly or controlled against losses.
- Determine the accuracy and reliability of court accounting records and other significant information.
- Determine whether appropriate procedures exist within operations for self-monitoring and continuous improvements.

Quality Work

Our goal is to provide the judiciary with audit services that are useful, objective, and reliable. We strive to perform relevant timely work. All audits meet the requirements of professional auditing standards.

Audit Services

Audits: Audits are conducted according to the Annual Audit Schedule adopted by the Judicial Council Management Committee. Unplanned audits are performed for Changes in Fiduciary Duties, suspected misuse of public funds, etc., as directed by the State Court Administrator.

Follow-up: We provide the state level administrators and court executives a follow-up form within 6 months of an audit to report progress made on resolving audit issues.

Assistance: We assist court managers in drafting responses to audits and assigning duties to separate critical duties adequately.

Consultations: We provide consultation services related to management or financial processes. We serve on the court Accounting Committee, recommending changes to policies and procedures. We consult with the CORIS Accounting User Group on the proposed programming changes/enhancements.

Training: We provide court managers and staff with training/documentation on External Reviews, Juror/Witness Payment Reconciliation, auditing subjects, fraud awareness, etc.

Liaison: We serve as the Judiciary's liaison to the Office of the State Auditor. We perform research for and provide answers to questions posed by the state auditors conducting the annual court audit. We assist management in developing the responses for inclusion in the final audit report.

We encourage court managers to call us for advice when evaluating procedures; implementing state audit recommendations; or when they need an independent opinion.

Contact the following employees with questions or comments about Internal Audits in the Utah Judiciary:

Heather Mackenzie-Campbell	Audit Manager	(801)578-3889	Heatherm@.utcourts.gov
Tracy Chorn	Internal Auditor	(801)578-3891	tracyhc@.utcourts.gov
Diane Williams	Internal Auditor	(801)578-3985	Dianelw@.utcourts.gov

[Frequently asked questions link](#)

SEPARATION OF CRITICAL DUTIES IN TRANSACTION CYCLES WITHIN THE STATE COURT SYSTEM

The purpose of “**separation of duties**” is to ensure that no single individual is placed in such a circumstance that (s)he can cause and conceal errors and/or irregularities (or be vulnerable to others doing so), while performing regularly assigned duties. Three fundamental categories of duties must be separated:

1. Custody of assets
2. Authorization of transactions (including authorization to execute a transaction); and
3. Record keeping/accounting/reconciliation.

Critical duties are those duties which must be divided among employees to clearly establish accountability and to reduce opportunities for misuse of funds. Other *non-critical duties* may also occur in a given transaction cycle, but need not be addressed for the purpose of “separation of duties.”

Achieving a complete division of critical duties depends on the staff available in a court. A court with a small staff may have to allow some overlap of duties. In each instance of overlap, the Court Executive must document in writing a plan providing for an “External Review” of the documents and transactions that relate to that transaction cycle, to be done by an employee who is independent of that transaction cycle. Court Executives should assign Clerks of Court or other designees to conduct monthly “External Reviews,” as local court circumstances may require.

Adequate separation of duties would exist if only one employee performs the set of critical duties for any one category within the three fundamental categories of a transaction cycle. No employee should have control over all three categories of duties for a transaction cycle, either formally or informally.

Following are charts, which outline and separate the critical duties in transaction cycles within the State Court financial system. All related accounting policies and procedures are in the Utah State Courts Accounting Manual.

Transaction Cycle: Hand Receipt Use

DUTY 1: Custody of Asset	DUTY 2: Authorized to Use	DUTY 3: Record Keeping/Accounting
<p align="center">Hand Receipt Custodian</p> <p>Secures the inventory of new and used hand receipt books. Distributes the hand receipt books to employees who cashier on a regular basis, one book per employee. Maintains the distribution log.</p>	<p align="center">Only employees who perform cashier duties should be assigned a Hand Receipt Book</p> <p>Secures assigned hand receipt book. Issues hand receipts. <i>(See Accounting Manual)</i>.</p>	<p align="center">Hand Receipt Reconciler</p> <p>DAILY: Reconcile the issued hand receipts (yellow copies turned in with Cash Count Forms) to the corresponding daily computer receipt records to ensure the receipt details and composition agrees.</p> <p>QUARTERLY: Account for the numerical sequence of assigned hand receipts by verifying that the hand receipts were issued and receipted on the computer, voided properly, or are still unused in the receipt book.</p> <p>SEMI-ANNUALLY: Compare the AOC Finance Hand Receipt Distribution records to the Hand Receipt Custodian's Log to verify that all the books were received and entered on the Custodian's Log. <i>(See Accounting Manual)</i>.</p>
Employee(s) assigned:	Employee(s) assigned:	Employee(s) assigned:
		DAILY:
		QUARTERLY:
		SEMI-ANNUAL:

IF NEEDED, EXTERNAL REVIEW PERFORMED BY: Name: _____ Phone: _____ Court Location: _____

TRANSACTION CYCLE: CASH CHANGE FUND USE

<p>DUTY 1: Custody of Asset</p>	<p>DUTY 2: Authorized to Use</p>	<p>DUTY 3: Record Keeping/Accounting</p>
<p>Cash Change Fund Custodian Delegates a portion of the local court Cash Change Fund to <i>Cashier(s)</i> to use in the receipting process. Retains a portion to make change for <i>Cashiers</i> who run short of change. The custodian is responsible for any shortages or irregularities in accounting for the Cash Change Fund. <i>The court should have one Cash Change Fund Custodian and an alternate.</i> The Court Executive or designee needs to perform and document an “unannounced” verification count of the Cash Change Fund three times per year.</p>	<p>Cashier(s) assigned a portion of the Cash Change Fund Authorized to use assigned portion of the local court Cash Change Fund to make change in the receipting process. A <i>Cashier</i> secures his/her portion of the Cash Change Fund in his/her locked cash drawer or other locked container during the day. The fund is kept overnight in the court safe or vault. <i>Cashier(s)</i> record his/her Cash Change Fund amount on the daily Cash Count form.</p>	<p>Deposit Verifier/Preparer The <i>Deposit Verifier/Preparer</i> performs a verifying count of <i>Cashier(s)</i> receipts and Cash Change Fund in the presence of each <i>Cashier</i>. Both the <i>Cashier</i> and the <i>Verifier</i> sign the Cash Count Form as accurate. This process ensures each <i>Cashier</i>’s portion of the Cash Change Fund is intact. The <i>Cashier</i> gives the original Cash Count Form to the Accountant. The <i>Deposit Verifier/Preparer</i> takes custody of each <i>Cashier</i>’s receipts and prepares the revenue and trust deposits.</p>
<p>Employee(s) assigned:</p>	<p>Employee(s) assigned:</p>	<p>Employee(s) assigned:</p>

IF NEEDED, EXTERNAL REVIEW PERFORMED BY: Name: _____ Phone: _____ Court Location: _____

District: _____ Court Office: _____ Effective Date: _____

TRANSACTION CYCLE: MAIL PAYMENTS

DUTY 1: Record Keeping	DUTY 2: Record Keeping	DUTY 3: Custody of Assets	DUTY 4: Authorization and Custody of Assets	DUTY 5: Record Keeping/Accounting
<p>Mail Log Preparer Records mail payments on the Daily Mail Log. <i>The Mail Log Preparer and Witness may work together to ensure all mail payments are recorded.</i></p>	<p>Mail Log Witness Witnesses that all payments received by mail are recorded on the log.</p>	<p>Cashier(s) Who Receipt Mail payments If both the Mail Log Preparer and Witness sign the Mail Log attesting to the accuracy of the payments listed, either employee can receipt mail payments on the computer if s/he is a Cashier.</p>	<p>Deposit Verifier/Preparer Verifies Cashier(s) Cash Count Form, which includes mail payments. Include all mail payments in revenue and trust daily deposit(s).</p>	<p>Accountant Reconciles the mail log payments to the daily receipt records.</p>
Employee(s) assigned:	Employee(s) assigned:	Employee(s) assigned:	Employee(s) assigned:	Employee(s):

IF NEEDED, EXTERNAL REVIEW PERFORMED BY: Name: _____ Phone: _____ Court Location: _____

TRANSACTION CYCLE: *REVENUE/TRUST FUNDS*

DUTY 1: Record Keeping	DUTY 2: Custody of Assets	DUTY 3: Authorization and Custody of Assets	DUTY 4: Record Keeping/Accounting
<p>Employee(s) who enter and/or adjust Accounts Receivable/Order Accounts</p> <p>Sets up amounts ordered by a judge, Uniform Fine & Bail Schedule, small claims/civil filing fees, etc.</p> <p>An employee, without access to or custody of monies should enter Accounts Receivables/Order Accounts.</p>	<p>Cashier(s) receipting Revenue and Trust payments</p> <p>Receipts revenue and trust payments, and maintains funds in a secure device.</p>	<p>Deposit Verifier/Preparer</p> <p>Verifies Cashier(s) Cash Count Form to the cash, checks, and credit card payments received; signs the Cash Count form in the presence of the Cashier.</p> <p>Reconciles Cashier(s) receipts submitted for deposit (including mail payments) to daily computer receipt records entered by each Cashier.</p> <p>Prepares revenue and trust deposits.</p>	<p>Accountant</p> <p>The employee performs the daily balancing, including adjustments, (e.g., over/short, NSF Reversals, fix trans, etc.).</p> <p>Review transaction reversals, credits, adjustments, suspensions, etc., including verifying supporting documentation. Reconciles the cash/check composition on the daily Cash Count Forms, to receipt records, and to the validated deposit slips.</p> <p>Prepares weekly revenue reports.</p>
Employee(s) assigned:	Employee(s) assigned:	Employee(s) assigned:	Employee(s) assigned:

IF NEEDED, EXTERNAL REVIEW PERFORMED BY: Name: _____ Phone: _____ Court Location: _____

TRANSACTION CYCLE: TRUST FUNDS DISBURSEMENT (Complete a Separate page for each account)

DUTY 1: Custody of Asset	DUTY 2: Record Keeping/Accounting	DUTY 3: Authorization of Disbursement	DUTY 4: Reconciliation
<p>Trust Account Check Stock Custodian</p> <p>Secures the inventory of the blank check stock paper. Retrieves the check stock needed for the trust account check writer.</p>	<p>Trust Account Check Writer</p> <p>Requests blank check stock paper from custodian. Prepares checks and updates check register at least weekly. Reviews trust funds held in the trust account quarterly to ensure funds are disbursed timely.</p> <p>An alternate check writer should be assigned who is not also a trust check signer or reconciler.</p> <p>In juvenile courts, issues a RWF Admin check quarterly to the AOC to reimburse for purchases made through FINET.</p> <p>Only the employees designated as Check Writers should void checks in CORIS/CARE.</p> <p>(List all employees with access rights to use CORIS or CARE Check Writing.)</p>	<p>Trust Account Check Signers</p> <p>After review of supporting documentation, the required dual signatures indicate the trust disbursement is approved.</p> <p>The employee performing the second signature mails the checks and/or delivers the checks, payable to the court revenue account, to a cashier.</p> <p>An employee, who writes checks or reconciles the trust account, must not be designated as an authorized signer on the trust account.</p>	<p>Trust Account Reconciler</p> <p>The employee reconciling the trust account should open the bank statement, access the reconciliation feature on CARE/CORIS, and prepare the monthly reconciliation. The reconciler must account for the numerical sequence of all trust checks, including voided and cancelled checks. Cancelled checks must be reviewed for accuracy. The reconciler (or designee) other than the check writer is responsible for monitoring Positive Pay.</p> <p>Only the employee performing the daily accounting (not the reconciler) is authorized to enter deposit/bank adjustments into the computer system(s).</p>
Employee(s) assigned:	Employee(s) assigned:	Employee(s) assigned:	Employee(s) assigned:

IF NEEDED, EXTERNAL REVIEW PERFORMED BY: Name: _____ Phone: _____ Court Location: _____

District: _____ Court Office: _____ Effective Date: _____

TRANSACTION CYCLE: JUROR/WITNESS PAYMENTS USING NEW FINET

DUTY 1: Record Keeping¹	DUTY 2: Authorization	DUTY 3: Reconciliation
<p align="center">Payment Entry</p> <p>Employee assigned Juror/Witness payment entry duties stamps witness subpoena, juror summons or jury list and enters coding. Process each payment using FINET.</p> <p>Juror lists and subpoenas serve as authorization for payment and are to be filed by day within the month for reconciliation and audit purposes.</p>	<p align="center">Payment Approval</p> <p>AOC Budget employee(s) authorized in FINET to approve Juror or Witness payments issued by a court office employee.</p>	<p align="center">Juror/Witness Payments Reconciler</p> <p>Employee(s) assigned to perform the monthly reconciliation of payments made to jurors/witnesses. By the end of the month following payment, the reconciler will perform the juror/witness reconciliation according to accounting policies and procedures.</p>
Employee(s) assigned:	Employee(s) assigned:	Employee(s) assigned:

IF NEEDED, EXTERNAL REVIEW PERFORMED BY: Name: _____ Phone: _____ Court Location: _____

¹ Court Executives may designate one alternate to enter juror/witness payables on FINET.
AOC Audit Services 5/14/2013

Transaction Cycle: *Purchasing/Payables Processed in FINET*

DUTY 1: Authorization	DUTY 2: Custody of Asset	DUTY 3: Record Keeping/Accounting	DUTY 4: Authorization²	DUTY 5: Reconciliation
<p>Purchaser Employee authorized to make purchases.</p> <p><u>Juvenile courts only:</u> Specific purchases made to administer the Restitution Work Fund Program per CJA Rule 7-307 are processed through district FINET Unit.</p>	<p>Receiver Employee(s) receiving purchases should examine items delivered for damage, shortages of quantity, etc. prior to signing receiver document. Submit receiver to the employee authorized to process payables using FINET.</p>	<p>Payment Entry Employee(s) enters payment information into FINET. Scans the invoice and all supporting documentation into FINET (attached to FINET Payable Document).</p>	<p>Payment Approval Court Executive or designated alternate compares each FINET Payable Document to the scanned invoice and supporting documentation. Ensure expenditure is valid and all information has been entered into FINET accurately before entering electronic approval. <u>Juvenile courts only:</u> Provide request for RWF Admin reimbursement to Trust Check Writer quarterly.</p>	<p>Reconciler After the invoice and supporting documentation is scanned (see duty 3), the documents are routed to the reconciler. After month end, the employee reconciles expenditures for the appropriate units and object codes using FINET. <u>Juvenile courts only:</u> Reconcile RWF Admin purchases processed in FINET to the subsequent reimbursement.³</p>
Individual assigned:	Individual assigned:	Individual assigned:	Individual assigned:	Individual assigned:

IF NEEDED, EXTERNAL REVIEW PERFORMED BY: Name: _____ Phone: _____ Court Location: _____

² A Court Executive may designate one alternate to electronically approve payables on FINET in his/her absence. Duties 3, 4, and 5 should be performed by 3 different employees, if possible. If staffing does not permit this level of separation, one employee could perform duties 3 and 5. To compensate for separation of duties weaknesses, post audit reviews will be performed by AOC Budget and State Finance.

³ Utah State Courts Accounting Manual, Special Funds Section, RESTA policy requires a juvenile court to issue a RWA check quarterly to the AOC to reimburse the district Unit charged for any purchases processed through FINET each quarter.

District: _____ Court Office: _____ Effective Date: _____

Transaction Cycle: *Fixed Assets*

DUTY 1: Authorization	DUTY 2: Record Keeping	DUTY 3: Custody of Assets
<p align="center">Payment Authorization</p> <p><i>Court Executive, Department Head or Designee</i> signs Accounts Payable Authorization Form authorizing the purchase of fixed assets.</p> <p>Note: Courts are encouraged to develop policies and procedures to control items susceptible to loss or theft that are not required to be recorded in FINET.</p>	<p align="center">Fixed Assets Records</p> <p>Employee affixes a pre-numbered ID tag to the fixed assets (>\$5,000). Keep a "Retired Asset List" of those assets that are no longer at location, retaining all documentation relating to the disposition of said property. By April 30 of each year, submit to AOC Budget a list of all equipment and furnishings with an original purchase price of more than 5,000. The AOC Fixed Asset Liaison will annually record each fixed asset with the purchase price of \$5,000 or more in the "fixed asset" section of FINET.</p>	<p align="center">Fixed Assets Verification</p> <p>Employee, independent of authorization and record keeping duties, verifies the existence of the fixed assets and inventory in the district at least once every a year. The employee will trace the items on the Fixed Asset List maintained by AOC Budget (FINET). Any asset that is lost or stolen must be reported to the AOC Budget Department.</p>
Employee(s) assigned:	Employee(s) assigned:	Employee(s) assigned:

IF NEEDED, EXTERNAL REVIEW PERFORMED BY: Name: _____ Phone: _____ Court Location: _____

Transaction Cycle: *Personnel/Payroll*

DUTY 1: Initiation/Authorization	DUTY 2: Record Keeping	DUTY 3: Authorization	DUTY 4: Custody of Assets
<p align="center">Payroll Processing</p> <p>Employee(s) authorized by supervisor to add permanent and temporary court employees into the Personnel/Payroll System. Access to the Personnel/Payroll System will be obtained from the AOC Human Resources Director.</p>	<p align="center">Time and Attendance Entry</p> <p>Time and other pay entries may be entered into the payroll system in two ways:</p> <ol style="list-style-type: none"> 1. The employee may use the Employee Self Service, ESS, to enter their own time. 2. A designated 'Time Entry Operator' may enter time from an employee's signed and supervisor approved time sheet, or enter other pay from appropriate and properly approved documents. Maintain a file of the approved time sheets. 	<p align="center">Approvals/Payroll Approval</p> <p>Appropriate individuals and backups are authorized in the payroll system to approve payroll entries for the following:</p> <ol style="list-style-type: none"> 1. Time entered in the Employee Self Service, ESS, is approved in the System by the employee's supervisor or designated alternate. 2. A "Payroll Coordinator" will use the payroll system to perform the review and approval process for time entered by a Time Entry Operator as per FIACCT 11-17.01 	<p align="center">Payroll Distribution</p> <p>(A small number of checks are distributed)</p> <p>Employee (s), independent of Payroll Processing and Time and Attendance Entry Duties, are authorized to receive/pick-up payroll checks/deposit advices. The payroll checks/deposit advices should be compared to a current list of employees to ensure terminated employees do not receive pay not earned.</p>
Employee(s) assigned:	Employee(s) assigned:	Employee(s) assigned:	
AOC HR Employee			
			<p>*It is good business practice to place an employee's pay check/deposit advice in a sealed envelope to protect wage and privacy. Secure all pay checks until delivered to the employee.</p>

IF NEEDED, EXTERNAL REVIEW PERFORMED BY: Name: _____ Phone: _____ Court Location: _____

District: _____ Court Office: _____ Effective Date: _____

TRANSACTION CYCLE: ACCOUNTS RECEIVABLE MONITORING

DUTY 1: Record Keeping	DUTY 2: Custody of Assets	DUTY 3: Authorization
<p>Employee(s) who enter and/or adjust Accounts Receivable/Order Accounts</p> <p>Sets up amounts ordered by a judge, Uniform Fine & Bail Schedule, small claims/civil filing fees, etc. An employee, without access to or custody of monies should enter Accounts Receivables/Order Accounts.</p>	<p>Cashier(s) receipting Revenue and Trust payments on <u>past due</u> accounts</p> <p>Receipts revenue and trust payments, including payments on <u>past due</u> accounts, and maintains funds in a secure device.</p>	<p>Employee monitoring past due accounts</p> <p>District Court: Actively collect on past due receivables and ensure cases are sent to OSDC within 90 days.</p> <p>Juvenile Court: Actively collect on past due receivables. Send cases to OSDC (at least over 18 years per local district policy).</p> <p>If a case must be resent, the court shall wait one week from the recall date. The employee, other than the employee who recalled the case, verifies the new amount owing before resending.</p>
Employee(s) assigned:	Employee(s) assigned:	Employee(s) assigned:

IF NEEDED, EXTERNAL REVIEW PERFORMED BY: Name: _____ Phone: _____ Court Location: _____

Utah Driver License Division

Effective Date: January 1, 2010

Revised Date: July 23, 2014

POLICY

1.A PAYMENT MANAGEMENT

- All DLD employees that handle payments must have both an awareness of, and a commitment to strong controls concerning payment management procedures.
- Payment controls are necessary to prevent the mishandling of funds and to safeguard against loss. Strong payment controls also protect employees from inappropriate charges of mishandling funds by defining the employee's responsibilities in the payment management process.
- This procedure defines and outlines DLD procedures with respect to the handling and receiving of "payment." The procedure has been divided into categories that will be individually discussed.
- **It is important to note that in regards to payment control, historical practices shall not constitute justification for deviation from the procedures set forth in this document.**

1.A.1 CASH TILL

- Employees will be assigned their own cash till with an assigned float amount. Once the supervisor establishes the float amount, the ACCT 1 form (Acceptance of Cash for Till Float) will be completed. The original form shall be kept by the Supervisor and a copy shall be given to the employee. The employee is responsible for their float amount, cash till and its contents. Under no circumstances shall a cash till be left in a workstation overnight or left unlocked at any time. The second set of cash till keys should not be kept in the same location as the cash tills and should only be accessible to the Supervisor/Designee.
- Each employee has the responsibility to ensure that each transaction is processed correctly. This includes collecting the correct amount from the customer and giving proper change when applicable. The employee shall not anticipate the tender type or amount being provided by the customer and shall enter the amounts only after receiving payment from the customer. To protect the employee when making change, cash received from the customer shall not be placed in the drawer prior to making change. This will eliminate the customer questioning the amount of change provided. Change shall be counted twice – first when taking the change out of the drawer and again when it is given to the customer. The double count will help to ensure that correct change is given. When accepting checks as payment, the employee shall review the check and verify that the written amount and numerical amount match, that the check has been signed, and the payee line is properly addressed. The employee shall use the amount written on the check as the source to enter the payment on the DLS.
- At the beginning of their workday, the employee shall obtain their cash till from the

supervisor/designee and follow all established office procedures for signing in and out for the cash till. Once the employee has received the cash till, the employee shall count the cash in the till to verify that their assigned float is correct. Any discrepancy (over or short) must be immediately reported to the supervisor. The supervisor shall make a note of the discrepancy and must review the employee's cashier report, from the previous closing, to verify that their till was over/short by the corresponding amount. The supervisor shall then apply the cash balancing standards listed below to determine the appropriate action. The action outlined in this procedure is intended as a minimum action. However, Management may increase the action based on the severity of the shortage/overage regardless of the number of occurrences.

- **All cash tills must be counted and reconciled the same day that the tender was collected.** The employee must be careful and keep the funds secure at all times. Whether the employee is closing at a designated location or at the counter, the cash till shall not be left unattended at any time.
- Each employee and supervisor and/or designee is responsible for accurately processing and collecting fees owed at the time of service. All monies must be receipted and deposited as their actual amount. Force balancing is not allowed. This includes, but is not limited to, any manipulation of the following: employees processing transactions, collecting fees, preparing the deposit, reconciling cash drawers, and processing voids/overrides.
- Each employee needs to read the Accounting Policy Accounting Payment Management 1.A.1 and sign an ACCT7 form to confirm that the employee has read this policy. The form needs to be signed annually, then scanned and attached to each employee's performance plan.
- The employee is expected to be "in-balance" in their cash till every day. The supervisor shall monitor daily and document on the ACCT2 form all overages/shortages and follow outlined actions below when discrepancies occur. Employees will be required to sign the ACCT2 form and may document the reasons for the outage in the comment area.

Overage/Shortage Occurrences within 6 months	Action
1st, 2nd and 3rd	Verbal Warning-Based on Severity
4th	Written Warning
5 or more	Corrective or Disciplinary Action

- Action will be taken based on the total number of occurrences within a 6-month rolling period from the date of the last occurrence. However, at the Director's or designee's discretion, previous occurrences may be taken into consideration when determining the current action. The Director or designee shall consult with the Department of Human Resource DPS Field Office before imposing any written action.
- The actions noted in the levels above are not mutually exclusive and at the Director's or designee's discretion action may result from discrepancies in multiple levels. If at any time evidence of theft is found, disciplinary action up to and including termination may be immediately initiated. A supervisor is not limited to the above constraints and may discuss any shortages and overages with the employee at their discretion.

- Each supervisor must, at a **minimum**, verify the assigned float/start-up cash in each employee's cash till once a quarter (four times a year, to coincide with performance plan.) These verification's are to be random, unannounced counts that may be done at any time. The supervisor must be careful not to perform the verifications according to any discernible pattern (i.e. alphabetically) so that the employee is unable to determine when their count will be done. All verifications shall be documented on the ACCT1 form. Any overages or shortages found shall be immediately discussed with the employee involved and documented on the ACCT2 form. Any overages or shortages of \$10.00 or more, or any reoccurring outages shall be reported to the manager.
- It is each supervisor's responsibility to monitor the payment management proficiency of each employee. Supervisors are expected to enforce and comply with this policy. Failure to do so shall result in disciplinary action consistent with Department of Human Resource Rule 477-11.
- Supervisors with assigned cash tills will be held to the standards outlined in this policy. Area/Section Managers will verify the assigned float/start-up cash in each supervisor's cash till in accordance with this policy.

1-A.1.A CASH EXCHANGE

- Cash Exchange is an equivalent exchange of cash between a cashier and the supervisor/designee. The cashier will fill out a Cash Exchange Request Form (ACCT3) and give it to the supervisor/designee.
- The supervisor will get the requested change from the change fund and initial the form. The employee shall always verify change obtained by counting the money prior to placing it in the till and initialing the form. With exception of offices with less than three employees, an employee shall not be allowed to obtain their own change. A copy of the ACCT3 form shall be left with the change fund. In the event of an overage or shortage in the change fund, the ACCT3 forms can be used to determine the source of the error. The supervisor shall keep copies of the forms for fifteen (15) working days. After that period the forms may be discarded. If at the time the change fund is counted, a discrepancy is found and the supervisor is unable to determine the source, the manager shall be informed.
- **NOTE: Money shall not be exchanged between co-workers.**

1-A.1.B CASH PICKUP

- Cash pick up is money that is taken out of the cash till by the supervisor/designee, decreasing the total cash in the till. The money shall be placed in a tamper proof bag with user name, date and total tender picked up. Tender that is picked up is now the responsibility of the supervisor/designee. The office supervisor shall determine a reasonable amount the till cannot exceed. The ACCT5 form will be filled out and kept with the amount picked up for the deposit. Once the deposit is completed the form will be kept for fifteen (15) working days.

1-A.1.C CASH DROP OFF

- **NOTE: Call Accounting for approval before a cash drop is attempted.** Cash drop is when additional money is given to the cash drawer by the supervisor/designee, increasing the total cash in the drawer. The ACCT4 form will be filled out and kept with the change fund. The cash will be counted as part of the drawer and after the till is reconciled the money that was given to

the examiner will go back into the change fund. Once the deposit is completed the form will be kept for fifteen (15) working days.

1-A.2 DEPOSITS

- Two employees must be present and both shall participate when opening each individual deposit bag and combining for one daily deposit.
- Count the cash and the checks separately. Validate the totals by printing the adding machine tape;
- Once the deposit has been completed, the deposit bag must be sealed and placed in a secure location until possession is transferred to the designated carrier or taken to the bank. Once sealed the bag must not be reopened.
- If the deposit is different from the Daily Activity Summary the Deposit Discrepancy log must be completed and emailed daily with each occurrence.
- The deposit shall be made by the next business day, any exceptions must be reported immediately to the Area Manager and Accounting.

1-A.3 CHANGE FUND

- The change fund cash is to be kept in a secure location at all times. The secure location may be a safe or locked cabinet (travel office only).
- The change fund shall be counted at least once a day by two people to verify the count. All counts shall be properly documented and endorsed by both individuals involved by initialing the appropriate documentation. The documentation must be kept in the supervisor's file until the next audit review.
- Access to the change fund located in the offices shall be limited to the supervisor, assistant supervisors, lead examiners, and with the approval of the manager, an emergency backup person. The only exception will be offices with less than three employees, where the supervisor will give proper access to the change fund.
- **NOTE: Change for smaller denominations can be made from the sales money before the deposit is prepared as long as there are strict written controls established by the office.**
- Each office is responsible for having a sufficient amount of change on hand to conduct business. When necessary, the change fund shall be increased by submitting a new Acceptance of Cash Custody Form (FI 10) to the Financial Manager.

1-A.4 COUNTERFEIT MONEY

The following are DLD business rules for handling counterfeit money

- Keep the counterfeit bill and ask the customer to wait for a moment;
- Notify the office supervisor;
- The office supervisor will call the appropriate police agency;
- If possible tell the customer you are having a problem with the transaction. Do not put yourself in danger;
- If the customer knows the bill is counterfeit, they will likely leave the building. Note the customer and any companion's descriptions, service they are applying for, and the vehicle they leave in;
- Limit your conversation with customers and other employees. Write down any information that

may be helpful to the police investigation;

- Limit the handling of the bill and any paperwork. Place the bill in an envelope, write the date on the envelope and give to the police agency.

1-A.5 SAFE

- Access to the safes located in the offices shall be limited to the supervisor, assistant supervisors, lead examiners, and with the approval of the manager, an emergency backup person. The only exception will be offices with less than three employees, where the supervisor will give proper access to the safes.
- Safe doors shall be closed (and where applicable, locked) in order to safeguard against improper access and possible removal of funds. The safe room doors shall be closed and locked to increase the level of security except where approval has been given by the manager for the safe room door to remain open.
- Safe combinations shall be changed each time a change in personnel with access to the combination occurs. Where applicable, the locks on the safe room door shall also be changed when a change involves personnel with keys.

1-B. CASHIERING A PAYMENT

- This procedure includes Driver License Division (DLD) procedures for cashiering different types of payments on the Driver License System (DLS). The term “payment” includes coin, currency, checks, debit and credit cards, money orders/cashier’s checks, traveler’s checks, and vouchers.

1-B.1. CASH HANDLING

The following are DLD business rules for handling and cashiering a cash payment

- When accepting cash for transaction payment, count and state out loud the amount received from the customer.
- All large bills (fifty-dollar bill or larger) must be verified with the counterfeit detector pen; if a counterfeit bill is detected see 1-A.4.
- To protect the employee when making change, the amount received from the customer shall **not** be placed in the cash drawer prior to making change; do not leave cash unattended.
- Change shall be counted twice – first when taking the change out of the drawer and again when it is counted back to the customer.
- Always count out loud the amount of change due to the customer and place the change directly on the counter in front of the customer.
- Place the cash received from the customer in the cash drawer once the proper change is given to the customer.
- **Till set up shall be as follows:** The smallest dollar denomination will be at the right hand side of the till. All large bills (\$50 and above) will be placed under the till. All bills shall be placed face up facing to the left of the cash drawer.

1-B.2. CHECK/MONEY ORDER HANDLING (Checks, Money Order, Cashier’s Check, and Travelers Check)

The following is the criteria needed to make a check acceptable for a DLD payment

- Checks shall be written to the Department of Public Safety (DPS).

- Checks shall be written for the correct amount, do not give change back on checks.
- No two-party or counter checks may be accepted.
- No foreign checks may be accepted.
- Out of state checks may be accepted.
- Cash may be given back with supervisor approval on money order, cashiers and travelers check payments.
- Money order, cashiers and travelers check payments will be cashiered as the corresponding tender; cash may be given back with supervisor approval.
- The employee shall review the check and verify that the written amount and numerical amount match, that the check has been signed, and the payee line is properly addressed. The employee shall use the amount written on the check as the source to enter the payment on the DLS.
- The cashier must enter the check number when entering the check payment.
- All checks shall be endorsed using the slip-printer if the check cannot be endorsed with the slip printer; the employee will stamp the back of the check with an endorsement stamp.
- The employee shall write the transaction number on the front of every check.
- Checks shall be placed in the cash drawer upon completing the transaction.

1-B.3. DEBIT/CREDIT CARD PAYMENTS

- The DLD will accept American Express, Discover Card, Visa or MasterCard credit/debit cards as payment type. This includes prepaid credit cards. DLD policy does not allow for cash back on a credit card/debit card transaction.
- Transactions received over the phone are only allowed at the call center and the only card payment type that may be accepted will be a credit card payment. Debit cards can be processed as a credit card payment, with customer approval.
- **NOTE—As of January 2010, some credit/debit cards will not approve for total amount due. Second form of payment may be required.**

DEBIT CARD PAYMENT HANDLING PROCEDURE

The following are DLD business rules for processing a debit card payment

- To cashier a debit card payment on the DLS, the employee will complete the transaction and select the payment type of debit card. The customer will swipe their card and enter their PIN on the keypad. The authorization will populate the payment information on DLS. No receipt will print on the slip printer for debit card transactions, but a transaction receipt will print from DLS.
- The customer will swipe their debit card through the card reader and enter their Personal Identification Number (PIN);
- If the transaction is accepted, the customer's receipt will print on the laser printer after the transaction is finalized;
- If the debit card cannot be read, with the customer's approval, the debit card may be ran as a credit card but it will require a change of tender type on the screen. If the credit card payment is not accepted the customer can pay with a different payment type but may require a change of tender type on the screen.
- If the customer does not have another payment type the employee will void the transaction.
- Do not give cash back on debit card payments.

CREDIT CARD PAYMENT HANDLING BUSINESS RULES

The following are the business rules for processing a credit card payment

- The customer will swipe the credit card through the card reader;
- If the transaction is accepted the customer will sign on the signature pad;
- When cashiering a credit card payment the employee will verify the card holder is present.
- If the credit card payment is not accepted the customer can pay with a different payment type but may require a change of tender type on the screen.
- If the customer does not have another payment type the employee will void the transaction.
- **NOTE—The owner of the credit card may not authorize another individual to use their card for payment if they are not present. No exceptions!!**

CREDIT CARD PAYMENT BY PHONE FOR THE CALL CENTER OFFICE

The following are the business rules for processing a credit card payment over the phone.

- To cashier a credit card payment on the DLS, the employee will complete the transaction and select the payment type of credit card. The authorization will populate the payment information on DLS.
- **NOTE—The cashier must speak to the owner of the credit card to authorize payment. No exceptions!!**
- Credit Card payments by phone can only be accepted at the Call Center.
- When accepting credit card payments by the phone the cashier will enter the card number, expiration date, CVV code from the back of the card, and billing zip code on the PIN pad. If approved the authorization code will be returned. If not approved, the customer can pay with a different card.

DECLINED CARD MESSAGES

When a credit/debit card authorization has been declined, one of the following messages will be displayed

- Invalid PIN (debit card only).
- Card Authorization Not Received
- The connection may have been lost.
- Unauthorized Charge
- Invalid Credit Card Number

The employee should try to process the card payment again. If the payment still does not go through, the customer will need to pay with another form of payment.

CREDIT/DEBIT CARD REFUND/VOID

A void/refund on a transaction paid by credit/debit card can only be done for the full amount of the original payment before the till has been reconciled. Further voided information can be found in "Voided Transactions."

1-B.4. VOUCHER AUTHORIZATION

The following are DLD business rules for using an authorized voucher payment.

- Driver License Division accepts vouchers **pre-approved only from federal, state, county, and city agencies**. The government agencies should be able to make payment through an Internal Transaction Agreement (ITA). Any exception to an ITA must have prior approval from Accounting.
- Government Approved Agency Vouchers can be used in lieu of money to purchase a driver license, identification card, MVR, and to pay reinstatement fees. However, no voucher will be accepted for less than \$6.00.
- Voucher must have name, address, and telephone number of requesting authorized agency.
- Voucher must have signature of requesting state agency's department head or authorized agent.
- Voucher must have the name of the person authorized to obtain the services.
- Voucher must have the authorized amount. (Voucher cannot be used for more than the authorized amount).
- Voucher must have the authorized services listed.
- A voucher can be used for less than the authorized amount, i.e., voucher authorized for \$7.00. MVR was issued for \$6.00. Single line through the \$7.00 and write \$6.00. **Do not give cash back.**
- Faxes or photocopy of voucher should not be accepted. The agencies using Federal funds must have original documents. **(Issues or concerns with accepting a voucher, contact Accounting Section).**
- A voucher cannot be used for Charity Donations. If the applicant wants to donate, they must pay for the donation.
- Voucher should stay with till until reconciliation

When a voucher is accepted , use the following procedure:

- The employee will process the transaction and select "voucher" as the payment type from the payment drop down list and enter the amount actually used.
- All vouchers shall be endorsed using the slip-printer if the voucher cannot be endorsed with the printer, the employee will write the transaction number, actual amount used and employee information on the front of the voucher.
- Scan the original payment voucher and save in the office's DLMONEY folder after the till has been reconciled. Once scanned the original voucher should be filed with the office copies of the money report.

1-C. OVER OR SHORT TRANSACTION

- This procedure includes the DLD business rules for handling over or short payments on the DLS at the transaction level.

1-C.1 OFFICE TRANSACTION

The following are the business rules for an overage or shortage on a check, money order or certified funds.

The customer is present and has a personal check, money order or certified check and it is:

- Over by any amount, the employee should request a new check from the customer.
- Short by any amount, the employee will collect additional fees from the customer or a new

check for the correct amount

1-C.2. MAIL TRANSACTION

The following are business rules for an overage or shortage on a DLD payment process through the mail.

Payment could be a check, money order or certified check. Each payment type should be handled the same as an office transaction unless the payment is:

- For any transaction that is received and is not for the correct amount, a letter along with the payment and mailed documents will be sent back to the customer;
- Partial payments for a reinstatement can only be accepted if it covers the total cost of one or more reinstatement fee amounts listed in the department actions.

1-C.2A CENTRAL OFFICE FRONT COUNTER MAIL TRANSACTIONS

The following applies strictly to mail transactions involving cash payments processed through the Central Office front counter in the Public Assistance Section. Cash should not be returned through the mail.

- In the instance that a customer sends cash in the mail for a transaction other than payment of a reinstatement fee, and the amount is less than the correct amount owed, receipt the payment in the system as a MISC fee. Issue a letter notifying the customer that their cash payment amount was not correct, and notify them that the original cash payment sent in will be refunded via check (follow MEV process to do this, and include information about what the fee was intended to pay for, the amount paid, and the transaction number in the MEV note field.) Return whatever mailed documents may have been included with the payment to the customer, and explain that if they choose to resubmit the documents with the correct payment amount, their request will be processed. (Make sure to specify in the letter that payment should be made with check, money order or cashier's check, not cash.) The only exception to this is if the amount still owed is less than one dollar. If this is the case, override the price in the system to the amount paid by the customer then complete the transaction.
- In the instance that a customer sends cash in the mail to pay a reinstatement fee and the amount is less than the correct amount owed, receipt the payment in the system, then send a PRBR letter noting the amount still owed. When the PRBR is sent, also return whatever mailed documents may have been included with the payment back to the customer (unless the documents are reinstatement documents that have been accepted and entered into the system). The reinstatement fee amount in the applicable department action must be overridden with the amount actually paid. 15 days after the PRBR letter is sent, a new PRB department action will need to be added, and the reinstatement fee amount will need to be overridden to reflect the amount still owed. The only exception to this is process if the amount still owed is less than one dollar. If this is the case, override the price in the system to the amount paid by the customer then complete the transaction. Fees in department actions may be overridden by a Records Bureau manager, the Records Bureau Chief, or the Help Desk.
- In the instance that a customer sends cash in the mail for a transaction and the amount is more than the correct amount owed, receipt the payment in the system using the line item for the transaction requested and the line item OVRPY to account for the overage (to insure the cash drawer used does not show an overage for the cash transaction). A MEV should then be filled

out for the overage so a refund may be issued to the customer. The only exception to this is if the amount of the overage is less than one dollar. If this is the case, the MEV step is not necessary.

- In the case where the dollar amount is correct, however, the request form is either incomplete or incorrect, receipt the money as a miscellaneous fee. Issue a letter notifying the customer that the request form and payment need to be resubmitted (make sure to specify in the letter that payment should be made with check, money order or cashier's check, not cash) and the original cash payment sent in will be refunded via check (follow MEV process to do this).

1-C.3. INTERNET RENEWAL TRANSACTION

The following are business rules for an overage or shortage on a DLD renewal payment processed on the internet.

- Renewal application information from renewals that have been processed on the Internet are placed into an electronic file by Utah Interactive. The file is emailed to DLD and then stored.
- Duplicate transactions will be refunded the next business day. If the transaction did not upload to Utah Interactive a letter will be generated to the customer.

1-D REFUNDS

Please use the following guidelines in an effort to return money to the applicant/driver.

- **NOTE: There is one-dollar limit on MEVs. Do not issue a MEV on any amount less than one dollar. MEVs can only be issued in the same fiscal year the fee was paid in.**
- When payment of a fee is collected in error.
- License fees are nonrefundable unless an error is made on the amount collected by division personnel.
- If a reinstatement fee is paid, and the applicant was given driving privilege for any period of time, do not MEV the fee.
- When it is determined an MEV is required, complete the MEV form and attach supporting documentation, and add a note to the customer's record in the following format: (Date) – MEV submitted for review (employee initials).
- Remember: When having fees returned for any reinstatement fee(s), do not purge the action from the record. The action will be purged once the MEV(s) are completed. The Records Bureau Chief has the authority to approve reinstatement fee related MEVs for processing. Once approved, the Records Bureau Chief will be responsible for updating the department action with the MEV request date, in addition to purging the department action when necessary.
- Driver Services Managers and above have the authority to approve license fee related MEVs for processing.
- The Bureau Chief or Manager will update the note field upon receiving the MEV and upon approval/rejection of the MEV. Upon completion, the MEV will be forwarded to the Accounting Section with a copy of either the reinstatement receipt if available, or the license or ID card application.
- If you have a situation that is not covered or are unsure of the decision to make, refer the applicant/driver to your supervisor or manager.

1-E. RETURNED CHECKS

When a check written to the division is not honored by the bank, the department will attempt to contact the person receiving the service to obtain payment.

Under authority of 7-15-1 UCA the division will charge fees for returned checks in addition to the **amount of the bad check**: Fees applicable to this policy:

- A **service charge** of twenty dollars (\$20)
- A **collection fee** of twenty dollars (\$20) after the 15th calendar day from notification by mail of the bad check letter.
- *A **reinstatement fee** of thirty dollars (\$30) when a driving privilege is denied.

*If the check was written for the purpose of obtaining a license or paying for license reinstatement, the driving privilege of the applicant shall be "denied" on the department's computer records until the payment of the amount of the bad check, service charge, collection fee and reinstatement fee under authority of 53-3-221 UCA 1953.

Note: Checks returned for MVR (s), I.D. Cards, Accident Reports, etc. will not result in the denial of driving privileges. Because the driving privilege is not denied, a reinstatement fee cannot be charged.

- When a check is **returned unpaid** use the following procedures:
- Central Office accounting personnel will **send a W261/W260 letter** informing the individual of the returned check. The letter will advise the person of the bad check amount, service charge, collection fee and the potential "denial" of their driving privilege.
- If the payment is not received by the 16th day from the date of the W261/W260 letter, a W26D/W262 letter will be generated by the Accounting Section personnel.
- The Accounting Section personnel will enter the "department action" onto the record 31 days from the W261 letter date. The expiration date of the "action" will be indefinite.

1-F. VOIDING A TRANSACTION

- A cashier can void a transaction without supervisor approval if no tender has been received.
- A cashier can void a transaction with supervisor approval if tender has been received. Debit and credit card payments will be reversed automatically by the system and any tender shall be returned to the customer.

DLD SUPERVISOR VOID

- As the void is completed there will be a forced note window that appears on the DLS, which requires an explanation be added.
- A supervisor can void a transaction that has been posted, so long as the cash drawer it occurred in has not been reconciled. Debit and credit card payments will be reversed automatically by the system and any tender shall be returned to the customer.
- **NOTE: The DLHELP DESK will need to be called to reverse the licensing portion.**

1-G. CASH MANAGEMENT

- All employees who need access to supervisor roles in the Cash Management System must

complete an ACCT6 form "Request for DLS Supervisor Role." Access to Cash Management will be limited to employees who need this access to perform the essential functions of their job. A justification for employees other than help desk, supervisor, assistant supervisor, lead worker or headquarters accounting must be documented on the form. Approval by the Manager must be obtained before access will be granted.

- If temporary access is needed to cover an employee absence, short term access can be requested for a limited period. The form needs to include the days the access will be needed. In an emergency, the manager can contact the DLD Help Desk for access but a form must be completed as soon as possible.
- The completed form needs to be sent to the DLD Help Desk for access to be added to your DLS menu.
- If access needs to be removed, please send an e-mail to the DLD Help Desk and Accounting.

1-H. POSTAGE

The following are DLD business rules for a postage fund:

- To request monies for postage submit an email to Accounting.
- The amount requested shall not be in excess of \$250.
- All postage shall be handled the same as cash.
- All mail shall be weighed and appropriate postage must be used.
- All postage must be logged on the Postage Log provided by Accounting and shall be audited and balanced monthly. Note: Postage Logs shall be retained for one year.

1-I. POST TRANSACTIONS TO FINET

- All payments are posted to the State Financial Information Network System (FINET) within two (2) business days.

1-J. LOST AND FOUND

- If found money is turned in to the Supervisor, it should be receipted in the DL System as a MISC Fee. The "Customer Name" and "Customer Number" should be listed as "Money Found."
- All items (such as credit cards, wallets, birth certificates/social security, etc.) being held in the safe should have information attached indicating what steps have been taken to locate the individual, the date the item was put in the safe, and when the items should be removed. If the individual cannot be located, the items should be sent to the bank(s) agencies that issued the item so they can attempt to locate the individual or destroy the items.

Definitions

- ACCT1 form: Acceptance of Cash for Till Float Form. This form will be filled out to authorize the employees float amount and to keep track of audits.
- ACCT2 form: Cash Outage log. This form will be filled out whenever there is an outage with a float/sale amount.
- ACCT3 form: Cash Exchange Request Form. This form will be filled out when the cashier needs smaller denominations.
- ACCT4 form: Cash Drop Off Form. This form will be filled out when the supervisor/designee adds cash to a cash till from the change fund. All cash drop funds must be returned to the

change fund after the till has been reconciled.

- ACCT5 form: Cash Pick Up Form. This form will be filled out when the supervisor/designee picks up cash and/or checks from a cashier's till. The cash and/or checks picked up is now part of the deposit.
- ACCT6 form: Request for DLS Supervisor Role Form. This form will be filled out when an employee needs access to the supervisor role in cash management.
- ACCT7 form: Acceptance of Policy Form: This form must be signed and dated by each employee that is assigned a cash till.
- Cash drawer: Holds the till and is permanently placed at the workstation. Contains slots in the front to insert checks, money orders, vouchers, etc. without opening the drawer.
- Cash drop: Money that is added to a drawer that increases the cash in that drawer. Approval from Accounting is required.
- Cash pick-up: Money that is picked-up during a work shift if the drawer becomes crowded or contains a high dollar sales amount.
- Cash till: The till is removable and sits inside of the cash drawer. Organizes and holds sales cash and the start up cash. Has a locking top that is used when contents are removed from the cash drawer.
- Change fund: Money that is assigned to the office cash custodian to distribute float funds and to exchange dollar denominations as needed during the workday.
- Counter Check: A blank check provided by a bank for the convenience of customers. There generally will not be a check number, if there are numbers they will be all 9's or start with zero.
- Start-up cash: Money assigned to an employee that remains in their till to make change for customers. Also, known as "The Float."
- Till set-up: The order in which the money is organized in the till. The smallest dollar denomination will be on the right hand side of the till. All large bills (\$50 and above) will be placed under the till. All bills shall be placed face up, facing to the left in the cash drawer.

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**UTAH DEPARTMENT OF PUBLIC SAFETY
CRIMINAL INVESTIGATIONS & TECHNICAL SERVICES**

BUREAU OF CRIMINAL IDENTIFICATION (BCI)

POLICY AND PROCEDURE

Alice Moffat Division Director	EFFECTIVE DATE July 1, 2011	POLICY NUMBER BCI-11-032
	SUBJECT Accounting Payment Management	
AMENDS September 13, 2012	RE-EVALUATION DATE	NO. OF PAGES 14

I. PURPOSE

To establish correct procedures for handling and proper distribution of monies received at BCI.

II. PROCEDURE

Starts on Next Page

Policy Number BCI-11-032
Accounting Payment Management
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ACCOUNTING PAYMENT MANAGEMENT

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1-A. PAYMENT MANAGEMENT

All BCI employees that handle payments must have both an awareness of, and a commitment to strong controls concerning payment management procedures.

Payment controls are necessary to prevent the mishandling of funds and to safeguard against loss. Strong payment controls also protect employees from inappropriate charges of mishandling funds by defining the employee's responsibilities in the payment management process.

This procedure defines and outlines BCI procedures with respect to the handling and receiving of "payment." The procedure has been divided into categories that will be individually discussed.

It is important to note that in regards to payment control, historical practices shall not constitute justification for deviation from the procedures set forth in this document.

1-A.1. CASH TILL

Employees will be assigned their own cash till with an assigned float amount. Once the supervisor establishes the float amount, the ACCT 1 form (Acceptance of Cash for Till Float) will be completed. The original form shall be kept by the Support Service Supervisor, and a copy shall be given to the employee. The employee is responsible for their float amount, cash till and its contents. Under no circumstances shall a cash till be left in a workstation overnight or left unlocked at any time.

Each employee has the responsibility to ensure that each transaction is processed correctly. This includes collecting the correct amount from the customer and giving proper change when applicable. The employee shall not anticipate the tender type or amount being provided by the customer and shall enter the amounts only after receiving payment from the customer. To protect the employee when making change, cash received from the customer shall not be placed in the drawer prior to making change. This will eliminate the customer questioning the amount of change provided. Change shall be counted twice – first when taking the change out of the drawer and again when it is given to the customer. The double count will help to ensure that correct change is given. When accepting checks as payment, the employee shall review the check and verify that the written amount and numerical amount match, that the check has been signed, and the payee line is properly addressed. The employee shall use the amount written on the check as the source to enter the payment on the Sales System.

At the beginning of their workday, the employee shall obtain their cash till from the supervisor/accountant. Once the employee has received the cash till, the employee shall count the cash in the till to verify that their assigned float is correct. Any discrepancy (over or short) must be immediately reported to the supervisor. The supervisor shall make a note of the discrepancy and must review the employee's cashier report, from the previous closing, to verify that their till was over/short by the corresponding amount. The supervisor shall then apply the cash balancing standards listed below to determine the appropriate action. The action outlined in this procedure is intended as a minimum action. However, Management may increase the action based on the severity of the shortage/overage regardless of the number of occurrences.

All cash tills must be counted the same day that the tender was collected. Employees should count their till at their workstation with their window blinds closed. An employee should not close out their cash till at their workstation with the blinds open and customers are present. The employee must be careful and keep the funds secure at all times. The cash till shall not be left unattended at any time.

Each employee needs to read this policy and sign an ACCT5 form to confirm that the employee has read this policy. The signed form needs to be scanned and attached to each employee's performance plan.

The employee is expected to be "in-balance" in their cash till every day. The supervisor shall monitor daily and document on the ACCT2 form all overages/shortages and follow outlined actions below when discrepancies occur.

Overage/Shortage Occurrences within 6 months	Action
1 st , 2 nd , 3 rd 4 th 5 th 6 th	Verbal Warning-Based on Severity Written Warning Corrective Action Disciplinary Action

Action will be taken based on the total number of occurrences within a 6 month rolling period from the date of the last occurrence. However, at management's discretion, previous occurrences may be taken into consideration by Management when determining the current action. Management shall consult with the Department of Human Resource DPS Field Office before imposing any written action.

The actions noted in the levels above are not mutually exclusive and at management discretion action may result from discrepancies in multiple levels. If at any time evidence of theft is found, disciplinary action up to and including termination may be immediately initiated. A supervisor is not limited to the above constraints and may discuss any shortages and overages with the employee at their discretion.

The supervisor must, at a **minimum**, verify the assigned float/start-up cash in each employee's cash till once a quarter or as needed (to be reviewed with performance plan.) These verifications are to be random, unannounced counts that may be done at any time. The supervisor must be careful not to perform the verifications according to any discernable pattern (i.e. alphabetically) so that the employee is unable to determine when their count will be done. All verifications shall be documented on the ACCT1 form. Any overages or shortages found shall be immediately discussed with the employee involved and documented on the ACCT2 form. Any overages or shortages of \$10.00 or more, or any reoccurring outages shall be reported to the manager. It is the supervisor's responsibility to monitor the payment management proficiency of each employee. The supervisor is expected to enforce and comply with this policy. Failure to do so shall result in disciplinary action consistent with Department of Human Resource Rule 477-11.

1-A.1 CASH EXCHANGE

Cash Exchange is an equivalent exchange of cash between a cashier and the supervisor/accountant/manager. The cashier will fill out a Cash Exchange Request Form (ACCT3) and give it to the supervisor/ accountant/manager.

The supervisor/accountant/manager will get the requested change from the change fund and initial the form. The employee shall always verify change obtained by counting the money prior to placing it in the till and initialing the form. A copy of the ACCT3 form shall be left with the change fund. In the event of an overage or shortage in the change fund, the ACCT3 forms can be used to determine the source of the error. The accountant shall keep copies of the forms for fifteen (15) working days. After that period the forms may be destroyed. If at the time the change fund is counted, a discrepancy is found and the supervisor is unable to determine the source, the manager shall be informed.

NOTE: Money shall not be exchanged between co-workers.

1-A.2. DEPOSITS

- The accountant will combine all collected money for one daily deposit;
- Count the cash and the checks separately. Validate the totals by printing the adding machine tape;
- Once the deposit has been completed, the deposit bag must be sealed and placed in the accountant's safe until possession is transferred to the designated carrier or taken to the bank. Once sealed the bag must not be reopened.
- If the deposit is different from the Daily Activity Summary the Deposit Discrepancy log must be completed and emailed daily to Accounts Receivable at headquarters with each occurrence.
- The deposit shall be made by the next business day.

1-A.3. CHANGE FUND

The change fund cash is to be kept in the accountant office safe at all times.

The change fund shall be counted once a week by two people to verify the count. At least one of the people involved in the count shall be a supervisor/accountant. All counts shall be properly documented and endorsed by both individuals involved by initialing the appropriate documentation. The documentation must be kept in the accountant's file until the next audit review.

Access to the change fund located in the accountant office shall be limited to the Bureau Chief, manager, supervisor, accountant, and with the approval of the manager, an emergency backup person.

NOTE: Change for smaller denominations can be made from the sales money before the deposit is prepared as long as there are strict written controls established by the office.

The accountant is responsible for having a sufficient amount of change on hand to conduct business. When necessary, the change fund shall be increased by submitting a new Acceptance of Cash Custody Form (FI 10) to the Financial Manager.

1-A.4. COUNTERFEIT MONEY

The following are BCI business rules for handling counterfeit money. Check all \$20.00, \$50.00 and \$100.00 dollar bills with a counterfeit pen, or the counterfeit bill machine.

- Keep the counterfeit bill and ask the customer to wait for a moment;
- Notify one of the BCI investigators;
- Notify the office supervisor or manager;
- If possible tell the customer you are having a problem with the transaction. Do not put yourself in danger;
- If the customer knows the bill is counterfeit, they will likely leave the building. Note the customer and any companion's descriptions, service they are applying for, and the vehicle they leave in;
- Limit your conversation with customers and other employees. Write down any information that may be helpful to the police investigation;
- Limit the handling of the bill and any paperwork. Place the bill in an envelope, write the date on the envelope and give to the investigators.

1-A.5. SAFE

Access to the safe located in the office shall be limited to the Bureau Chief, manager, supervisor, accountant, and with the approval of the manager, an emergency backup person.

Safe doors shall be closed and locked in order to safeguard against improper access and possible removal of funds. The safe room doors shall be closed and locked to increase the level of security except where approval has been given by the manager for the safe room door to remain open.

Safe combinations shall be changed each time a change in personnel with access to the combination occurs. Where applicable, the locks on the safe room door shall also be changed when a change involves personnel with keys.

1-B. CASHIERING A PAYMENT

This procedure includes Bureau of Criminal Identification (BCI) procedures for cashiering different types of payments in the Sales System. The term "payment" includes coin, currency, checks, debit and credit cards, money orders/cashier's checks, and vouchers.

1-B.1. HANDLING PROCEDURE FOR CASH

The following are BCI procedures for handling and cashiering a cash payment.

- When accepting cash for transaction payment, count and state out loud the amount received from the customer.
- All large bills must be verified with the counterfeit detector pen or machine; If a counterfeit bill is detected see 1-A.4.
- To protect the employee when making change, the amount received from the customer shall **not** be placed in the cash drawer prior to making change; do not leave cash unattended.
- Change shall be counted twice – first when taking the change out of the drawer and again when it is counted back to the customer.
- Always count out loud the amount of change due to the customer and place the change directly on the counter in front of the customer.
- Place the cash received from the customer in the cash drawer once the proper change is given to the customer.

Till set up shall be as follows:

The smallest dollar denomination will be at the left hand side of the till. All \$100 dollar bills and above will be placed under the till. All bills shall be placed face up facing to the left of the cash drawer.

1-B.2. HANDLING PROCEDURE FOR CHECK/MONEY ORDER AND CASHIER'S CHECK

The following is the criteria needed to make a check acceptable for a BCI payment.

- Checks shall be written to the BCI. (We can also accept checks made to: The State of Utah and Dept of Public Safety (DPS))
- Checks shall be written for the correct amount, do not give change back on checks.
- When payment is made by check, the person receipting the check shall indicate which person the service was provided for if it is a different person than the one named on the account or if it is a business check.
- No two-party or counter checks may be accepted. One exception to accepting counter checks: There are some counter checks now being issued by the bank that include the name and address, account number, routing number and a check number. If we receive one of those for a service that we can suspend such as concealed permits, and all their information is verified by the documentation that they have to provide, drivers license, photo, application information, we can accept that check. (Please check with supervisor or accountant to verify if the check is acceptable)
- Checks without an imprinted address from personal accounts will need to have the address written in. We will accept the check as long as their name or initials are imprinted on the check. We cannot accept any check without a check number.
- Checks that have an imprinted address that has been crossed out and a new address hand written in will be accepted if the new address matches the address they put on their application or ID.
- We will accept out of state checks.
- Cashier check payments will be cashiered as a check.
- Enter the entire number imprinted on the money order and cashier's check including all alpha characters. Do not enter any dashes or spaces.
- The employee shall review the check and verify that the written amount and numerical amount match, that the check has been signed, and the payee line is properly addressed. The employee shall use the amount written on the check as the source to enter the payment on the sales system.
- The cashier must enter the check number when entering the check payment.
- All checks shall be endorsed using the slip-printer if the check cannot be endorsed with the slip printer; the employee will stamp the back of the check with an endorsement stamp.
- The employee shall write the receipt number, the abbreviation for the service they are paying for, driver's license number if transaction is for a walk in customer and their initials on the front of every check.
- Checks shall be placed in the cash drawer upon completing the transaction.

1-B.3. DEBIT/CREDIT CARD PAYMENTS

BCI will accept Visa or MasterCard credit/debit cards as payment type. BCI policy does not allow for cash back on a credit card/debit card transaction.

HANDLING PROCEDURE FOR DEBIT CARD PAYMENT

The following are BCI procedures for processing a debit card payment.

To cashier a debit card payment on the Sales System, the employee will complete the transaction and select the payment type of debit card. The customer will swipe their card and enter their PIN on the keypad. The authorization will populate the payment information on Sales System. No receipt will print on the slip printer for debit card transactions, but a transaction receipt will print from the Sales System.

- The customer will swipe their debit card through the card reader and enter their Personal Identification Number (PIN);
- If the transaction is accepted, the customer's receipt will print on the laser printer after the transaction is finalized;
- If the debit card cannot be read, with the customer's approval, the debit card may be ran as a credit card but it will require a change of tender type on the screen. If the credit card payment is not accepted the customer can pay with a different payment type but may require a change of tender type on the screen.
- If the customer does not have another payment type the employee will cancel the transaction.
- Do not give cash back on debit card payments.

HANDLING PROCEDURE FOR CREDIT CARD PAYMENT AT OFFICE

The following are BCI procedures for processing a credit card payment for walk-in customers.

- The customer will swipe the credit card through the card reader;
- If the transaction is accepted the customer will sign on the signature pad;
- When cashiering a credit card payment the employee will verify the card holder is present.
- If the credit card payment is not accepted the customer can pay with a different payment type but may require a change of tender type on the screen.
- If the customer does not have another payment type the employee will cancel the transaction.

NOTE—The owner of the credit card may not authorize another individual to use their card for payment if they are not present. No exceptions!! If a business credit card is used either the card must include the name of the person using the card or the company owner or manager must give BCI a list of names they authorize to use the card on company letterhead. The letter must include the last 4 digits of the credit card, exp date and signature of the authorized user of the card.

HANDLING PROCEDURE FOR CREDIT CARD PAYMENT BY MAIL

The following are BCI procedures for processing a credit card payment.

- When cashiering a credit card payment by mail the cashier will enter the card number, expiration date, CVV code from the back of the card, and billing zip code on the PIN pad. If approved the authorization code will be returned. If not approved, a letter and the application will be returned to the customer requesting another form of payment and the employee will void the transaction
- The application must include all of the above information and a signature authorizing the use of the credit card for payment.
- If any of the required information is missing, a letter and the application will be returned to the customer.
- When the transaction is complete all the credit card information will be cut off the application or blacked out except for the card holder signature before the application is scanned into the system. (The last 4 digits of the card and exp date may be retained.)

CREDIT CARD PAYMENT BY PHONE

The following are BCI procedures for processing a credit card payment over the phone.

To cashier a credit card payment on the Sales System, the employee will complete the transaction and select the payment type of credit card. They will then fill out the Credit Card Payment by Phone Form ACCT6. Verify that the person calling in is the name on the card. The authorization will populate the payment information on the Sales System. The only payment type that may be accepted will be a credit card payment. Debit cards can be processed as a credit card payment, with customer approval.

NOTE—The cashier must speak to the owner of the credit card to authorize payment. No exceptions!!

- When accepting credit card payments by the phone the cashier will enter the card number, expiration date, CVV code from the back of the card, and billing zip code on the PIN pad. If approved the authorization code will be returned. If not approved, the customer can pay with a different card.
- All ACCT6 forms will be given to the accountant to retain for no more than 3 months. All credit card information will be cut off the form and destroyed, or blacked out.

DECLINED CARD MESSAGES

When a credit/debit card authorization has been declined, one of the following messages will be displayed:

<u>Message</u>	<u>Action to Take</u>
• Invalid PIN (debit card only). again	Have Customer try card
• The connection may have been lost.	Try the card 1 time again
• Invalid Credit Card Number.	Try the card 1 time again
• Card Authorization Not Received.	Do not try again
• Unauthorized Charge	Do not try again

If the payment still does not go through, the customer will need to pay with another form of payment.

CREDIT /DEBIT CARD REFUND/VOID

A void/refund on a transaction paid by credit/debit card can only be done for the full amount of the original payment before the till has been reconciled. Further voided information can be found in 1.F Voided Transactions

1-B.4. VOUCHER AUTHORIZATION

The following are BCI procedures for using an authorized voucher payment.

The Bureau of Criminal Identification accepts vouchers **pre-approved only from federal, state, county, and city agencies**. The government agencies should be able to make payment through an Internal Transaction Agreement (ITA). Any exception to an ITA must have prior approval from Accounting.

Government Approved Agency Vouchers can be used in lieu of money to purchase a Right of Access, Expungement Application or Certificate, Fingerprint cards or Concealed Firearm Permits.

The voucher must:

- have name, address, and telephone number of requesting authorized agency.
- have signature of requesting state agency's department head or authorized agent.
- have the name of the person authorized to obtain the services.
- have the authorized amount. (Voucher cannot be used for more than the authorized amount).
- have the authorized services listed.
- be for the exact amount of the service. If voucher is not for the exact amount take it to the supervisor or accountant to call the agency to clarify the amount of the service. The supervisor/accountant may cross out the wrong amount and write in the correct amount with the approval of the authorized person from the agency. The name of the person giving the authorization must be noted on the voucher. (Per name of person) and the supervisor should then initial and date next to the change.
- **Do not give cash back.**
- Faxes or photocopies of voucher will not be accepted. The agencies using Federal funds must have original documents. **(Issues or concerns with accepting a voucher, contact Accounting Section).**
- Voucher should stay with till until reconciliation

If a voucher is acceptable the employee must do the following:

- The employee will receipt the transaction as a "voucher" payment type from the payment drop down list and enter the billing information in the comments box
- All vouchers shall be endorsed on the back using the slip-printer. If the voucher cannot be endorsed with the printer, the employee will write the receipt number, actual amount used and employee information on the front of the voucher.
- Send the original payment voucher to Accounting after the till has been reconciled.

1-B.5 PAYMENTS RECEIVED AT FIELD LOCATIONS

- The appropriated fee for the service/material is accepted and a handwritten receipt is issued.
- A triplicate receipt book should be used. The original receipt is given to the customer. The second copy of the receipt is kept with the money. The third copy of the receipt is left in the receipt book.
- Once back in the office, a computerized receipt will be made for the total of the written receipts, as long as all receipts issued are for the same service or material.
- Only Cash, Check, Money Orders or Cashier's checks will be accepted from field locations.

1-C. OVER OR SHORT TRANSACTION

This procedure includes the BCI procedures for handling over or short payments on the Sales System at the transaction level.

1-C.1. OFFICE TRANSACTION

The following are the procedures for an overage or shortage on a check, money order or certified funds.

The customer is present and has a personal check, money order or certified check and it is:

- Over by any amount, the employee should request a new check from the customer.
- Short by any amount, the employee will collect additional funds from the customer or a new check for the correct amount

1-C.2. MAIL TRANSACTION

The following are procedures for an overage or shortage on a Sales System payment process through the mail.

Payment could be a check, money order or certified check. Each payment type should be handled the same as an office transaction unless the payment is:

- For any transaction that is received and the check is not for the correct amount, a letter along with the payment and mailed documents will be sent back to the customer; unless it is \$3.00 or less than the fee of the service, then it can be receipted and the amount accepted as an overage.
- Check overpayments on concealed renewals may be receipted and a refund be submitted to the accountant if the customer included a late fee but it was not required. See 1-D Refunds

1-D. REFUNDS

Please use the following guidelines, in an effort to return money to the applicant.

- When payment of a fee is collected in error.
- Fees are non-refundable if the service has already been completed.
- No refund will be issued for the amount of \$3.00 or less. That amount will be submitted to accounting as an overage.

When it is determined a refund is required, complete the refund slip and attach any supporting documentation. Make 2 copies of the receipt and attach to the refund slip.

Cashier personnel will forward all refund requests to the accountant for approval and completion of the refund process.

If you have a situation that is not covered or are unsure of the decision to make, refer the customer to your supervisor or manager.

1-E. RETURNED CHECKS

When a check written to the division is not honored by the bank, the department will attempt to contact the person receiving the service to obtain payment.

Under authority of 7-15-1 UCA the division will charge fees for returned checks in addition to the **amount of the bad check**: Fees applicable to this policy:

A **service charge** of twenty dollars (\$20).

Any fee and service charge not collected after the 90th calendar day from notification by mail will be sent to the Office of State Debt Collection and a collection fee will be added by OSDC.

* If the check was written for the purpose of obtaining a license, the accountant will inform an investigator to suspend the license until payment for the amount of the bad check and all fees are paid.

1-F. CANCELING OR VOIDING A TRANSACTION

- A cashier can cancel a transaction without supervisor approval if no tender has been received.
- A cashier will contact a supervisor to void a transaction if tender has been received. Debit and credit card payments will be reversed automatically by the system and any tender shall be returned to the customer.
- If a walk in debit or credit card transaction needs to be voided after the customer has left cashier must fill out the DEBIT/CREDIT VOID slip and hand to supervisor who will be doing the void. Do not email or IM the information regarding the void.

BCI SUPERVISOR VOID

As the void is completed there will be a forced note window that appears on the Sales System, which requires an explanation be added. The supervisor must use the void information codes that are set up with the fiscal department at headquarters, in the note window.

- A supervisor can void a transaction that has been posted, so long as the cash drawer it occurred in has not been counted. Debit and credit card payments will be reversed automatically by the system and any tender shall be returned to the customer.

1-G. CASH MANAGEMENT

All employees who need access to supervisor roles in the Cash Management System must complete an ACCT4 form "Request for Sales System Supervisor Role." Access to Cash Management will be limited to employees who need this access to perform the essential functions of their job. A justification for employees other than supervisor, bureau chief, manager or accounting must be documented on the form. Approval by the Supervisor must be obtained before access will be granted.

If temporary access is needed to cover an employee absence, short term access can be requested for a limited period. The form needs to include the days the access will be needed. In an emergency, the supervisor can contact the Cashiering Manager (for access but a form must be completed as soon as possible.

The completed form needs to be sent to the Cashiering Manager for access to be added to your Sales System menu.

1-H. RECONCILING CASH DRAW

All cash tills must be counted the same day that the tender was collected.

This includes the "virtual" cash drawers of those receipting applications by mail.

The employee will add up their cash and enter each denomination into the reconciling application of the sales system. They will run an adding machine tape of all their checks two times and enter the total amount into the sales system. If their totals match their receipts the system has logged for the day, they will get a message saying "Record Updated." If no other message appears this will indicate to them that they balanced. They will place their checks and cash in a tamper proof money bag and place it in the safe in the accountant's office. If the amounts they enter do not match they will get a message say "One of more of their tender types did not match and to try again."

The employee should double check their figures then enter their totals in again. The system will then accept their totals but will not indicate to them if they balanced or not. The employee will then take their deposit to the supervisor/accountant, who will check in the system to see if the employees till shows balanced. If it is not balanced the employee and supervisor/accountant will count the tender again together to find the discrepancy. Once they do balance they will place their checks and cash in a tamper proof money bag and place it in the safe in the safe room or the safe in the accountant's office.

1-I. POST TRANSACTIONS TO FINET

All payments are posted to the State Financial Information Network System (FINET) within two (2) days.

1-J. Definitions

- ACCT1 form: Acceptance of Cash for Till Float Form. This form will be filled out to authorize the employees float amount and to keep track of audits.
- ACCT2 form: Cash Outage log. This form will be filled out whenever there is an outage with a float/sale amount.
- ACCT3 form: Cash Exchange Request Form. This form will be filled out when the cashier needs smaller denominations.
- ACCT4 form: Request for Sales System Supervisor Role in Cash Management.
- ACCT5 form: Form employee signs to confirm they have read the accounting policy. To be filed in their employee folder.
- ACCT6 form: Credit Card Payment by Phone Form. This form will be filled out when taking a credit card payment over the phone.
- Cash drawer: Holds the till and is permanently placed at the workstation. Contains slots in the front to insert checks, money orders, vouchers, etc. without opening the drawer.
- Cash till: The till is removable and sits inside of the cash drawer. Organizes and holds sales cash and the start up cash. Has a locking top that is used when contents are removed from the cash drawer.
- Change fund: Money that is assigned to the office cash custodian to distribute float funds and to exchange dollar denominations as needed during the workday.
- Counter Check: A blank check provided by a bank for the convenience of customers. There generally will not be a check number, if there are numbers they will be all 9's or start with zero.
- Start-up cash: Money assigned to an employee that remains in their till to make change for customers. Also, known as "The Float."
- Till set-up: The order in which the money is organized in the till. The smallest dollar denomination will be on the left hand side of the till. All \$100.00 dollar bills and above will be placed under the till. All bills shall be placed face up, facing to the left in the cash drawer.