



STATE OF WASHINGTON
DEPARTMENT OF CORRECTIONS

APPLICABILITY
PRISON/WORK RELEASE
OFFENDER MANUAL

REVISION DATE
7/1/16

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NUMBER
DOC 200.200

POLICY

TITLE
OFFENDER BETTERMENT FUND (OBF)

REVIEW/REVISION HISTORY:

- Effective: 11/7/85 DOC 210.050
- Revised: 2/24/92
- Revised: 7/1/92
- Revised: 3/15/96 DOC 200.200
- Revised: 8/7/96
- Revised: 8/6/99
- Revised: 1/5/05
- Revised: 6/13/05
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- Revised: 1/10/08
- Reviewed: 1/7/09
- Revised: 9/8/10
- Revised: 8/19/11
- Revised: 9/16/13
- Revised: 7/1/16

SUMMARY OF REVISION/REVIEW:

Major changes to include clarifying processes for the creation, review, approval, revenue/ expenditures, and financial reporting requirements of the OBF.


APPROVED:

Signature on file

RICHARD "DICK" MORGAN, Secretary
Department of Corrections

6/30/16

Date Signed

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REFERENCES:


DOC 100.100 is hereby incorporated into this policy; [RCW 43.88.195](#); [RCW 72.09.095](#); [RCW 72.09.470](#); [RCW 74.18.230](#); [WAC 67-35-160](#); [WAC 137-36-040](#); [ACA 4-4044](#); [DOC 200.050 Purchasing](#); [DOC 200.190 Vending Machines](#); [DOC 210.060 Donations](#); [DOC 235.000 Fixed Asset Inventory](#); [DOC 530.150 Family Centered Services](#); [DOC 540.200 Movie/Video Selection](#); [SAAM 20.40](#); [SAAM 75.10](#); [SAAM 75.40](#); [SAAM 85.20](#)

POLICY:

- I. [4-4044] The Department has established an Offender Betterment Fund (OBF) per RCW 43.88.195. Assets of the OBF will be used solely for offender betterment activities that enhance the security and orderly operation of a facility by reducing idleness and encouraging positive development of family and community ties.
- II. Accounting for the OBF will be in accordance with requirements of this policy and the Office of Financial Management’s State Administrative and Accounting Manual (SAAM).
- III. The authority to spend from the OBF is vested with the Secretary.
- IV. Headquarters and each facility will operate and maintain a local subaccount of the OBF and be responsible for all operations, accounting, budgeting, and financial reporting activities of its subaccount.

DIRECTIVE:

- I. Budget Requirements
 - A. The OBF is a Special Revenue Fund used to account for the proceeds of specific revenue sources.
 - B. The OBF will not be used for:
 1. Individual trust accounts,
 2. Private organizations,
 3. Other government agencies, or
 4. Major capital projects.
 - C. The OBF will be budgeted on a fiscal year basis. The budget control number will be set each fiscal year by the Chief Financial Officer (CFO) and Deputy Secretary by July 31.
 - D. OBF employee salary and benefit cost projections will be provided by the Budget Office to the OBF Administrator.

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- E. The Budget Office will provide its budget building tool to the OBF Administrator for use in building the projected OBF budget.
- F. The Deputy Secretary, CFO, and the Assistant Secretaries for Prisons and Reentry will determine the annual spending plan/budget by line item. Expenditures must be within the projected available revenue and OBF balance. The OBF Administrator will calculate the remainder of the annual budget.
 - 1. Family centered proposals will be solicited and recommended per DOC 530.150 Family Centered Services.
- G. The Secretary will review and approve the final budget.
 - 1. Once the OBF budget and spending plan is approved, the OBF Administrator will communicate budget allocations and spending categories to each facility, the Work Release Administrator, the Director of Family Services, and the CFO via e-mail.
 - 2. Each facility will allot their authorized budget spending plan prior to the fiscal month in which the expenditure is expected to occur.
 - 3. Each facility may prepare internal allotment adjustments to help monitor expenditures in the spending categories.
 - 4. Authorized funds not spent within the budgeted fiscal year will revert to unbudgeted status and return to the OBF balance.

II. Source of Funds

- A. Authorized revenue for the OBF will be drawn from the following sources:
 - 1. Offender communication revenue sharing per contract,
 - 2. Contracted offender vending machine commissions,
 - 3. Donations per DOC 210.060 Donations,
 - 4. Interest earned on the OBF,
 - 5. Contracted electronic MP3 music/email/video visiting service commission,
 - 6. Recycling,
 - 7. Surplus property proceeds, when the original source of funds was the OBF, and
 - 8. Miscellaneous (e.g., revenue from lockers purchased by the OBF, contraband revenue per WAC 137-36-040).
- B. Unauthorized revenue includes:



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1. Recoveries of expenditures (e.g., recreation fees, refunds of returned purchases),
 2. Revenue generating activity that is properly accounted for in an enterprise fund (e.g., car washes, curio sales),
 3. Revenue generated from vending machines not accessible to offenders (e.g., in administrative offices). These funds will be paid to the Business Enterprise Revolving Account administered by the Department of Services for the Blind per DOC 200.190 Vending Machines, and
 4. Photo coupon sales that are a recovery of expenditures. The recovery should go to Correctional Industries, Fund 401.
- C. If the Local Business Advisor (LBA) considers receipts properly classifiable as due to the OBF, s/he will request a determination in writing from the OBF Administrator.
1. The OBF Administrator will consult with his/her supervisor and respond in writing to the LBA on whether the request is justified.
 2. Pending the written determination, the funds will be deposited per SAAM 85.20.

III. Cash Balance Requirements

- A. The OBF's cash balance will be maintained by the OBF Administrator in an interest bearing checking/savings account or certificate of deposit.
1. The minimum cash balance will be 2 times the monthly average expenses based on budgeted expenditures for the fiscal year.

IV. Expenditures

- A. Authorized expenditures are for resources that contribute to the betterment of the offender population, including:
1. OBF supplies and equipment,
 - a. Supplies generally only benefit one fiscal year period.
 - b. Equipment encompasses tangible items with a useful life of greater than one fiscal year.



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- 1) Capitalized assets have a unit cost of greater than \$5,000.00.
- 2) Non-capitalized assets have a unit cost less than \$5,000.00.
2. Extended Family Visit (EFV) Program expenditures (e.g., furniture, kitchen supplies),
3. Family centered activities that are non-cultural events and/or programs that encourage stronger family relations,
4. Law Library books, subscriptions, and employee salaries and benefits.
5. Recreation and hobby expenditures, including:
 - a. Recreational supplies (e.g., board games, sports balls).
 - b. Recreational awards and prizes up to a maximum of \$1.00 per offender per fiscal year.
 - c. Recreational staffing as authorized in the fiscal year spending plan. Reimbursement will not exceed actual expenditures.
 - d. Small common use hobby craft tools, which are not individually owned and are not individual raw material supplies.
6. Cultural activities/events, including:
 - a. A maximum of \$5.00 per offender per fiscal year, as part of facility unrestricted funding.
 - b. In addition, facilities may spend \$2.00 per offender per fiscal year, as part of facility unrestricted funding, to enhance in-dining room holiday meals.
7. Television system expenditures, including:
 - a. Cable/satellite television service available to offenders (e.g., monthly cable fees). The purchase of premium movie channels (e.g., HBO, Showtime) is prohibited.
 - b. Televisions for dayrooms and televisions for rent by offenders at selected facilities.

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- c. Public performance licenses to allow public viewing of non-educational/self-help videos at the Washington Corrections Center (WCC) and Washington Corrections Center for Women (WCCW) Reception Diagnostic Centers.
 - 1) This is a Headquarters expenditure, and these locations must comply with the terms of the public performance licensing agreement.
 - a) If cable/satellite television services are available in Reception Diagnostic Centers, the authorization for a public performance license will lapse.
 - 2) Public performance licenses at other facilities will require written approval from the appropriate Assistant Secretary per DOC 540.200 Movie/Video Selection.

- 8. Awards (e.g., hygiene/food items) for the Earned Incentive Program for facilities with a Television Rental Program,
- 9. Unit activity expenditures (e.g., furnishings for Work Releases, housewares, barbershop supplies, betterment activities),
- 10. Visiting area supplies (e.g., children’s games, wall art) and furniture used by children in common areas,
- 11. Special projects that are approved, infrequent expenditures (e.g., EFV units, gym floor refinishing), and
- 12. Other expenditures in the approved spending plan.

B. Unauthorized expenditures include:

- 1. Expenditures on behalf of identifiable individuals or groups to the exclusion of the majority of the population, unless approved for family centered programs,
- 2. Tort claims,
- 3. Magazine/newspaper subscriptions, except newspapers for Work Releases and Reception Diagnostic Centers,
- 4. Offender newsletters,
- 5. Referee fees,



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- 6. Hobby craft supplies for individual offender consumption/ownership,
 - 7. Employee salary expenses, unless identified as an authorized OBF position and included in the approved spending plan,
 - 8. Regular adult use furniture for visiting areas,
 - 9. Typewriters and related supplies for offender use,
 - 10. Offender wages, legal services, and copies/miscellaneous supplies for the Law Library,
 - 11. Video film rentals for non-educational/self-help purposes, except in WCC and WCCW receiving units,
 - 12. Holiday packages/gifts, including posting money to individual offender accounts,
 - 13. League/tournament fees,
 - 14. Loans to offenders, and
 - 15. Monetary awards for the Earned Incentive Program.
- C. Superintendents and the Work Release Administrator may consider offender requests for expenditure of betterment funds, but are not required to honor those requests. Expenditures may not be authorized unless they are contained in the approved spending plan.
- 1. Offenders may not challenge any management decision concerning OBF expenditure requests.
- D. All purchases made from the OBF will comply with requirements and purchasing authorities, including procurement through the Department of Enterprise Services when required per DOC 200.050 Purchasing.
- V. Fund Transfers
- A. Each month, the OBF Administrator will transfer 25 percent of all revenue received that month to the Crime Victims Compensation Fund administered by the Department of Labor and Industries. This transfer is considered a reduction of revenue to the OBF.
- VI. Accounting and Financial Reporting Requirements



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- A. The OBF is not profit seeking, but revenue and expenditures will be measured to document net income and changes in financial position. Revenues and expenditures are accounted for using the modified accrual basis where revenues are recorded, when available, and objectively measured. Expenditures are recorded in the period in which the fund liability is incurred.
- B. The Agency Financial Reporting System (AFRS) is Washington State's official accounting system and is maintained by the Department of Enterprise Services for accounting and financial reporting activities.
 1. The uniform chart of accounts per SAAM 75.10 provides mandatory codes for conformity and a uniform means for comparing and analyzing assets, liabilities, fund equity, revenues, and expenses between agencies.
- C. The AFRS Transaction Code User Guide, located on the Financial Services SharePoint site, will be used to determine the transaction code(s) necessary to affect the required general ledger accounts. There may be more than one transaction code.
 1. Allowable general ledger codes and descriptions of the types of items that are recordable can be found in SAAM 75.40.20.
 2. Each facility must use its assigned organization index on all OBF transactions to produce a general ledger at the subaccount level.
- D. Capital assets purchased with the OBF must be tagged, included in the Capital Asset Management System (CAMS), and counted annually per DOC 235.000 Fixed Asset Inventory.
- E. Employees will document revenue and expenditures in the Accounting for Local Funds (ALF) application on a monthly basis, as determined by the Financial Services Manager (FSM)/designee.
 1. ALF will be used to prepare financial reports for OBF monitoring and reporting to local management.
- F. Financial Coordination Unit (FCU) employees will upload ALF transaction records into AFRS by the close of the fiscal month in which the activity occurred. The activities may be recorded at summary level but will not be netted against each other.
- G. OBF spending and financial status will be reviewed at least every 2 months by the:



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1. Deputy Secretary,
2. CFO,
3. Assistant Secretaries and Budget Managers for Prisons and Reentry,
4. Family Services Director,
5. OBF Administrator,
6. FSM/designee, and
7. Comptroller.

VII. Audit Requirements

- A. OBF subaccounts are subject to internal audit. The Audit Director will determine the nature, timing, and scope of these audits per SAAM 20.40 and internal procedures.
- B. The OBF is subject to audit by the Washington State Auditor’s Office.

DEFINITIONS:

The following words/terms are important to this policy and are defined in the glossary section of the Policy Manual: OBF Unrestricted Funding. Other words/terms appearing in this policy may also be defined in the glossary.

ATTACHMENTS:

None

DOC FORMS:

None