



**JUSTICE CABINET
DEPARTMENT OF
JUVENILE JUSTICE
POLICY AND PROCEDURES**

**REFERENCES:
505 KAR 1:110
2-CO-1B-13, 14
3-JDF-1B-10, 13
3-JTS-1B-09-12, 18
3-JCRF-1B-02, 08, 09, 10, 16, 19
1-JDTP-1B-09, 10, 12, 17
1-JBC-1B-09, 10, 11, 17
4-JCF-6B-05, 07, 08, 13**

CHAPTER: Programs Services

AUTHORITY: KRS 15A.0652

**SUBJECT: Use of Non-Governmental Funds
and Youth Activity Funds Account**

POLICY NUMBER: DJJ 315

TOTAL PAGES: 4

EFFECTIVE DATE: 1/04/2016

APPROVAL: Bob D. Hayter

, COMMISSIONER

I. POLICY

A youth activity fund account shall be established. The youth activity fund may include youth earned allowance, income through work experience, and funds collected through private donations or work projects. Each facility shall manage and report the appropriate use of these funds. A special account may be established and utilized at programs where the facility collects and holds staff meal money as well as Kentucky Employee Contribution Campaign (KECC) donations. These special accounts shall solely be used for these purposes.

II. APPLICABILITY

This policy shall apply to each DJJ operated day treatment program, group home, youth development center (YDC), and regional juvenile detention center (RJDC).

III. DEFINITIONS

Refer to Chapter 300.

IV. PROCEDURES

A. DJJ facilities shall establish a youth activity account fund, where funds are earned through allowance and work experience as well as funds collected through work projects, sales of articles produced by youth, and private donations. DJJ facilities may establish a special account for staff meals and KECC donations. Specific accounting procedures shall be maintained and detailed by the facility. Staff flower, coffee, and water funds shall be in private accounts not tracked or maintained by the Department.

POLICY NUMBER DJJ 315	EFFECTIVE DATE 1/04/2016	PAGE NUMBER 2 of 4
--	---	-------------------------------------

- B. A petty cash fund of no more than \$100 from the account may be maintained on site. Petty cash shall only be used to generate change for cash sales from the youth activity account fund and shall not be used to make purchases. Cash on hand shall be secured by the trustees in a locked box or cabinet with appropriate key control.
- C. All monies collected at the facility shall be placed in a designated and secure location daily.
- D. Youth activity funds and a youth's individual funds shall be kept in one bank account that is referred to as the youth activity fund account. The facility shall maintain an acceptable accounting system necessary to ensure an accurate accounting of these funds, which shall include individual ledgers for youth's individual funds. Any interest earned on monies other than operating funds shall accrue to the benefit of the youth.
- E. Youth that meet the minimum deposit requirements of the local financial institution's minimal account requirements shall have the option to open an interest-bearing personal account. Youth shall be informed that their parent or caregiver shall be responsible for opening the account. Staff involvement in facilitating the transfer shall not impede the safe and orderly operation of the facility.
- F. The Superintendent shall serve as primary trustee of all non-governmental funds and accounts. The facility fiscal manager or officer shall be the secondary trustee of all non-governmental accounts. A third trustee for all non-governmental accounts may be designated by the Superintendent. The final trustee, for all accounts, shall be the non-governmental accounts contact person in the Fiscal Branch.
- G. All checks written from the non-governmental accounts shall require two signatures from the trustees.
- H. Bank statements for each account shall be reconciled monthly by facility fiscal manager or officer.
- I. The Superintendent shall:
 - 1. Review the accounts monthly,
 - 2. Certify the accuracy of the deposits along with the disbursements, and
 - 3. Review and sign the monthly account reconciliations.
- J. The facility shall maintain a sub-ledger for each individual and the youth activity funds. Each sub-ledger shall record receipts, disbursements, and maintain a positive balance.
- K. All disbursements of any fund shall be covered by a sufficient balance in the account at the time of expending or obligating. All disbursements of non-

POLICY NUMBER DJJ 315	EFFECTIVE DATE 1/04/2016	PAGE NUMBER 3 of 4
--	---	-------------------------------------

- governmental accounts shall be properly documented with a receipt or invoice. All purchases shall be paid by check or inter-fund transfer.
- L. All incoming funds shall be documented as to the source and accompanied by a receipt voucher.
 1. Each receipt voucher shall indicate the date, source of funds, amount received, date deposited into the bank account and clearly identify the type of funds as either youth activity funds, meal receipts, or KECC donations.
 2. Copies of all deposit slips shall be maintained with the receipt voucher.
 3. Deposits shall be made monthly or more frequently if needed.
 4. Incoming checks and monies shall be registered immediately in the appropriate fund ledger by the Superintendent or secondary trustee and deposited in the account.
 5. Receipt voucher booklets shall be sequentially numbered and in triplicate.
 - M. All disbursements shall be documented on a disbursement voucher and shall include the check number, date, payee, amount, and a full description of the disbursement.
 - N. Disbursements of \$500 or more from the youth activity fund account shall require documented prior approval by the Regional Director or Facilities Regional Administrator (FRA).
 - O. The youth activity account fund shall not be used for disbursements for items or services for staff.
 - P. Staff shall submit a travel voucher for reimbursement of pre-approved staff purchases for youth, that are incurred while supervising youth when off-grounds.
 - Q. Any cost incurred through the performance of DJJ directed staff duties shall be reimbursable through a travel voucher.
 - R. All properties valued at \$500 or more and purchased from the youth activity fund account shall be tagged and numbered in a permanent manner that cannot be removed. A separate inventory shall be maintained for the youth activity fund account property. An inventory of said properties shall be forwarded to the DJJ property officer to be noted as non-state properties and included for insurance purposes.
 - S. Vehicles which require taxes, licenses and insurance shall not be purchased with the Youth Activity Fund Account.
 - T. Voided checks shall be maintained with the checkbook.
 - U. Cancelled check images shall be maintained with monthly bank statements. These records shall be maintained in the facility for three (3) years from the date of audit by the Division of Administrative Services.

POLICY NUMBER DJJ 315	EFFECTIVE DATE 1/04/2016	PAGE NUMBER 4 of 4
--	---	-------------------------------------

- V. For any unclaimed checks or outstanding monies that are over one (1) year old staff shall follow procedures outlined in Chapter 1 policies.
- W. If for any reason the facility discontinues operation or discontinues a fund, the assets of the fund shall be frozen with no new activity obligations. The Superintendent or secondary trustee of the fund shall notify the bank and ask for an ending statement within forty-five (45) days of the closure date. All records concerning the fund shall be forwarded to the Deputy Commissioner of Support Services. Upon receipt of this material the Deputy Commissioner shall issue specific instructions for the disposition of all cash and recreational equipment belonging to the fund.
- X. Each facility shall include in its quarterly report a section entitled "Non-Governmental Accounts". This section shall contain a reconciliation for each bank account between the bank account balance and general ledger kept for that account. This quarterly report shall be forwarded to the Division of Administrative Services, Fiscal Branch.
- Y. At the end of each fiscal year, a report of all income and expenditures shall be sent to the Division of Administrative Services, Fiscal Branch.

V. MONITORING MECHANISM

Each fiscal year, all non-governmental accounts shall be subject to auditing by the Fiscal Branch or other agents authorized by the Division of Administrative Services.