



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

REFERENCES:
3-JTS-1B-01, 03-08, 13, 15, 17, 19
3-JDF-1B-01, 03, 05-09, 12, 16, 18, 19
3-JCRF-1B-01-06, 11, 13, 14
1-JDTP-1B-01, 03-08, 11, 13, 15
1-JBC-01, 03, 04, 05, 06, 10, 13, 14, 16
4-JCF-6B-02, 04-06, 08-10

CHAPTER: Administration	AUTHORITY: KRS 15A.065
SUBJECT: Fiscal Management	
POLICY NUMBER: DJJ 107	
TOTAL PAGES: 5	
EFFECTIVE DATE: 12/01/2014	
APPROVAL: Bob D. Hayter, COMMISSIONER	

I. POLICY

The Finance and Administration Cabinet is charged by Kentucky Revised Statute (KRS) 45A.045 with the general responsibility and authority for all fiscal matters for all state agencies with a provision allowing authority to other state agencies. The Department of Juvenile Justice (DJJ) shall comply with budget and accounting regulations as outlined in KRS and Kentucky Administrative Regulations (KAR).

II. APPLICABILITY

This policy shall apply to all DJJ staff.

III. DEFINITIONS

Refer to Chapter 100.

IV. PROCEDURES

- A. The Commissioner shall review and monitor the expenditure of funds. The Commissioner shall delegate the overall responsibility for fiscal matters to the Division of Administrative Services, Fiscal Branch.
- B. Responsibilities of the Fiscal Branch shall include:
 - 1. Providing guidance to the department consistent with fiscal state statutes, regulations, and policies;

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2. Acting as the DJJ liaison with the Finance and Administration Cabinet; and
 3. Advising and assisting staff regarding fiscal matters.
- C. The Division of Administrative Services, Fiscal Branch shall oversee the distribution of revenue, budgeting for position allocations, and budget authorization to address:
1. Expenditure and audit reports;
 2. Internal controls of monies;
 3. Accounting practices for canteen funds, Youth Activity Funds, and interest-bearing accounts;
 4. Purchasing;
 5. Inventory and replacement of equipment;
 6. Property insurance;
 7. Payroll; and
 8. Staff travel voucher reimbursement.
- D. Director of Administrative Services, Fiscal Branch Manager, and Agency Budget Analyst shall be on the Central Office Budget Committee. The committee shall participate in the formulation of the department's budget. The committee shall participate in the oral and written budget deliberations and present a biennial budget request to the Commissioner. The biennial budget request shall include:
1. The maintenance of operations;
 2. The identification of capital construction needs; and
 3. The identification of program objectives and development.
- E. The Fiscal Branch Manager and Agency Budget Analyst shall make annual allocations, prior to the start of each fiscal year, consistent with the Executive Budget, or as amended with the approval of the Governor's Office for Policy and Management.
- F. The Central Office Budget Committee shall conduct quarterly budget meetings with the Commissioner's office to review the status of department budget and budget projections.
- G. The Central Office Budget Committee may, with the approval of the Commissioner, request budget revisions that appear to be justifiable or necessary. The revisions shall be subject to the approval of the Governor's Office for Policy and Management.
- H. The Fiscal Branch shall be responsible for generating a management budget for each organizational unit. An annual meeting shall be held with the Fiscal

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Manager and Administrative Manager responsible for each organizational unit to review the management budget.

- I. The Agency Budget Analyst shall provide a monthly expenditure report to the Fiscal Manager and Administrative Manager for each organizational unit. The organizational unit shall verify expenditures monthly and report any discrepancies or concerns to the Agency Budget Analyst.
- J. Inventory Control and Surplus Property
 1. The Property Officer shall be responsible for DJJ inventory. Each facility and office Administrative Manager shall designate an Inventory Coordinator that is responsible for control and record keeping at that budget unit.
 2. Property Officer shall:
 - a. Perform as the property officer for central office property.
 - b. Maintain communication between Inventory Coordinator.
 - c. Review with Inventory Coordinator the duties and responsibilities concerning inventory within the system.
 - d. Monitor and review all changes on inventory policy and procedure with Inventory Coordinator.
 - f. Assigns, records, and issues property number tags to the budget units.
 - h. Assist the Inventory Coordinator in reconciliation of recorded and actual physical inventory.
 - i. Make periodic reports to the Finance and Administration Cabinet, federal agencies, and the department as required.
 3. The Inventory Coordinator shall:
 - a. Be responsible for the custody and safekeeping of all nonexpendable property at facilities and offices.
 - b. Responsible for tracking movement of nonexpendable property between facilities and offices.
 - c. Conduct the physical inventory and generate a report to be submitted to the Property Officer.
 - d. Affix assigned property numbers, as issued by the Property Officer to property in their area of accountability.
- K. Non-expendable Property System Input

The Property Officer is responsible for the input of all non-expendable property additions, transfers, and deletions. All additions, transfers, and deletions of equipment affecting the accuracy of the inventory listing shall be reported to the

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Property Officer by the Inventory Coordinator. The Property Officer shall enter this data into the system.

L. Physical Inventory

The Property Officer shall ensure that the information produced and maintained by the system remains accurate and a physical inventory is completed at least annually. The physical inventory shall be conducted and hard copies sent to the Property Officer on a designated date. The Inventory Coordinator shall submit two lists of non-expendable property to the Property Officer. One list shall contain non-expendable property valued from \$500.00 to \$4999.99. The second list shall contain non-expendable property valued at \$5000.00 or more.

M. Disposal of Inventory

1. Non-expendable property shall not be disposed without prior written authorization. Documentation shall be completed by the Inventory Coordinator and forwarded for approval by the:
 - a. Property Officer; and
 - b. Finance & Administration Cabinet Surplus Property.
2. Under no circumstances shall action be taken to dispose, destroy, or surplus any state property without formal approval by both the Finance & Administration Cabinet and Property Officer.
3. Any non-expendable property that is accidentally destroyed, damaged beyond repair, lost, or stolen, shall be immediately reported to the Inventory Coordinator and Property Officer in writing. An investigation may be conducted to determine whether the loss was due to theft, negligence, or by a legitimate loss. The Property Officer shall advise the Commissioner or designee who shall determine if an investigation is warranted. The Property Officer shall notify the Finance & Administration Cabinet in that instance requiring advisement and ensure the inventory system is adjusted.
4. Any non-expendable property that alters its original identity for a different use shall be immediately reported to the Inventory Coordinator. The Property Officer shall be notified and make appropriate changes regarding alteration of the item in the inventory system. If the converted item meets the criteria for inventory purposes, a new property number shall be issued and entered into the system with new description given.
5. The property tag for any non-expendable property being traded in shall be listed on the appropriate form. The Property Officer shall remove that item from the inventory system.
6. In accordance with the procedures for the disposal of non-expendable property, any non-expendable property being donated to an approved

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nonprofit organization shall have written approval of the Property Officer on the appropriate form.

N. Vehicle Inventory

All department owned vehicles shall be reported separately from all other non-expendable property with a report sent to the Property Officer at the end of each fiscal year ending June 30th. A request to dispose, destroy or surplus a motor vehicle shall be coordinated with the Property Officer and the Finance and Administration Cabinet.

V. MONITORING MECHANISM

- A. The Director of Administrative Services and Fiscal Branch Manager shall monitor these activities.
- B. The department shall be subject to audits conducted by the Auditor of Public Accounts (APA).