

CHAPTER 2**FISCAL MANAGEMENT****Authority**

N.J.S.A. 30:1B-6 and 30:1B-10.

Source and Effective Date

R.2006 d.113, effective March 20, 2006.
See: 37 N.J.R. 4505(b), 38 N.J.R. 1456(c).

Chapter Expiration Date

In accordance with N.J.S.A. 52:14B-5.1c, Chapter 2, Fiscal Management, expires on September 16, 2011. See: 43 N.J.R. 119(a).

Chapter Historical Note

Chapter 2, Fiscal Management, was adopted as R.1990 d.75, effective February 5, 1990. See: 21 N.J.R. 3408(b), 22 N.J.R. 355(b).

Subchapter 10, Grants, was adopted as R.1990 d.183, effective April 2, 1990. See: 22 N.J.R. 14(a), 22 N.J.R. 1142(a).

Subchapter 6, Inmate Reimbursement for Lost, Damaged or Destroyed Personal Property, was adopted as R.1990 d.363, effective August 6, 1990. See: 22 N.J.R. 1320(a), 22 N.J.R. 2321(a).

Subchapter 3, Expenditure of Inmate Welfare Funds, was adopted as R.1991 d.188, effective April 1, 1991. See: 23 N.J.R. 155(a), 23 N.J.R. 1008(b).

Subchapter 8, Financial Aid upon Release from Correctional Facilities, was adopted as R.1991 d.372, effective August 5, 1991. See: 23 N.J.R. 1511(a), 23 N.J.R. 2310(b).

Subchapter 5, Reporting Loss of Funds, was adopted as R.1991 d.373, effective August 5, 1991. See: 23 N.J.R. 1510(a), 23 N.J.R. 2310(a).

Subchapter 9, Gifts, was adopted as R.1991 d.449, effective August 19, 1991. See: 23 N.J.R. 1754(a), 23 N.J.R. 2509(a).

Subchapter 2, Inmate Accounts, was adopted as R.1991 d.494, effective October 7, 1991. See: 23 N.J.R. 1992(b), 23 N.J.R. 3031(a).

Pursuant to Executive Order No. 66(1978), Chapter 2, Fiscal Management, was readopted by R.1995 d.21, effective December 9, 1994, and Subchapter 1, Introduction, was adopted by R.1995 d.21, effective January 3, 1995. See: 26 N.J.R. 4299(a), 27 N.J.R. 118(a). Pursuant to Executive Order No. 66(1978), Chapter 2 expired on December 9, 1999.

Chapter 2, Fiscal Management, was adopted as new rules by R.2000 d.375, effective September 18, 2000. See: 32 N.J.R. 2363(a), 32 N.J.R. 3436(a). Chapter 2, Fiscal Management, expired on September 18, 2005.

Chapter 2, Fiscal Management, was adopted as new rules by R.2006 d.113, effective March 20, 2006. As a part of the adoption, Subchapter 8, Financial Aid Upon Release, was repealed. See: Source and Effective Date. See, also, section annotations.

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SUBCHAPTER 1. GENERAL PROVISIONS**10A:2-1.1 Purpose**

(a) The purpose of this chapter is to establish provisions for:

1. Controlling and depositing funds held in trust for inmates;

2. Appropriating expenditures of inmate welfare funds;
3. Reporting the loss of funds by, for example, burglary, theft, or embezzlement, when discovered by a correctional facility;
4. Processing inmate claims for lost, damaged or destroyed personal property;
5. Withdrawing authorized deductions from an inmate account;
6. Distributing financial aid to persons released on parole or upon expiration of sentence;
7. Receiving and giving gifts; and
8. Processing grants.

Amended by R.2006 d.113, effective March 20, 2006.
See: 37 N.J.R. 4505(b), 38 N.J.R. 1456(c).

In introductory paragraph (a), substituted "provisions" for "policies and procedures"; in (a)5, removed "'s" from "inmate's".

10A:2-1.2 Scope

(a) N.J.A.C. 10A:2-2, 3, 5, 6, and 7 shall be applicable to the Division of Operations, New Jersey Department of Corrections.

(b) N.J.A.C. 10A:2-9 and 10 shall be applicable to all administrative units within the New Jersey Department of Corrections.

Amended by R.2006 d.113, effective March 20, 2006.
See: 37 N.J.R. 4505(b), 38 N.J.R. 1456(c).

In (a), removed reference to N.J.A.C. 10A:2-8 and deleted "and the Division of Parole".

10A:2-1.3 Definitions

The following words and terms, when used in this chapter, shall have the following meanings unless the context clearly indicates otherwise:

"Central Office Revenue Unit" (CORU) means the Department of Corrections unit designated to be responsible for certain revenue collection and disbursements.

"Gift" means money in the form of a money order or certified check or material(s) donated to a correctional facility or administrative unit for a specified or unspecified purpose by a person(s) or organization(s) without an expectation of compensation.

"Grant" means a specific amount of funds or services given to an administrative unit or correctional facility by a funding source to be used over a specific period of time for a specific purpose.

"Inmate personal property" means items owned by an inmate that have been approved for retention in his or her possession while incarcerated in a correctional facility. Inmate personal property may also be property held by a correctional facility on behalf of an inmate and handled in accordance with N.J.A.C. 10A:1-11.

"Loss of funds" means funds received by a correctional facility or an administrative unit, from any source, which are unaccounted for as a result of, for example, theft, larceny, or embezzlement.

"Restitution" means a disciplinary sanction recommended by a Disciplinary Hearing Officer, Adjustment Committee, or a court ordered indemnification which requires the inmate to compensate the correctional facility or victim(s) of a criminal act for any loss, damage or injury perpetrated by the inmate.

Amended by R.2003 d.207, effective May 19, 2003.
See: 35 N.J.R. 1038(a), 35 N.J.R. 2178(a).

Added "DNA".

Amended by R.2004 d.395, effective October 18, 2004.
See: 36 N.J.R. 3225(b), 36 N.J.R. 4826(a).

Deleted "DNA".

Amended by R.2006 d.113, effective March 20, 2006.
See: 37 N.J.R. 4505(b), 38 N.J.R. 1456(c).

In definition "Inmate personal property", substituted "that" for "which".

10A:2-1.4 Forms

(a) The following forms related to fiscal management are available by accessing the Department of Corrections computer network (DOCNet). Interested individuals who do not have access to DOCNet may obtain copies of forms by contacting the Administrative Rules Unit, New Jersey Department of Corrections:

1. 943-I Inmate Claim for Lost, Damaged or Destroyed Personal Property;
2. 943-II Certification of Inmate Claim;
3. 943-III Review of Inmate Claim;
4. 947-I Monthly Report of Gifts Received;
5. 947-II Annual Report of Gifts Received;
6. 950-I Fiscal Report of Grants Received;
7. 950-II Report of Progress of Projects Funded by Grants.

(b) The following form related to fiscal management shall be obtained from the business office of the correctional facility:

1. State of New Jersey Payment Voucher (Vendor Invoice).

Administrative change.

See: 35 N.J.R. 1137(a).

Amended by R.2006 d.113, effective March 20, 2006.

See: 37 N.J.R. 4505(b), 38 N.J.R. 1456(c).

In (a) and (b), corrected typographic errors; deleted (c).

Amended by R.2006 d.419, effective December 4, 2006.

See: 38 N.J.R. 3226(a), 38 N.J.R. 5161(a).

In the introductory paragraph of (a), deleted "shall be reproduced by each correctional facility from originals that" preceding "are available" and inserted "by accessing the Department of Corrections computer network (DOCNet). Interested individuals who do not have access to DOCNet may obtain copies of forms".

SUBCHAPTER 2. INMATE ACCOUNTS

10A:2-2.1 Responsibility for inmate accounts

(a) The Business Manager of the correctional facility shall be responsible for maintaining inmate accounts and record-keeping.

(b) The Business Manager shall be responsible for providing an inmate with a receipt for each financial transaction processed.

10A:2-2.2 Deposits and deductions

(a) Inmate accounts of a correctional facility may be maintained in a group depository in an insured commercial bank or savings institution so long as the institution and account are authorized by the Department of the Treasury and approved by the Department of Corrections, Bureau of Accounting and Revenue.

(b) Interest accruing on inmate accounts shall be transferred on a periodic basis, at least once annually, to the Inmate Welfare Fund.

(c) Accurate records of each inmate account and spendable balance shall be maintained.

(d) Except where prohibited by State or Federal statute, deductions of funds either earned or unearned from inmate accounts shall be made by the Business Manager as permitted by:

1. N.J.S.A. 30:4-91.4 Earnings of inmate;
2. N.J.S.A. 2C:43-3.1 Additional assessments; collection and disposition by Victims of Crime Compensation Board;
3. N.J.S.A. 2C:43-3.2 Assessments; amounts collected deposited in Safe Neighborhoods Services Fund;
4. N.J.S.A. 2C:43-3.3 Additional fines deposited in law enforcement officers training and equipment fund;
5. N.J.S.A. 2C:46-1 Time and method of payment; disposition of funds;
6. N.J.S.A. 2C:46-4 Fines, assessments and restitution; collection; disposition;
7. N.J.S.A. 30:4-92 Inmates of institutions to be employed in productive capacity; compensation;
8. N.J.S.A. 30:7E-1 et seq., An Act permitting the State to seek reimbursements for certain health care expenses incurred by State correctional facilities;
9. N.J.S.A. 30:4-15.1 Correctional facility commissaries; Victims of Crime Compensation Board surcharge;
10. N.J.S.A. 30:4-16.2 Recovery of costs and fees for frivolous lawsuits filed by inmates of correctional institutions;

11. N.J.S.A. 30:4-16.4 Deposit of money judgement in inmate's account at correctional institution; use of funds;

12. N.J.S.A. 2C:44-6 Procedure on sentence; presentence investigation and report;

13. N.J.S.A. 53:1-20.29 Certain offenders liable for costs of DNA testing;

14. The Prison Litigation Reform Act of 1995, 18 U.S.C. § 3626; and

15. Any other Federal or State statute.

(e) Deductions of funds identified in this section shall be made to pay:

1. Court ordered payments, penalty assessments, restitution, and fines;
2. Other revenue obligations or fees;
3. Fees for medical and/or dental treatment; and
4. Fees for prescription or nonprescription drugs or medicine.

(f) Pursuant to N.J.S.A. 2C:46-1, deductions from inmate accounts shall be made by the Business Manager to pay a transaction fee not to exceed \$1.00 on each occasion a restitution payment or installment payment is made by an inmate who committed an offense on or after February 1, 1993. Deductions shall be made for:

1. The Victims of Crime Compensation Board (VCCB) penalty (see N.J.S.A. 2C:43-3.1);
2. The forensic laboratory fee (see N.J.S.A. 2C:35-20);
3. The Drug Enforcement and Demand Reduction (DEDR) penalty (see N.J.S.A. 2C:35-15);
4. The Drug Abuse Education Fund penalty (see N.J.S.A. 2C:43-3.5);
5. The Sexual Assault Nurse Examiner Program Fund penalty (see N.J.S.A. 2C:43-3.6); and
6. Any other fine, penalty or restitution for which a transaction fee is authorized by law.

(g) The transaction fee schedule as established in (f) above shall be as follows:

1. \$1.00 for payments in the amount of \$10.00 or more;
2. \$0.50 for payments between \$3.01 and \$9.99; and
3. No transaction fee if the payment is \$3.00 or less.

(h) Only nonindigent inmate funds in excess of the one time monthly amount of \$15.00 can be deducted by the Business Manager in accordance with (d) above.

(i) In accordance with N.J.S.A. 30:4-16.4, monies derived from a civil action judgment received by an inmate shall be deposited in the account of the inmate at the correctional

facility or regional correctional facility to that the inmate is assigned. Such monies shall be used to pay court imposed fines, restitution or penalties which the inmate has not met; and may be used to satisfy any claims for reimbursement for medical treatment sought by the State or a county and/or to satisfy any other financial obligations to the Department of Corrections (see N.J.A.C. 10A:6-4).

(j) Pursuant to N.J.S.A. 30:4-15.1, the Business Manager shall deduct from the account of an inmate a 10 percent surcharge on the sale price of every commissary item purchased by the inmate. Pursuant to Departmental internal management procedures, these collected funds shall be forwarded to the State Treasurer for deposit into the Victims of Crime Compensation Board (VCCB) account.

Amended by R.2002 d.387, effective December 2, 2002.
See: 34 N.J.R. 2928(a), 34 N.J.R. 4204(b).

In (d), substituted "Except where prohibited by State or Federal Statute, deductions" for "Deductions" in the introductory paragraph; rewrote (e) and designated the last sentence as (f); recodified former (f) through (h) as (g) through (i).

Amended by R.2003 d.207, effective May 19, 2003.

See: 35 N.J.R. 1038(a), 35 N.J.R. 2178(a).

Rewrote (d); in (e), added a new introductory paragraph and recodified the former introductory paragraph in (e) as new (f); recodified former (f) through (i) as (h) through (j).

Amended by R.2006 d.113, effective March 20, 2006.

See: 37 N.J.R. 4505(b), 38 N.J.R. 1456(c).

Rewrote (a); in (f)4, changed statutory cite from N.J.S.A. 2:35-3.5 to N.J.S.A. 2C:43-3.5; made grammatical corrections in (c), (i) and (j); also in (i), added "and/or to satisfy any other financial obligations to the Department of Corrections (see N.J.A.C 10A:6-4)".

Petition for Rulemaking.

See: 39 N.J.R. 4453(b).

Petition for Rulemaking.

See: 40 N.J.R. 4839(b).

10A:2-2.3 Individual savings accounts

(a) Inmates may establish individual savings accounts in commercial banks or savings institutions only when all financial obligations as permitted by Federal or State statutes and financial obligations to the Department of Corrections are satisfied and upon approval of the Administrator. These accounts may take the form of:

1. Passbook savings;
2. Savings Bonds; or
3. Certificates of deposit.

(b) Subject to approval by the Administrator, inmates may be permitted to retain passbooks, account statements and deposit slips except when inmates have outstanding debts and have already established individual savings accounts. In these instances, the passbooks, account statements and deposit slips shall be retained by the Administrator or designee.

(c) Bonds and certificates of deposit must be held for safekeeping by the Business Manager.

(d) Inmates shall not be permitted to possess withdrawal slips.

(e) Withdrawals may be permitted upon written approval of the Administrator.

(f) All deposits and withdrawals shall be processed by the Business Manager or designee.

10A:2-2.4 Written procedures

Each correctional facility shall develop written internal management procedures consistent with this subchapter.

SUBCHAPTER 3. EXPENDITURE OF INMATE WELFARE FUNDS

10A:2-3.1 Sources of income for inmate welfare funds

(a) Money for inmate welfare funds shall be derived from the following sources:

1. Profits from sales at commissaries;
2. Interest on inmate welfare fund savings;
3. Gifts from individuals, corporations and charitable foundations; and
4. Income from inmate trust fund investments.

10A:2-3.2 Accountability and expenditure

(a) The Business Manager of the correctional facility shall be responsible for maintaining inmate welfare account funds and recordkeeping.

(b) Pursuant to N.J.S.A. 30:4-1.1k, the institutional Boards of Trustees shall be responsible to control and authorize all expenditures of inmate welfare funds.

(c) Inmate welfare funds shall be spent on amenities only for the use, benefit and general welfare of the inmate population as a whole. Such amenities include, but are not limited to: recreation and sports equipment; television services; awards for academic, vocational and sporting achievements; library books, movies, magazines, and other subscriptions; annual licensing fees for a film blanket license visit, recreation, holiday and inmate incentive program decorations and food; stipends for referees and guest speakers; and equipment to enhance the law library that is not otherwise required for legal access.

(d) Inmate welfare funds shall not be used for items the Department is required to provide, the payment of employee salaries, or the purchase of any item or service, which is not intended for use by the inmate population, such as, but not limited to, security equipment or automobiles.

(e) Inquiries and issues regarding the use of inmate welfare funds shall be directed to the Assistant Commissioner, Division of Operations who may forward same to the Office of the Attorney General when deemed necessary.