

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

N.J.S.A. 2C:43-3.1 through 2C:43-3.3, 2C:44-6, 2C:46-1, 2C:46-4, 30:1B-6, 30:1B-10, 30:4-15.1, 30:4-16.2, 30:4-16.4, 30:4-91.4, 30:4-92 and 30:7E-1 et seq., and the Prison Litigation Reform Act of 1995, 18 U.S.C. § 3626.

Source and Effective Date

R.2000 d.375, effective September 18, 2000.
See: 32 N.J.R. 2363(a), 32 N.J.R. 3436(a).

Executive Order No. 66(1978) Expiration Date

Chapter 2, Fiscal Management, expires on September 18, 2005.

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: Source and Effective Date.

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

(a) The purpose of this chapter is to establish policies and procedures 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's account;
6. Distributing financial aid to persons released on parole or upon expiration of sentence;
7. Receiving and giving gifts; and
8. Processing grants.

10A:2-1.2 Scope

(a) N.J.A.C. 10A:2-2, 3, 5, 6, 7 and 8 shall be applicable to the Division of Operations and the Division of Parole, 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.

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 which 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.

10A:2-1.4 Forms

(a) The following forms related to fiscal management shall be reproduced by each correctional facility from originals that are available 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.

(c) The following forms related to financial aid upon release from correctional facilities shall be obtained from the Division of Parole, New Jersey Department of Corrections:

1. 814.06 Financial Aid Program Receipt;
2. 814.07 Request for Replenishment of Funds;
3. 814.08 Financial Aid Account.

Administrative change.
Sec: 35 N.J.R. 1137(a).

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 recordkeeping.

(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 total fund on deposit does not exceed an amount insured by the F.D.I.C. or F.S.L.I.C.

(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's 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 N.J.S.A. 30:4-91.4, 2C:43-3.1 through 3.3, 2C:46-1, 2C:46-4, 30:4-92, 30:7E-1 et seq., 30:4-15.1, 30:4-16.2 and 30:4-16.4, 2C:44-6; the Prison Litigation Reform Act of 1995, 18 U.S.C. § 3626, and any other Federal or State statute 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.

(e) 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. 2:35-3.5);
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.

(f) The transaction fee schedule as established in (e) 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.

(g) 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.

(h) 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 inmate's account at the correctional facility or regional correctional facility to which the inmate is assigned. Such monies shall be used to pay court imposed fines, restitution or penalties which the inmate has not met; and/or may be used to satisfy any claims for reimbursement for medical treatment sought by the State or a county.

(i) Pursuant to N.J.S.A. 30:4-15.1, the Business Manager shall deduct from an inmate's account a 10 percent surcharge on the sale price of every commissary item purchase 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).

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 only for the use, benefit and general welfare of the inmate population as a whole, such as, but not limited to, recreation equipment, books, movies, or equipment to enhance the law library.

(d) Inmate welfare funds shall not be used for 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 security equipment or automobiles.

(e) The Assistant Commissioner, Division of Operations, shall be contacted when there are questions regarding the use of inmate welfare funds.

(f) Gifts from individuals, corporations and charitable foundations shall be spent as designated by the donor, or when undesignated, at the discretion of the institutional Board of Trustees. The monies from these gifts shall be identified separately in the inmate welfare fund so that expenditures can be directly related to the source of funds.

(g) Inmate welfare funds shall not be spent for any purpose which is not consistent with the rules outlined in this subchapter.

SUBCHAPTER 4. (RESERVED)

SUBCHAPTER 5. REPORTING LOSS OF FUNDS

10A:2-5.1 Reporting loss of funds

(a) Loss of funds shall immediately be reported to the Administrator or administrative unit supervisor.

(b) The Administrator or administrative unit supervisor or designee shall contact the Assistant Commissioner, Division of Administration and Special Investigations Division immediately to investigate the loss.

(c) Pursuant to N.J.A.C. 10A:21-5.4, the Special Investigations Division, at the direction of the Administrator, shall serve as the liaison to all outside law enforcement agencies.

10A:2-5.2 Written report of loss of funds

(a) Within 48 hours after the loss is discovered, a written report of the loss shall be submitted by the Administrator to the:

1. Assistant Commissioner, Division of Administration; and
2. Commissioner or designee.

(b) The Assistant Commissioner, Division of Administration or designee shall prepare and submit a request to the Bureau of Risk Management, Department of Treasury for appropriate reimbursement.

(c) If the loss is not covered by the Bureau of Risk Management, Department of Treasury, the loss shall be referred back to the Assistant Commissioner, Division of Administration or designee who shall determine the appropriate source of funds to dispose of the loss claim.

Amended by R.2002 d.65, effective March 4, 2002.

See: 33 N.J.R. 3857(a), 34 N.J.R. 1027(a).

In (a), deleted 2, recodified former 3 as 2 and added "or designee" following "Commissioner".

SUBCHAPTER 6. INMATE REIMBURSEMENT
FOR LOST, DAMAGED OR DESTROYED
PERSONAL PROPERTY

**10A:2-6.1 Filing a claim at a correctional facility or
satellite unit**

(a) When an inmate claims the loss, damage or destruction of personal property, other than personal property disposed of in accordance with N.J.A.C. 10A:1-11, Personal property of inmates, the inmate shall complete and submit Form 943 I Inmate Claim For Lost, Damaged Or Destroyed Personal Property to the Administrator or designee.

(b) The Administrator or designee shall submit Form 943 I to the Director of Custody Operations or designee for investigation and preparation of a report. The investigation conducted by the Director of Custody Operations or designee shall consist of, but not be limited to:

1. Obtaining statements from the inmate, witnesses and correctional facility staff; and
2. Verifying that the inmate was authorized to have and did in fact, possess the personal property named in the claim.