


Idaho Department of Correction 	Standard Operating Procedure	Title: Accounts Receivable		Page: 1 of 4
		Control Number: 114.03.03.004	Version: 3.0	Adopted: 01-15-1995

Brent Reinke, director, approved this document on 10/29/2014.

Open to the public: **Yes**

SCOPE

This standard operating procedure applies to all department staff who receive, record, or collect funds.

Revision History
Revision date (10/29/2014) version 3.0: Major revision throughout, update format, and approval authority.

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BOARD OF CORRECTION IDAPA RULE NUMBER 114

Inmate Funds Receipt and Maintenance

POLICY CONTROL NUMBER 114

Fiscal Policy

PURPOSE

The purpose of this standard operating procedure is to establish fiscal controls over receiving, recording, and collecting funds.

RESPONSIBILITY

Fiscal Staff

In general, fiscal staff is responsible for

- Invoicing
- Batch logging
- Auditing
- Reviewing outstanding accounts receivable

Accounts receivable come from three main sources:

- Payment from non-state agencies for service or work performed
- Payment from a state agency for service or work performed
- Third party expenditure reimbursement

The specific responsibilities of fiscal staff involved with accounts receivable are identified below.

STANDARD PROCEDURES

1. Invoicing

When the department provides a service or performs work for other entities or individuals, either fiscal staff at a correctional facility or central office fiscal staff over all other accounts receivable invoicing must

- Create an invoice
- Enter the receivable in STARS (Statewide Accounting and Reporting System)
- Send an invoice to the entity or individual promptly

The type of invoice and form completed by fiscal staff depends on whether the customer is a state agency or not, a special project, or some other situation. Sometimes fiscal staff must create an invoice to receive an expenditure reimbursement from an independent third party.

Receipt of payment for all invoices must go to accounts receivable at central office.

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2. Batch Log

Fiscal staff must assign all document numbers and maintain an electronic batch log for their location. Document numbers double as invoice numbers for special projects.

3. Non-State Agency

Fiscal staff must create a customer invoice according to the terms and conditions in the executed work and financial plan between the department and the customer for special projects, or per the memorandum, contract, or agreement for all other customer invoices.

The customer invoice also is the input document for entry of a receivable into STARS. After invoice creation and entry into STARS, fiscal staff must keep a copy, send copy to the customer, and submit a copy with batch header to the central office financial specialist-audit.

4. State Agency

If the customer is a state agency, fiscal staff must complete the interagency billing input form. Fiscal staff must send this form to the agency as their invoice. The form also serves as the STARS input form.

The customer agency should pay through STARS based on the information on the interagency billing input form. Fiscal staff must keep a copy for their records, send copy to the customer, and submit a copy with batch header to central office financial specialist-audit.

5. Third Party Expenditure Reimbursements

Certain bills paid by the department are reimbursed by a third party, such as:

- CI Utilities Costs
- CI Motor Pool
- Firing Range-Annual Dues

The supporting documents for these charges are routed to a fiscal staff member at central office for billing on the CIS special project system on EDOC. Fiscal staff enters the information into the system creating a draft invoice along with the supporting documentation.

The fiscal supervisor reviews the draft invoice and creates a final invoice. Fiscal staff enters the final invoice to STARS and sends the original invoice to the third party that is reimbursing the cost and a copy to the fiscal staff member in accounts receivable. Fiscal accounts receivable staff monitors invoice status.

The following bills paid by the department and reimbursed by third parties are primarily offender reimbursements for services or items purchased:

- Offender emergency transport
- Offender personal hygiene products
- Offender identification
- Offender postage charges
- Offender book fees
- Offender special project supplies such as boots, grease, gloves, or glasses

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An offender must fill out a withdrawal slip authorizing withdrawal of funds from his account and forward it to offender accounts at central office. Offender accounts processes the withdrawal slip generating a check payable to the department. Once received by offender accounts, the check goes to accounts receivable staff. Accounts receivable staff records the check on the cash log, and deposits the check.

6. Grant Award Receipts

Grant reimbursements are a unique type of third party reimbursement because receipted funds account as revenue.

Every month fiscal staff must complete a draw report containing actual expenditures and submit it to the primary grant holder or directly to the grantor for reimbursement. A grantor can be either a non-state agency or a state agency.

Fiscal staff must create an invoice by following the process identified in section 3 or 4 above depending on if the grantor is a non-state or state agency.

7. Audit and Release

Before releasing each batch into STARS, the financial specialist-audit, financial specialist-senior, or the financial specialist-principal, must review each batch for the following:

- Accuracy of sub-object revenue codes, program cost account numbers, transaction codes, and subsidiary codes
- Proper approval signatures on the supporting documents
- Accuracy of invoice amounts to entered transaction amounts
- Accuracy of batch header count and amount

The financial specialist-audit, financial specialist-senior or financial specialist-principal must release the batch to STARS for processing once the fiscal audit review is complete.

8. Recording the Payment Against Accounts Receivable in STARS

The central office accounts receivable financial specialist must complete a batch header form for receivable batch data entry in STARS in accordance with Office of the State Controller requirements.

9. Batch Control

The financial specialist-audit must daily monitor the movement of batches through STARS. Batches should clear the controller's office promptly.

10. Accounts Receivable Review

The financial specialist-principal must generate the accounts receivable aging report on a monthly basis. After reviewing the report, the financial specialist-principal must notify the facility's fiscal staff member to collect any accounts receivable over 30 days past due.

The financial specialist-principal must keep a journal of receivables cancelled without payment. The entry must record the reason for liquidation of the account receivable without payment.

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