

<p align="center">GEORGIA DEPARTMENT OF JUVENILE JUSTICE</p>	<p align="center">Transmittal # 16-17</p>	<p align="center">Policy # 2.4</p>
<p>Applicability: {x} All DJJ Staff {x} Administration {x} Community Services {x} Secure Facilities</p>	<p>Related Standards & References: TITLE 7. Banking And Finance CHAPTER 1. Financial Institutions ARTICLE 1. Provisions Applicable To Department Of Banking And Finance And Financial Institutions Generally O.C.G.A. TITLE 7 Chapter 1 Article 1 (2015) DJJ Financial User Manual, Section I. State Accounting Office – Cash Management Policies ACA Standards: 4-JCF-6B-12, 4-JCF-6B-13</p>	
<p>Chapter 2: FINANCIAL SERVICES</p>	<p>Effective Date: 12/12/16 Scheduled Review Date: 12/12/17</p>	
<p>Subject: CASH BANK ACCOUNTS</p>	<p>Replaces Policy Dated: 4/15/12 APPROVED:</p>	
<p>Attachments: A – Request to Establish or Change a Bank Account B – Cash Account Reconciliation Report</p>	<p align="center">  <hr/> Avery D. Niles, Commissioner </p>	

I. POLICY:

Based on State law and prudent business practices, cash bank accounts (trust accounts) shall be established as necessary by the Department’s facilities and offices to efficiently manage the funds of the Department and the youth served.

II. DEFINITIONS:

Operations Account: These accounts may include, but not be limited to: Youth Activity, Youth Benefit, and Meal Ticket Funds.

Restricted Account: Accounts with funds legally earmarked for a specific purpose, including Youth Trust Accounts.

Trust Account: Funds used to account for assets held by a Government in a trustee capacity for individuals, private organizations, other Governments and/or other funds.

Unrestricted Account: Accounts with funding that is not legally restricted. These accounts may contain both undesignated and designated funds.

Youth Trust Accounts: These accounts include funds held for youth.

III. PROCEDURES:

- A. The Chief Financial Officer will approve the establishment of all Cash Bank Accounts.
 - 1. Balances of these accounts will be recorded on the central financial records of the Department annually.

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2. The organizational entity establishing such accounts will prepare a written justification of the purpose of the account as well as procedures explaining the methods of approving, recording, disbursing and reconciling the funds retained.
3. The Office of Financial Services (OFS) and the custodian of the account at the facility will establish a plan to train the personnel responsible for maintaining fund records and reports.

B. General:

1. All bank accounts will be established in the name of the Department of Juvenile Justice followed by the name of the facility or office and name of the account.
2. All bank accounts will have at least two signatories. The Business Manager or Administrative Operations Coordinator (AOC), where applicable, will be the account custodian.
3. A minimum number of accounts will be maintained with a maximum number of different funds established for each account.
4. Accounts will be interest bearing if possible, and interest accrued will usually go to State funds.
5. Income and expenditures must be made in accordance with applicable state and federal laws, provisions of the trust, contractual or pertinent agreements.

C. Requests to establish bank accounts will be made by preparing a written justification and completing a Request to Establish or Change a Bank Account (Attachment A). The form will be submitted to the Chief Financial Officer for review. The Chief Financial Officer will provide final approval. (See Section I, Financial User Manual).

D. Each account must have a registered custodian, usually the AOC.

E. Internal controls and procedures will be established at the local level, to include (at a minimum) that a person independent of the operation of the account will reconcile the account and enter the transactions into the accounting records. A person other than the person writing the check will sign the check. Each account will be reconciled monthly using the Cash Account Reconciliation Report (Attachment B) (See Section I, Financial User Manual).

F. A single-entry account system record must be maintained monthly and will reflect all receipts, disbursements and current account balances. Fund accounting will be used.

G. Youth Activity and Youth Benefit funds derived from activities such as vending commissions and private donations (other than restricted donations) will only be used for youth's benefits.

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- H. Meal ticket funds realized from the sale of cafeteria meals to staff and guests will be transferred to OFS on a monthly basis.
- I. Resident Youth Trust Account (Dormant Client): Will be maintained at the Central Office
 - 1. Income by youth will be forwarded to OFS via a check which will include the youth's name, address, social security number, sex, race and custodian.
 - 2. A receipt system will be utilized to support youth income levels.
 - 3. Upon the death of a youth, OFS, the family, executor or administrator will be notified in writing of the status of the account. OFS will remit funds to family, executor or administrator. Funds not claimed within five (5) years of the youth's death will be forwarded to the State Department of Revenue (Unclaimed Property).
 - 4. A monthly reconciliation of income and expenses will be prepared and made available to the DJJ Internal Auditor.
- J. Funds in a restricted account will be expensed in accordance with the legal trust, contract or agreement with the donor. Interest earned is retainable.
- K. In addition to these procedures, the procedures contained in the DJJ Financial User Manual (Section I) will be followed in establishing and managing decentralized, cash bank accounts.

IV. LOCAL OPERATING PROCEDURES REQUIRED: NO