



**U.S. Department of Justice
Federal Bureau of Prisons**

PROGRAM STATEMENT

OPI: ADM/FIN

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Accounting for the Cost of Incarceration Fee

/s/

Approved: Thomas R. Kane

Acting Director, Federal Bureau of Prisons

1. PURPOSE AND SCOPE

This Program Statement establishes procedures for processing and accounting for the Cost of Incarceration Fee (COIF) imposed on Federal inmates.

Public Law 102-395, Section 111, and 18 U.S.C. 4001, require the Attorney General to establish and collect a fee to cover costs associated with the confinement of any person convicted and committed to the Attorney General's custody. This assessment is equivalent to the average cost of incarcerating a committed person for one year. Fees assessed and collected are used in accordance with the Program Statement **Cost of Incarceration Fee**.

a. Summary of Changes

Policy Rescinded

P2011.07 Cost of Incarceration Fee, Accounting for (09/02/97)

This revision eliminates references to the old Financial Management System (FMS) and incorporates the new Trust Fund Accounting and Commissary System (TRUFACS).

b. Program Objectives. The expected results of this program are: Cost of Incarceration Fees will be accurately monitored, collected, and accounted for in accordance with applicable regulations.

2. FEE CALCULATIONS

Unit Management staff calculate the COIF in accordance with provisions in the Program Statement **Cost of Incarceration Fee**.

Office of Financial Management (OFM) staff prorate fees for inmates incarcerated for less than a year upon request from Unit Management staff. Prorated fees are handled per the Program Statement **Cost of Incarceration Fee**.

3. SENTRY PROCESSING

The COIF is processed via the SENTRY Inmate Financial Responsibility Program (IFRP) Module. Unit Management staff enter the COIF obligation into SENTRY as explained in the Technical Reference Manual (TRM) **SENTRY Inmate Financial Responsibility Program**.

The recipient of the COIF payment is the institution processing the payment. Per the Program Statement **Trust Fund/Deposit Fund Manual**, Unit Management staff forward the IFRP contract (which indicates the COIF) to Trust Fund (TF) staff for scanning into TRUFACS. Once the contract is scanned into TRUFACS, TF staff are not required to maintain the original contract. Scanned contracts are noted with the date and the staff member's initials and returned to Unit Management staff for disposition.

4. ESTABLISHING AN ACCOUNTS RECEIVABLE

Upon receiving the SENTRY-generated COIF contract, OFM staff establish an accounts receivable in the automated accounting system. The accounts receivable is established as a reimbursement to the current year Salaries and Expenses (S&E) Appropriation. The debt is classified as a non-interest-accruing receivable and entered into the automated accounting system for the full amount of the COIF. If Unit Management advises OFM that the debt should be interest-bearing, OFM establishes the debt as an interest-bearing receivable.

The COIF accounts receivable file must contain the bills establishing the receivables and attached copies of the signed inmate contracts.

5. PAYMENT TYPES AND METHODS

The COIF may be paid as a lump sum for the entire amount or by installments, and may be paid either by the inmate or an outside source. The type of payment plan agreed upon by the inmate is annotated on the front of the SENTRY-generated contract. See the Program Statement **Cost of Incarceration Fee** for additional information on lump sum and installment payments.

a. **Payments From Outside Sources By Check or Money Order.** The payment must be payable to the Federal Bureau of Prisons and reference the inmate's name, register number, and that it is being made as a COIF.

OFM staff annotate the BP-114 (Cash Receipt) with the name and register number of the inmate for whom the payment was made and the account receivable bill number. A copy is sent to Unit Management staff to adjust the inmate's SENTRY obligation balance. OFM staff send, via institution mail, the white copy of the receipt to the inmate.

The collection is deposited into the S&E Appropriation and reported on the institution's Statement of Transactions (SF-224). The receipt of payment is recorded in the automated accounting system and posted to accounts receivable in the automated accounting system.

The check or money order must not be deposited into the inmate's TRUFACS account.

b. **COIF Payments Through TRUFACS.** If the COIF payment is made by the inmate, funds are withdrawn from his/her account and collected into the S&E Appropriation.

The withdrawal of the inmate's funds is processed in TRUFACS. The TRUFACS extract automatically records the withdrawal from the inmate's account and posts the withdrawal to the SF-224. The collection into the S&E Appropriation is recorded in the automated accounting system, posted to the accounts receivable reducing the amount due, and reported on the institution's SF-224. These entries must be supported by a Journal Voucher. The payment is also recorded in the SENTRY IFRP module per procedures in the TRM.

6. RETURNED CHECKS

When an outside check for the COIF is returned by the United States Treasury (Treasury) for insufficient funds, OFM staff send the inmate, via Unit Management staff, a copy of the debit voucher received from Treasury. The debit voucher is entered into the automated accounting system and the debt re-established as an accounts receivable. Unit Management staff use the debit voucher to adjust the SENTRY obligation for the returned check amount.

7. TRANSFERRED INMATES

Upon an inmate's transfer to another institution, OFM staff ensure that the balance remaining on the accounts receivable is equal to the obligation balance in SENTRY. OFM liquidates the balance of the accounts receivable in the accounting system only after receiving written verification (e.g., fax, e-mail, letter) from the gaining institution that the receivable is established at the new location. The written verification is retained as the reason for the liquidation of the debt. The accounts receivable file must be clearly annotated with the reason for the liquidation. If the inmate is temporarily transferred, for medical reasons or writ, and is sent back to that institution, the remaining balance must not be liquidated.

The SENTRY obligation balance transfers in SENTRY with the inmate. Unit Management staff at the receiving institution retrieve outstanding obligation data from SENTRY and generate a new contract. The contract is provided to OFM staff to establish an account receivable for the remaining balance.

8. COMMUNITY CORRECTIONS MANAGER (CCM) RESPONSIBILITIES

Inmates transferred to contract facilities are required to continue to pay their COIFs. The institution holding the debt immediately forwards the account receivable information to Regional Correctional Programs staff no later than two weeks before the transfer. Regional staff then notify the Regional Comptroller and CCM of the remaining COIF balance.

The institution holding the debt liquidates the receivable only after receiving written verification from the Regional Comptroller's office that the receivable has been established at the Region.

The CCMs ensure payments for inmates in their facilities are submitted to the Regional Comptroller for deposit.

9. REGIONAL OFFICE RESPONSIBILITIES

Each Regional Comptroller has oversight and collection responsibility for the COIFs imposed on inmates in contract facilities in that Region. The Regional OFM establishes the accounts receivable upon receipt of the COIF balance information from the Regional Correctional Program Division staff. A BP-114 (Cash Receipt) for each payment received is prepared and forwarded to the inmate at the contract facility.

10. RELEASED INMATES

On request, OFM staff provide Unit Management with the balance of unpaid COIFs for inmates pending release. If an inmate is being released with an unpaid COIF balance, Unit Management staff prepare a Claims Collection Litigation Report (CCLR) and submit it to OFM staff with the Release & Gratuity Information form (BP-A0189) before the inmate's release date.

If the inmate is released directly to the community, OFM staff fill in the bill number and forwards the CCLR to the Accounting Operations Section, Central Office, which reviews the CCLR and forwards it to:

U.S. Department of Justice
Nationwide Central Intake Facility (NCIF)
1110 Bonifant Street, Suite 220
Silver Spring, Maryland 20910

If the inmate is released to a contract facility, OFM staff forward the CCLR to the Regional Comptroller, who follows procedures in this Program Statement.

If the inmate is released from a contract facility with a COIF balance, the CCM informs the Regional Comptroller, who completes the bill number and current amount on the CCLR and forwards it to the Accounting Operations Section, Central Office, which reviews the CCLR and forwards it to the address above.

The NCIF reviews and forwards the referral package to the U.S. Attorney's Office for litigation and enforcement. Balances for COIFs must remain in accounts receivable until litigation is completed or the balances are authorized to be written off.

REFERENCES

Program Statements

P2013.02 Debt Management (12/31/07)
P4500.07 Trust Fund/Deposit Fund Manual (04/19/10)
P5380.06 Cost of Incarceration Fee (8/11/99)

Other References

T2002.01 SENTRY Inmate Financial Responsibility Program Technical Reference Manual
(7/5/1995)

BOP Forms

BP-114 Cash Receipt
BP-A0189 Release & Gratuity Information

ACA Standards

- Standards for Adult Correctional Institutions, 4th Edition: 4-4025, 4-4031, 4-4034.
- Performance Based Standards for Adult Local Detention Facilities, 4th Edition: 4-ALDF-7D-10, 4-ALDF-7D-11.
- Standards for Administration of Correctional Agencies, 2nd Edition: 2-CO-1B-01.

Records Retention

For guidance on records and information applicable to this program, see the Records and Information Disposition Schedule (RIDS) on Sallyport.