

MICHIGAN DEPARTMENT OF CORRECTIONS <b>POLICY DIRECTIVE</b>	EFFECTIVE DATE 01/01/10	NUMBER 04.02.105
	SUBJECT PRISONER FUNDS	
SUPERSEDES 04.02.105 (10/20/08)		AUTHORITY 28 USC 1915; MCL 600.2963; 600.5511; 700.3981; 780.766; 791.203; 791.220h; 791.237; 791.268; Administrative Rule 791.6639
ACA STANDARDS 4-4031; 4-4045 through 4-4047; 4-4292		PAGE 1 OF 11

**POLICY STATEMENT:**

Correctional Facilities Administration (CFA) prisoner trust accounts shall be handled and monitored as set forth in this policy.

**RELATED POLICIES:**

- 04.02.107      Collection of Victim Restitution/Court-Ordered Payments
- 06.02.120      Parole Loans

**POLICY:**

GENERAL INFORMATION

- A. For purposes of this policy, a "family member" is a grandparent, parent, stepparent, spouse, mother-in-law, father-in-law, child, stepchild, grandchild, sibling, stepbrother, and stepsister. An aunt and/or uncle also is considered a family member if there is adequate verification that the aunt and/or uncle served as a surrogate parent.
- B. Each prisoner in a CFA institution shall have a trust account except if in the Special Alternative Incarceration Program (SAI). Funds credited to a trust account shall be available to the prisoner for personal use only as set forth in this policy. Prisoners in SAI shall be allowed to send and receive funds only as set forth in PD 05.01.142 "Special Alternative Incarceration Program". No other medium of exchange shall be used by prisoners to pay for goods or services.
- C. Prisoners shall not solicit or collect funds from other prisoners except as permitted for fundraising activities pursuant to PD 04.02.110 "Prisoner Benefit Fund".
- D. Wardens shall designate staff (e.g., inspectors) who shall be responsible for monitoring funds received for credit to prisoner trust accounts at their respective institutions in order to identify activity that may violate this policy or may be related to illegal activity. If funds that may be related to illegal activity are received for credit to a prisoner's trust account, the matter shall be referred to the appropriate law enforcement agency. Upon request of a law enforcement official, notices and hearings required by this policy may be delayed for a reasonable length of time to allow for criminal investigation.
- E. MCL 791.220h and MCL 600.5511 require that all proceeds from a judgment or settlement in a lawsuit by or on behalf of a prisoner against the Department or its employees be used to pay various debts of the prisoner. Prior to authorizing the payment of a judgment or settlement to a prisoner in such a lawsuit, the Manager of the Litigation Section of the Office of Legal Affairs or designee shall determine whether the Department has received an order from a court requiring the prisoner to pay restitution, court costs/fees, or the cost of incarceration pursuant to the Prison Reimbursement Act, or whether the prisoner has any institutional debt. If the prisoner owes money for any of these reasons, the Manager of the Litigation Section shall ensure that the funds from the judgment or settlement are distributed to pay the amounts owed in the priority identified in Paragraph V prior to any other disbursement as provided for in MCL 791.220h and MCL 600.5511. If the money is owed pursuant to court order, the Manager of the Litigation Section shall ensure that the appropriate court is contacted to verify the

DOCUMENT TYPE POLICY DIRECTIVE	EFFECTIVE DATE 01/01/10	NUMBER 04.02.105	PAGE 2 OF 11
-----------------------------------	----------------------------	---------------------	--------------

amount owed prior to sending the funds to the court. The Manager of the Litigation Section shall ensure that either the appropriate business office or, for prisoners in Community Residential Programs (CRP), appropriate Bureau of Fiscal Management staff are notified of any distribution so that Department records are adjusted accordingly.

#### TRUST ACCOUNTING AND PAYROLL SYSTEM (TAPS)

- F. TAPS is designed to track activities as they relate to various prisoner accounts held in trust by the Department. It is a complete accounting system of prisoner funds, including credits, disbursements, and debts, with automatic collection from credits for debt collections. The Manager of the Finance Division in the Bureau of Fiscal Management, Operations Support Administration, shall be responsible for oversight of TAPS and, in cooperation with the Automated Data Systems Section in the Office of Research and Planning, Planning, and Community Development Administration, shall ensure it is maintained and enhanced, as needed.

#### CENTRALIZED RECEIPTING OFFICE

- G. The Centralized Receipting Office located at the Saginaw Correctional Facility is responsible for processing all funds received in the mail to be credited to a prisoner's trust account except for the following, which may continue to be processed by institutional business offices:
1. Funds accompanying a prisoner from jail or other non-Department correctional facility;
  2. Funds accompanying a prisoner when received at a reception facility;
  3. Funds earned on a CFA work or school assignment or received for the sale of hobbycraft pursuant to PD 05.03.102 "Hobbycraft Program";
  4. Refunds for goods or services paid from the trust account (e.g., vendor refund);
  5. Funds transferred from fiduciary account under the control of the Department (e.g., store reimbursement);
  6. Unique cases best processed at the institutional business office, as determined by the Business Manager for the Centralized Receipting Office.
- H. Except as set forth in Paragraph G, funds sent through the mail to be credited to a prisoner's account are to be sent directly to the Centralized Receipting Office for processing. Correspondence and other mail for the prisoner will not be processed by the Centralized Receipting Office and therefore will be returned to the sender. Any funds received for processing at the facility housing the prisoner which that facility is not authorized to accept also shall be returned to the sender with instructions to resend to the Centralized Receipting Office.
- I. Information on how to properly send mail and funds to prisoners shall be provided to the sender whenever mail or funds are returned pursuant to Paragraph H. In addition, the CFA Deputy Director shall ensure that the Department's website includes current information on how family members and other members of the public may send funds to prisoners.

#### ELECTRONIC FUND TRANSFERS

- J. Family members and other members of the public may electronically transfer funds to be credited to a prisoner's account; however, the funds may be transferred only through a vendor approved by the Department. Electronic fund transfers are subject to all requirements set forth in this policy except if otherwise stated. The use of electronic fund transfers is considered a privilege. Senders are required by the vendor to comply with all of its terms and conditions of use, including to not use the service to transfer funds for fraudulent or other inappropriate purposes. The Department may block a sender from

DOCUMENT TYPE POLICY DIRECTIVE	EFFECTIVE DATE 01/01/10	NUMBER 04.02.105	PAGE 3 OF 11
-----------------------------------	----------------------------	---------------------	--------------

transmittal of electronic funds if the sender has repeatedly sent such funds in violation of this policy or for other reasons as approved by the CFA Deputy Director. The Department may similarly block a prisoner from receipt of electronic fund transfers if such funds have repeatedly been sent to the prisoner in violation of Department policy or for other reasons as approved by the CFA Deputy Director. Notice of the block shall be provided to the sender or prisoner, as appropriate, within a reasonable time after the block is initiated. If blocked, the sender and prisoner may continue to send/receive funds via the United States Postal Service in accordance with this policy. The sender may appeal the block to the Warden.

#### CREDITS TO PRISONER TRUST ACCOUNT

- K. All funds accompanying a prisoner from jail or other non-Department correctional facility, accompanying a prisoner when received at a reception facility, earned on a CFA work or school assignment, received for the sale of hobbycraft pursuant to PD 05.03.102 "Hobbycraft Program", refunded for goods or services paid from the trust account (e.g., vendor refund), or transferred from another fiduciary account under the control of the Department (e.g., store reimbursement) shall be credited to the prisoner's trust account. Subject to Paragraphs L, M and O, any other funds received shall be credited to the prisoner's account only if electronically transferred through a vendor approved by the Department or if mailed in the form of a check issued by a bank with guaranteed funds (e.g., cashier check; certified check) or money order payable in U.S. currency and made payable to the prisoner only. Under no circumstances shall cash or a personal check received in the mail be accepted for credit to a prisoner's account. The Manager of the business office for the facility at which the prisoner is housed shall ensure that credits are posted to trust accounts on a daily basis. The Business Office Manager also shall ensure that a receipt is printed for the prisoner whenever a credit is posted; receipts shall be delivered in a timely manner.
- L. Notwithstanding the limitations set forth in Paragraph K, the following shall be credited to a prisoner's trust account:
1. Government checks payable to the prisoner if received directly from the governmental agency. Income tax refunds that appear suspicious (e.g., a large refund payable to a prisoner incarcerated during the taxable period) may be verified with the issuing agency prior to being credited.
  2. Payroll and pension checks from the prisoner's employer prior to incarceration.
- M. Although checks or money orders payable to multiple parties are not to be credited to a prisoner's trust account, they may be sent to the institution at which the prisoner is housed, endorsed by the prisoner, and sent at his/her expense to the other payee, provided the other payee is not a prisoner and the address of the other payee is sufficiently identified.
- N. Funds received in an unauthorized form, including cash, shall be returned to the sender at Department expense with an explanation as to why the funds are being returned. The prisoner also shall be notified in writing that the funds were returned. If the funds are returned as undeliverable or if there is no return address provided, the funds shall be placed in the Prisoner Benefit Fund (PBF) with written notice to the prisoner. Funds received in an improperly executed form which prevents processing (e.g., blank money order) shall be similarly processed with notice to the prisoner.
- O. Except if received to purchase hobbycraft pursuant to PD 05.03.102 "Hobbycraft Program", funds from any of the following sources shall not be credited:
1. Funds known to be from a Department employee unless the employee is a family member of the prisoner and approval is obtained from both Wardens or, if not a CFA institutional employee, the appropriate supervisor and Warden.
  2. Funds known to be from or sent on behalf of another prisoner, parolee, or probationer unless

DOCUMENT TYPE POLICY DIRECTIVE	EFFECTIVE DATE 01/01/10	NUMBER 04.02.105	PAGE 4 OF 11
-----------------------------------	----------------------------	---------------------	--------------

the offender is a family member of the prisoner receiving the funds. In such cases, approval must be obtained from both Wardens or, if the offender is not in a CFA institution, the Warden and the Supervisor of the Residential Reentry Treatment Program facility or supervising field agent, as appropriate.

3. Funds known to be from a family member of another prisoner, parolee, or probationer unless the individual sending the funds is a family member of the prisoner receiving the funds.
4. Funds known to be from a volunteer who is not authorized to send funds to the prisoner pursuant to PD 03.02.105 "Volunteer Services and Programs". The Warden shall be advised if such funds are received.
5. Funds known to be from an outreach volunteer. The Warden shall be advised if such funds are received.
6. Funds from an unidentified source (e.g., name of sender not provided; name provided believed not to be that of the sender).

#### REJECTION OF ELECTRONIC FUND TRANSFERS

- P. An electronic fund transfer that is believed to violate Paragraph O of this policy shall be rejected at the institution at which the prisoner is housed. If the funds are rejected prior to being transmitted to the prisoner's trust account, the sender shall be notified of the rejection and the reason for the rejection through the vendor; the vendor will return the transmitted funds to the sender. The sender may appeal the rejection to the Warden. If the funds are rejected after transmittal, a hold shall be placed on the funds and the prisoner provided notice of the rejection and, unless waived, a hearing in the same manner as set forth below for rejected funds received through the mail.

#### REJECTION OF FUNDS RECEIVED THROUGH THE MAIL

- Q. Whenever funds are received through the mail by the Centralized Receipting Office which are believed to violate Paragraph O of this policy, a Notice of Package/Mail Rejection (CSJ-316) shall be completed specifying why the funds are believed to be in violation. The notice, funds, and envelope in which the funds were received shall be sent to the business manager or designee for the facility at which the prisoner is housed. Upon receipt, the notice shall be promptly forwarded to the prisoner and the funds stored in a secure location pending disposition.
- R. Unless the prisoner waives his/her right to a hearing in writing, and the prisoner and staff agree on the appropriate disposition of the funds, a hearing shall be conducted pursuant to Administrative Rule 791.3310 by a facility hearing officer to determine if the funds violate Paragraph O for the reason(s) identified in the Notice of Package/Mail Rejection. The hearing shall not be conducted by the person who issued the Notice.
- S. If a hearing is conducted, an Administrative Hearing Report (CSJ-144) shall be completed by the facility hearing officer. If the hearing officer finds that funds were not received in violation of Paragraph O, the funds shall be promptly credited to the prisoner's trust account in accordance with this policy. If the hearing officer finds that funds were received from an unidentified source, the funds shall be placed in the PBF. Other funds found to be in violation of Paragraph O shall be returned to the sender at the prisoner's expense. Funds shall not be loaned for this purpose. If the prisoner does not have sufficient funds to pay the required postage within 30 calendar days, the funds may be placed in the PBF; the prisoner shall be notified in writing if this occurs.

#### REMOVAL OF FUNDS FROM PRISONER TRUST ACCOUNTS

- T. A fact-finding hearing shall be conducted pursuant to Administrative Rule 791.3310 by a facility hearing officer before funds are removed from a prisoner's trust account, except when due to one or more of the

DOCUMENT TYPE POLICY DIRECTIVE	EFFECTIVE DATE 01/01/10	NUMBER 04.02.105	PAGE 5 OF 11
-----------------------------------	----------------------------	---------------------	--------------

following:

1. A court order requiring the Department to remove the funds from the prisoner's account.
  2. The prisoner's written request.
  3. An order to pay restitution issued by a hearing officer for major or minor misconduct.
  4. To make an administrative correction to the account (e.g., to remove funds credited to wrong account or in wrong amount; to reverse a credit for a check or money order found to be uncollectible) provided written notice is provided to the prisoner.
- U. Prior to the hearing, a Notice of Intent to Conduct an Administrative Hearing (CSJ-282) shall be completed and promptly sent to the prisoner; the hearing shall not be conducted by the person who issued the Notice. The Notice shall specify the reason the funds are to be removed from the account. If a Notice is written, a hold may be placed on the funds which are the subject of the hearing. The facility hearing officer shall record relevant statements by the prisoner on an Administrative Hearing Report, along with the hearing officer's findings. If the hearing officer does not order that the funds be removed from the prisoner's account, any hold placed on the funds which were the subject of the hearing shall be removed. If the hearing officer orders that funds be removed, the funds shall be removed as set forth in Paragraphs V and W.
- V. Funds shall be removed from a prisoner's trust account under the following priority, unless otherwise specifically ordered by a court:
1. To make an administrative correction to the account (e.g., to remove funds credited to wrong account or in wrong amount; to reverse a credit for a check or money order found to be uncollectible).
  2. Payment of victim restitution as set forth in PD 04.02.107 "Collection of Victim Restitution/Court-Ordered Payments".
  3. Payment of child support ordered by a court. Funds shall be removed only if the court orders the Department to remove the funds using State Court Administrative Office (SCAO) approved form FOC 112 unless otherwise directed by the Administrator of the Office of Legal Affairs or designee. If an "Order of Income Withholding" is received directing the Department to remove funds, it shall be returned requesting that the appropriate order be provided instead. If there is more than one order of support, the funds shall be divided equally between or among the required payments.
  4. Payment of fees or costs pursuant to a court order directing the Department to remove the funds or pursuant to PD 04.02.107 "Collection of Victim Restitution/Court-Ordered Payments", or the Prison Reimbursement Act. The Administrator of the Office of Legal Affairs or designee shall be notified if a court order for collection of criminal fees or costs is received that is not based on SCAO approved form MC 288, unless otherwise directed by the Administrator or designee. If there is more than one court order for payment of filing fees and costs, payments shall be applied in chronological order based on the date the court order was received in the appropriate business office.
  5. Payment of fees for medical services assessed pursuant to PD 03.04.101 "Prisoner Health Care Copayment", in chronological order.
  6. Payment of all other institutional debts, including debts to the PBF, in chronological order.
- W. All new funds received by a prisoner shall be used to satisfy his/her debts as outlined in this policy except under the following circumstances or as otherwise specifically ordered by a court:

DOCUMENT TYPE POLICY DIRECTIVE	EFFECTIVE DATE 01/01/10	NUMBER 04.02.105	PAGE 6 OF 11
-----------------------------------	----------------------------	---------------------	--------------

1. It would leave the prisoner with less than \$10 available during the month for personal use, based on the prisoner's monthly beginning spendable balance plus new funds received during the month. This includes if funds are being removed pursuant to a court order, unless the order specifically requires otherwise.
2. The funds were loaned or advanced to the prisoner by the Department (e.g., parole loan).
3. The funds are proceeds from savings bonds cashed by the prisoner through the institution provided the proceeds are received directly from the processing bank (e.g., Federal Reserve Bank of Chicago - Lower Peninsula; Federal Reserve Bank of Minneapolis - Upper Peninsula).
4. The funds were sent specifically for "release planning" or for payment of medical or education expenses. Funds designated for medical or education expenses, however, shall first be used to satisfy any medical or education debts, as applicable; a signed disbursement is not required in such cases. Designated funds shall be used only for the purpose for which they were designated after first satisfying any court-ordered payments (e.g., filing fees and/or costs, victim restitution, the Prison Reimbursement Act). Unused designated funds may be returned by the prisoner only to the source of the funds.
5. A total of 50% of funds received in excess of \$50 per month shall be removed for payment of restitution as set forth in PD 04.02.107 "Collection of Victim Restitution/Court-Ordered Payments"; this is the maximum to be collected each month for payment of restitution even if multiple restitution orders are received.
6. 50% of funds received in excess of \$50 per month shall be removed for payment of criminal fees and costs per each court order received requiring the Department to remove funds to make such payments, unless otherwise directed by the Administrator of the Office of Legal Affairs or designee and consistent with PD 04.02.107.
7. A total of 50% of funds received in excess of \$50 per month shall be removed for payment of child support obligations ordered to be collected by the court, consistent with PD 04.02.107; this is the maximum to be collected each month for payment of child support obligations even if multiple child support orders are received.
8. Whenever a prisoner is assessed a fee for medical services pursuant to PD 03.04.101 "Prisoner Health Care Copayment" or incurs another institutional debt, including a debt to the PBF, 100% of the prisoner's positive account balance shall be collected initially even if this would leave the prisoner with less than \$10 available during the month for other personal use. Collection on the remaining debt shall be limited to 50% of future funds received for credit to the account unless the prisoner agrees in writing to a larger amount.

#### PRISONER SPENDING

- X. Prisoners shall not be permitted to purchase or order goods or services on a credit or cash-on-delivery (i.e., C.O.D.) basis. Prisoners shall not possess accounts at financial institutions or use credit cards.
- Y. Prisoners shall be permitted to spend funds credited to their trust accounts except for those funds which are subject to a debt or hold pursuant to this policy. Prisoners who are receiving inpatient psychiatric services also may have their spending limited by a qualified mental health professional with appropriate supervisory approval. Prisoners may spend funds, however, only for the following purposes:
  1. Transfer to family members and to a parent or verified legal guardian of the prisoner's child, stepchild, or grandchild. However, if the family member is known to be another prisoner, parolee, or probationer under the Department's jurisdiction, approval must be obtained from both Wardens or, if the offender is not in a CFA institution, the Warden and the Residential

DOCUMENT TYPE POLICY DIRECTIVE	EFFECTIVE DATE 01/01/10	NUMBER 04.02.105	PAGE 7 OF 11
-----------------------------------	----------------------------	---------------------	--------------

Reentry Treatment Program facility Supervisor or supervising field agent, as appropriate. The Warden may authorize the transfer of funds to other individuals for the care of a family member of the prisoner (e.g., child).

2. Payment of verified personal or legal expenses as approved by the Warden or designee. This includes fees and costs imposed by a court. This also includes payment of statutory fees assessed for DNA testing. If the DNA sample was taken by the Department, the payment is to be sent to the Department of Treasury. Other DNA test fees are to be paid to the court that ordered the fee to be paid.
  3. Purchase of personal property, including prisoner store items, in accordance with PD 04.07.112 "Prisoner Personal Property"; however, books on the Restricted Publication List cannot be purchased. Up to \$100 may be spent every two weeks (i.e., 26 times per calendar year) for the purchase of standardized store items sold in the prisoner store; an additional \$20 may be spent in the month of December.
  4. Purchase of U.S. Savings Bonds. Bonds must be made payable to the prisoner only; however, a beneficiary may be designated on the bond. Another offender shall not be designated as a beneficiary unless the offender being designated is a family member of the prisoner to whom the bond is payable. Since prisoners are not allowed to possess savings bonds, bonds must either be sent to a person designated by the prisoner at the prisoner's expense or, if approved by the Warden, stored for the prisoner by the institution until the prisoner transfers, paroles, or discharges or the prisoner chooses to cash the savings bond. If stored for the prisoner, the bonds shall transfer with the prisoner.
  5. Contribute to charitable organizations as approved by the Warden or designee. A contribution may not be for less than \$5 unless approval is received from the Warden or designee for a specifically identified contribution.
  6. Purchase of finished hobbycraft items to be sent out of the institution, in accordance with PD 05.03.102 "Hobbycraft Program".
  7. Purchase of other items or services as approved by the Warden, consistent with Department policy. However, funds shall not be used to join pen pal organizations or purchase pen pal lists, to establish or maintain internet websites, or to place any advertisement.
- Z. Funds shall be loaned to prisoners who lack sufficient funds in their trust account to purchase any of the following:
1. Replacement identification cards.
  2. Debit cards and padlocks, provided the prisoner agrees to repay the debt at 100% of future funds received. Funds shall be loaned by the PBF; funds collected to repay the loan shall be returned to the PBF which loaned the funds. Funds shall not be loaned to purchase prepaid telephone service.
  3. Postage and writing materials for litigation as set forth in PD 05.03.118 "Prisoner Mail".
  4. Photocopies of legal documents and notary services as set forth in PD 05.03.116 "Prisoners' Access to the Courts".
  5. A copy of a birth certificate or other document required to obtain a driver's license or Secretary of State personal identification card upon release, in accordance with Department policy.
  6. A footlocker to store allowable excess legal property as set forth in PD 04.07.112 "Prisoner Personal Property".

DOCUMENT TYPE POLICY DIRECTIVE	EFFECTIVE DATE 01/01/10	NUMBER 04.02.105	PAGE 8 OF 11
-----------------------------------	----------------------------	---------------------	--------------

- AA. A prisoner found at a hearing conducted pursuant to Administrative Rule 791.3310 to have incurred heavy indebtedness to another prisoner, to be the victim of exploitation or extortion by another prisoner, to be spending funds or using store purchases to exploit or corrupt another prisoner, or to be setting up his/her own "store" for profit may have his/her spending restricted. Prior to the hearing being conducted, the prisoner shall be provided with a Notice of Intent to Conduct an Administrative Hearing specifying the reason why the prisoner's spending should be restricted; the hearing shall not be conducted by the person who issued the Notice. The prisoner's spending may be restricted pending the hearing but, in such cases, the hearing shall be held within 14 business days after the restriction was imposed. The facility hearing officer shall record relevant statements by the prisoner on an Administrative Hearing Report, along with the hearing officer's findings. The period and nature of any restriction shall be determined by the Warden or designee. The prisoner shall be given credit for any period of time for which the prisoner's spending was restricted pending the hearing.
- BB. The Warden shall ensure that the trust account of a prisoner who has been granted parole to other than a detainer is monitored to determine if the prisoner is conserving his/her funds in a reasonable manner. If it is determined that the prisoner is not conserving his/her funds in a reasonable manner, a hold may be placed on the prisoner's account to ensure the prisoner has funds available upon parole to meet his/her immediate needs (e.g., meals; telephone calls; additional transportation costs). The prisoner shall not be left, however, with less than \$10 available to spend each month for personal use.
- CC. The Warden may authorize the use of a debit card by prisoners for the purchase of authorized goods and services within the institution. If the debit card is for the purchase of store items, the initial card shall be issued to prisoners free of charge. The Warden may charge a fee for debit cards used for the purchase of other goods and services and for replacement cards. A prisoner shall not possess or use another prisoner's debit card for any reason. A prisoner possessing or using another prisoner's debit card, or allowing another prisoner to possess or use his/her card, may be subject to discipline in accordance with PD 03.03.105 "Prisoner Discipline".

#### RECORD MAINTENANCE

- DD. Accurate records shall be maintained for funds removed from a prisoner's trust account. The prisoner shall be provided with a statement of his/her account activity at least quarterly which identifies when and why funds were removed from, and any debts and holds were placed on, the account.

#### RECONCILIATION

- EE. The prisoner accounting system shall be reconciled at least monthly with the Michigan Administrative Information Network (MAIN).
- FF. Reconciliation records shall be retained in accordance with the Department's Retention and Disposal Schedule.

#### DISPOSITION OF TRUST ACCOUNT UPON TRANSFER OR RELEASE

##### TRANSFER

##### Transfers within CFA

- GG. When a prisoner transfers from one CFA institution to another for any reason other than placement in SAI, the prisoner's trust account shall be transferred to the receiving institution within five business days following the prisoner's transfer. Funds received for credit to the account after transfer of the account shall transfer within five business days after receipt. If the transfer is not received within the required time period and the prisoner does not have at least \$10 available for personal use at the receiving institution, s/he shall be loaned up to \$10 to purchase prisoner store items provided s/he has the funds in his/her account to repay the debt and agrees to repay it at 100% by signing a

DOCUMENT TYPE POLICY DIRECTIVE	EFFECTIVE DATE 01/01/10	NUMBER 04.02.105	PAGE 9 OF 11
-----------------------------------	----------------------------	---------------------	--------------

disbursement.

- HH. The transfer of a prisoner's account shall be expedited upon request of the business manager for the receiving institution or designee when the prisoner needs access to the account to pay court-ordered filing fees in a timely manner. It is the prisoner's responsibility to notify staff sufficiently in advance of when the funds are needed so this can be accomplished.
- II. When a prisoner transfers to SAI, his/her trust account shall not transfer until the prisoner has completed or been terminated from SAI. The Deputy Warden for the SAI facility shall ensure the institution is notified of the address to which the funds are to be forwarded.

Transfers to Non-CFA Facility

- JJ. When a prisoner transfers to another jurisdiction to serve his/her Michigan sentence (e.g., Federal Bureau of Prisons), the funds in the prisoner's trust account and any subsequent funds received for credit to the account shall be forwarded to that jurisdiction within the time periods set forth in Paragraph GG. If such funds are subsequently returned as undeliverable, an account shall be opened in the prisoner's name to retain the funds for one year; after that time, any remaining unclaimed funds shall be forwarded to the Unclaimed Property Division of the Department of Treasury.

RELEASE

- KK. A release debit card shall be issued to each prisoner being released on parole to the community or being discharged to the community as set forth in this policy; the prisoner shall not be charged a fee for the card. Regional business offices shall be responsible for loading funds owed the prisoner on the debit card prior to issuance; cash shall be given to the prisoner only as required for a parole loan issued pursuant to PD 06.02.120 "Parole Loans" and as otherwise authorized by this policy. The prisoner shall be given the debit card upon release along with a receipt indicating the amount of funds loaded on the debit card and the source of the funds (i.e., trust account; parole loan; CSS&M). The prisoner also shall be provided with the vendor's cardholder agreement, which includes the terms and conditions of use and identifies the fees associated with use and replacement of the debit card. The prisoner shall be provided access to a telephone on facility grounds to activate the debit card and establish a PIN. Staff shall assist the prisoner in the activation process if the prisoner is unfamiliar or having difficulty with the process; however, the prisoner shall be solely responsible for identifying and securing his/her PIN. The prisoner also shall be advised that any outstanding pay for school/work assignments will be loaded on the debit card upon receipt, if applicable.

Paroles to Detainer

- LL. When a prisoner paroles to detainer, the funds in his/her trust account or subsequently received for credit to the account shall be used to satisfy any remaining institutional debts. The balance shall be forwarded to the jurisdiction that filed the detainer within the time periods set forth in Paragraph GG. If the funds are subsequently returned as undeliverable, an account shall be opened in the prisoner's name to retain the funds for one year; after that time, any remaining unclaimed funds shall be forwarded to the Unclaimed Property Division of the Department of Treasury.

Paroles to Residential Reentry Program Facility

- MM. When a prisoner paroles, the funds in his/her trust account shall be used to satisfy any remaining institutional debts. The balance remaining in the account shall be forwarded to either the Lake County Residential Reentry Program facility for safekeeping until the paroled prisoner completes the program or to the business office for the Thumb Correctional Facility (TCF) if paroling to the Tuscola Residential Reentry Program facility; however, the prisoner shall be given \$15 of that balance, or the entire balance if less than \$15, in cash if the prisoner is being transported to the facility via public transportation. If the balance is less than \$15, the Warden or designee shall authorize payment from the institution's CSS&M account for the difference between the balance and \$15 as needed by the prisoner to meet his/her

DOCUMENT TYPE POLICY DIRECTIVE	EFFECTIVE DATE 01/01/10	NUMBER 04.02.105	PAGE 10 OF 11
-----------------------------------	----------------------------	---------------------	---------------

immediate needs prior to arrival at the facility (e.g., meals; telephone calls; additional transportation costs to reach the facility). The Warden or designee shall consider the distance the prisoner must travel in determining the amount provided. The balance of any subsequent funds received for credit to the account shall be forwarded within the time periods set forth in Paragraph GG after satisfying any remaining institutional debts other than the current parole loan. Upon completion of required programming at the Tuscola Residential Reentry Program facility, the business office for TCF shall load the remaining balance on a release debit card unless cash is approved by the Deputy Director of Field Operations Administration (FOA) or designee.

#### All Other Paroles

NN. For all other paroles, the funds in the prisoner's trust account shall be used to satisfy any remaining institutional debts. This shall be done prior to processing a parole loan. The balance remaining in the account after processing any parole loan shall be loaded on a release debit card and given to the prisoner except as follows:

1. If the balance in the prisoner's account is less than \$25, the prisoner shall be given the balance in cash. If the entire balance is less than \$15 and the prisoner is taking public transportation, the Warden or designee shall authorize payment from the institution's CSS&M account for the difference between the balance and \$15 as needed by the prisoner to meet his/her immediate needs upon parole (e.g., meals; telephone calls; additional transportation costs to reach actual home placement). The Warden or designee shall consider the distance the prisoner must travel in determining the amount provided.
2. If the balance in the prisoner's account is \$25 or more and the prisoner is taking public transportation, the prisoner shall be given \$15 in cash and the remaining balance loaded on the release debit card unless the prisoner is provided an opportunity to withdraw funds from the debit card (e.g., through an ATM at the bus station) prior to boarding.

OO. The balance of any subsequent funds received for credit to the account shall be loaded on the prisoner's debit card after satisfying any remaining institutional debts other than the current parole loan unless the card is inactive or the funds cannot otherwise be loaded on the card. Funds which cannot be loaded on the debit card shall be forwarded to the supervising agent within the time periods set forth in Paragraph GG. If the funds are subsequently returned as undeliverable, an account shall be opened in the prisoner's name to retain the funds for one year; after that time, any remaining unclaimed funds shall be forwarded to the Unclaimed Property Division of the Department of Treasury.

#### DISCHARGE

PP. When a prisoner discharges, the funds in his/her trust account or subsequently received for credit to the account shall be used to satisfy any remaining institutional debts. The balance remaining in his/her account shall be given to the prisoner at discharge. If the balance is less than \$75 and the prisoner is not discharging to another agency's custody or care (e.g., jail, mental health facility), the Warden or designee shall authorize payment from the institution's CSS&M account for the difference between the balance and \$75 if the prisoner has no other visible means of support and the Warden or designee has determined that the prisoner conserved personal funds in a reasonable manner; the total amount owed to the prisoner shall be loaded on a release debit card and given to the prisoner except as follows:

1. If the total balance of the account is under \$25 after receipt of any payment from the CSS&M account, the prisoner shall be given the balance in cash.
2. If the total balance of the account is \$25 or more after receipt of any payment from the CSS&M account and the prisoner is taking public transportation, the prisoner shall be given \$15 of the balance in cash unless the prisoner is provided an opportunity to withdraw funds from the debit card (e.g., through an ATM at the bus station) prior to boarding.

DOCUMENT TYPE POLICY DIRECTIVE	EFFECTIVE DATE 01/01/10	NUMBER 04.02.105	PAGE 11 OF 11
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- QQ. The balance of any subsequent funds received for credit to the account shall be loaded on the prisoner's debit card after satisfying any remaining institutional debts unless the card is inactive or the funds cannot otherwise be loaded on the card. Funds which cannot be loaded on the debit card shall be mailed to the prisoner's last known address within the time periods set forth in Paragraph GG. If the funds are subsequently returned as undeliverable, an account shall be opened in the prisoner's name to retain the funds for one year; after that time, any remaining unclaimed funds shall be forwarded to the Unclaimed Property Division of the Department of Treasury.

#### DISPOSITION OF ACCOUNTS UPON ESCAPE OR DEATH

- RR. Accounts of escapees who have not been apprehended shall remain open for one year. After that time, all funds in the account, including any savings bonds, shall be forwarded to the Unclaimed Property Division of the Department of Treasury.
- SS. If a prisoner dies and the account does not exceed \$500, the funds may be delivered to a person providing identification and an affidavit that s/he is the spouse, child, or parent of the prisoner and that there is no application or petition pending for administration of the prisoner's estate. If the prisoner's account exceeds \$500, the funds shall only be released with proper court documentation. Savings bonds in the prisoner's name being stored for the prisoner shall be included unless another individual is identified on the bond as the beneficiary. In such cases, a reasonable effort shall be made to locate the beneficiary and forward the savings bond. All funds, including savings bonds, unclaimed after one year shall be forwarded to the Unclaimed Property Division of the Department of Treasury.

#### UNCOLLECTIBLE INSTITUTIONAL DEBT

- TT. Any remaining institutional debt shall be deemed uncollectible, and all holders and debts removed, upon a prisoner's death or two years after discharge on the maximum sentence, discharge from parole, or escape. Whenever the prisoner's institutional debts total \$100 or more, the debts shall be referred to the Department of Treasury for collection, unless the prisoner is deceased. The Department of Treasury shall be notified if funds are received subsequent to that referral.
- UU. If a prisoner returns to the Department's custody, any institutional debt deemed uncollectible pursuant to Paragraph TT shall be reinstated to the extent possible. This includes recalling debts referred to the Department of Treasury for collection.

#### PROCEDURES

- VV. Wardens and the Administrator of the Bureau of Fiscal Management shall ensure that procedures are developed to implement requirements set forth in this policy directive; this shall be completed within 60 calendar days after the effective date of the policy directive. This requirement includes ensuring that their existing procedures are revised or rescinded, as appropriate, if inconsistent with policy requirements or no longer needed. Facility procedures shall not conflict with operating procedures issued by the Director.

#### AUDIT ELEMENTS

- WW. A Primary Audit Elements List has been developed and is available on the Department's Document Access System to assist with self audit of this policy pursuant to PD 01.05.100 "Self Audit of Policies and Procedures".

APPROVED: PLC 12/17/09