DEPARTMENT OF CORRECTIONS

Policy Number:	**104.155**
Title:	**Forfeiture Deposit and Accounting**
Effective Date:	**9/4/18**

PURPOSE: To ensure cash confiscated during the apprehension of criminals by the Department of Corrections (DOC) fugitive apprehension unit is properly handled, deposited and accounted for.

APPLICABILITY: Financial services unit, office of special investigations (OSI) unit, and fugitive apprehension unit

DEFINITIONS: None

PROCEDURES:

A. Confiscated cash by the Office of Special Investigations (OSI) fugitive apprehension unit must be handled appropriately and distributed in accordance with Minnesota Statutes and Minnesota Management and Budget (MMB) policies.

B. Cash handling and depositing procedure

1. Confiscated cash must be secured in a locked bank deposit bag by OSI staff and must be hand-delivered to the financial services staff responsible for completing the deposit transaction.

2. During non-business hours, OSI staff must lock confiscated cash in the OSI evidence room lockers. During business hours, OSI staff must contact the financial services staff to count the cash and complete the deposit form. OSI initiates the Evidence Inventory Report form (attached) in accordance with DOC Policy 301.035, "Evidence Management."

3. Financial services and OSI staff must both count the cash. The OSI staff member must list the name of the person the money was confiscated from on the deposit form. The financial services staff member must complete the remainder of the deposit form. Both the OSI and financial services staff must sign the deposit and the Evidence Inventory Report forms as a verification of the dollar amount. A copy of the deposit slip is kept in financial services.

4. Funds must be re-secured in the deposit bag and a financial services staff member or designee must bring the deposit to the bank authorized by the state. Upon returning the staff person must provide the deposit receipt to other financial services staff, as necessary, and return the deposit bag to the OSI unit.

5. Financial services staff must record the transaction in the state accounting system, using Fund 2000, Appropriation P784348, FinDept P7884300, and Revenue Source Code 514213.

C. Accounting procedure

1. Upon review and certification by the prosecuting authority in accordance with Minn. Stat. § 609.5315, subd. 2, the OSI director or designee must provide certification documentation

and a written notification to financial services for the disposition of confiscated funds. The OSI director must note the name and contact information, date forfeited, and dollar amount in the notification. Financial services must use this notification as the authorizing document for the appropriate distribution of funds.

2. Financial services staff must maintain a spreadsheet of forfeited dollars by individual, including receipts and payment distributions.

3. If funds are to be returned to an individual, financial services staff must contact the individual regarding establishment of a vendor number and process the return of funds as a reduction of receipts against the same coding as the original deposit.

4. When confiscated dollars are to be retained, financial service staff must allot the forfeited amount in budget FinDept P7834320 and distribute funds as follows:
   a) 70 percent of the money must be allotted to FinDept P7834320 in this account for OSI as a supplement to their operating fund;
   b) 20 percent of the money must be sent to the prosecuting authority that handled the forfeiture using expenditure account code 441201 or transferred to the attorney general's office via appropriation transfer to, and
   c) 10 percent of the money must be transferred via appropriation transfer to MMB state treasury and credited to the general fund. This transaction must be completed within 60 days after resolution of the forfeiture. Financial services staff must notify the executive budget officer at MMB of the transfer.

5. On an annual basis, financial services staff must reconcile the FinDept and the appropriation to the spreadsheet. Outstanding issues must be brought to the attention of the OSI director and the agency budget manager. The agency budget manager must review and sign off on the annual reconciliation. The reconciliation must be retained in financial services.

6. Financial services staff must notify the Office of the State Auditor by the 20th of each month, following the month in which the forfeiture incident was completed, using the Forfeiture Incident Report form in the State Auditor's Form Entry System (SAFES). A printout of the form(s) must be retained in financial services.

7. If no completed transactions occur during the month, no report is filed. If no transactions are completed for the entire calendar year, financial services staff must submit a completed No Forfeitures form in SAFES to the Office of State Auditor by January 31 for the previous year. A printout of the form must be retained in financial services.

INTERNAL CONTROLS:

A. A copy of the deposit form showing signatures of both counters and the receipt is retained in financial services.

B. A copy of the reviewed and signed annual reconciliation is retained in financial services.

C. Printouts of the forms completed in SAFES are retained in financial services.

D. All deposit and payments are recorded in the state accounting system.

ACA STANDARDS: None

REFERENCES: Minn. Stat. §§ 609.531, 609.5315
Policy 104.170, "Imprest Cash Funds"
Policy 301.035, "Evidence Management"
Office of the State Auditor – Statement of Position – Reporting of Criminal Forfeitures

REPLACES: Policy 104.155, "Forfeiture Deposit and Accounting," 7/5/16.
All unit policies, memos, or other communications whether verbal, written, or transmitted by electronic means regarding this topic.

ATTACHMENTS: Evidence Inventory Report form (301.035A)

APPROVALS:
Deputy Commissioner, Facility Services
Deputy Commissioner, Community Services
Assistant Commissioner, Facility Services
Assistant Commissioner, Operations Support