



NEW MEXICO CORRECTIONS DEPARTMENT

Secretary
Alisha Tafoya Lucero

CD-023300 Internal Control and Monitoring of
Accounting Procedures by Probation and Parole Division
Alisha Tafoya Lucero, Cabinet Secretary

Issued: 5/3/91
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Revised: 2/18/15

Original Signed and Kept on File

AUTHORITY:

- A. NMSA 1978, Sections 6-5-8, 9-3-1 through 9-3-12, 12-6-3, 12-6-5, 14-2-1, 33-1-6, 6-10-2 as amended.
- B. New Mexico Constitution, Article V, Section 9.
- C. Department of Finance and Administration Rules and Regulations.

REFERENCES:

- A. Department of Finance and Administration (DFA) Central Financial Model Accounting Practices Manual Fin 2 – Cash Management.
- B. ACA Standard 2-CO-1B-06, *the Administration of Correctional Agencies*, 2nd Edition.
- C. ACA Standard 4-APPFS-3D-22, 4-APPFS-3D-24, and 4-APPFS-3D-25, *Adult Probation and Parole Field Services*, 4th Edition.

PURPOSE:

To provide for internal accounting by the Administrative Services Division (ASD) of monies collected by the Probation and Parole Division (PPD) and to ensure for the proper deposit of said monies. [2-CO-1B-06]

APPLICABILITY:

New Mexico Corrections Department (NMCD or Department) employees assigned to the ASD, Financial Management Bureau, Accounting Section, and the PPD.

FORMS:

None

ATTACHMENTS:

None

DEFINITIONS:

- A. Capital Assets: Any property or equipment which as an initial cost, whether in cash or trade value, of over \$5,000.00 and which is expected to be used or held beyond the fiscal year in which it was acquired and which is not consumed in its use. Capital assets include assets acquired under lease purchase agreements. Such assets shall be included in inventory at the time of acquisition. Capital assets also include assets constructed by NMCD Corrections Industries Division.

- B. Client: An offender serving probation, parole or community corrections sentences under the supervision of a Probation/Parole Officer employee of the NMCD.
- C. COPS: Centralized Offender Payment System
- D. Disbursal: To pay out or expend funds.
- E. External Financial Auditors: Employees of the New Mexico Office of the State Auditor (Auditor) or contracted auditors.
- F. Fees: Monies collected as costs for supervision services provided by Probation/Parole Officers, or monies collected from PPD clients that have been assessed by the courts or ordered by the Adult Parole Board.
- G. Internal Financial Auditors: Employees, who are required to examine practices or procedures relating to financial or accounting functions of the PPD including the Business Manager or his/her designee, may include fiscal staff of the Administrative Services Division Financial Management Bureau.
- H. SHARE: The Statewide Human Resources, Accounting, and Management Reporting System.
- I. RDS: The Remote Depositing System which electronically deposits monies with the State of New Mexico's fiscal agent bank.

POLICY:

- A. The ASD shall establish and maintain proper internal procedures to account for the receipt and deposit of fees collected by the PPD in accordance with State Statutes, New Mexico Department of Finance Administration (DFA) rules and regulations, and Generally Accepted Accounting Principles.
- B. The administrator of the PPD is responsible for collecting, safeguarding, and disbursing all monies in accordance with court order. All policies and procedures regarding the collection, safeguarding, and disbursement of these monies shall be made known to staff and reviewed annually. [4-APPFS-3D-24]
- C. There shall be both ongoing audits by external financial auditors and internal financial auditors of the agency's fiscal activities, which shall be conducted annually, or at a time period stipulated by applicable statute or regulation, but not to exceed three years. [4-APPFS-3D-25]
- D. The PPD Business Manager shall be responsible for the administration of policy relative to the collection, safekeeping and monitoring of PPD funds to include at a minimum: [4-APPFS-3D-22]
 - Internal controls,
 - Petty cash,
 - Indemnification,
 - Signature control on checks,
 - Employee expense reimbursement.



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CD-023301 ASD Internal Accounting Procedures
of Fees Collected by Probation and Parole Division

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AUTHORITY:

Policy *CD-023300*

PROCEDURES:

A. Probation and Parole Division (PPD): [4-APPFS-3D-22]

1. Personnel in the PPD field offices shall provide clients with a COPS payment form indicating amounts owed for each obligation and the remittance address with instructions to mail payments to the designated Centralized Probation and Parole Office (COPS Office).
2. Upon receipt of payment, personnel at the COPS Office shall collect all money orders received and enter them into COPS, followed by creating a deposit to the fiscal agent via the RDS. The system will generate a transmittal form listing each transaction entered into COPS. A copy of the bank deposit slip and one transmittal form should be kept on file while an additional copy and transmittal form shall be forwarded to the ASD Financial Management Bureau, Accounting Section within 24 hours.
3. All fees collected shall be deposited via the RDS within 24 hours of receipt.
4. All fees collected on behalf of the Department of Public Safety (DPS) shall be forwarded to their Administrative Services Division. DPS staff will deposit the monies in the fiscal agent bank.
5. The procedures for collection, safeguarding, and disbursement of all funds collected from clients shall be made known to staff and reviewed annually. [4-APPFS-3D-24]

B. Administrative Services Division: [2-CO-1B-06]

1. Upon receipt of deposit documentation at Central Office, the Financial Management Bureau Accounting Section Accountant will open the mail and shall verify the total(s) shown on the deposit documents, enter into the database indicating the deposit date, deposit total and batch number. The Accountant shall enter the deposit into the SHARE Accounts Receivable module then file in the appropriate jacket by month. These entries are now pending validation and completion of transaction from the New Mexico State Treasurer's Office (Treasurer).
2. Upon validation, the Accountant will then log the completed deposit in computer database.
3. At the end of each month, the Accountant shall tally all deposit amounts by fund, reconciling between the SHARE System and the Department's database report.



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CD-023302 PPD Internal Control and Monitoring of Accounting Procedures	Issued: 5/3/91 Effective: 5/3/91	Reviewed: 02/25/22 Revised: 2/18/15
Alisha Tafoya Lucero, Cabinet Secretary		<i>Original Signed and Kept on File</i>

AUTHORITY:

Policy *CD-023300*

PROCEDURE:

The Business Manager shall be responsible for the administration of the policy relative to the collection, safekeeping and monitoring of PPD funds.

A. Security of Funds: [4-APPFS-3D-22]

1. Payment Voucher: All services and goods will be obtained by issuance of a purchase document (except for petty cash purchases), will be paid for with a payment voucher, and will be approved and processed by the PPD business office.
2. Petty Cash: The PPD does not maintain a petty cash fund.
3. Signature Control for Checks: The PPD shall not issue checks or warrants. All payments shall be processed by voucher through the DFA.
4. Use of Vouchers: The NMCD ASD is the only Division authorized to process payment vouchers through DFA for payment of goods and/or services procured by the PPD.

B. Audit: [4-APPFS-3D-25]

1. Internal Audits: Internal random audits of all fiscal activity shall be performed throughout the year by the internal financial auditors as defined in CD-023300.
2. External Audit: A review of the fiscal activities shall be conducted by the Auditor and/or their contract auditors on an annual basis. Detailed reports on their findings shall be provided to the FMB, the Chief Financial Officer and the Secretary of NMCD.

C. Monitoring and Accountability:

1. The Business Manager will ensure all large value items, i.e., equipment and furniture with a life expectancy beyond the fiscal year in which it was acquired and which is not consumed in its use, is entered into the PPD Inventory Database to ensure accountability and control of these items.
2. The same database will be used for the accountability and control of PPO safety equipment, e.g., firearms, radios and vests.