



ISSUING AUTHORITY: INDIANA DEPARTMENT OF CORRECTION

EFFECTIVE DATE: 1/1/2024

### 3.1 Grant Accounts

APPLICABLE TO:

Entities who receive Community Corrections & Justice Reinvestment Grant Funding and Juvenile Community Corrections Grant Funding:

1. Adult Community Corrections;
2. Juvenile Community Corrections;
3. Probation;
4. Pretrial Services;
5. Court Recidivism Reduction Programs;
6. Prosecutor’s Diversion Programs; and
7. Jail Treatment;

### Summary

The purpose is to provide the requirements for county grant funds and accounts to the fiscal agents and Community Corrections Advisory Boards (CCAB) who receive Community Corrections & Justice Reinvestment Grant Funding.

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## Types of Funds & Accounts

### State Grant Funds

The Community Corrections & Justice Reinvestment Grants are state funds issued by the Department. Local Jurisdictions receive a grant of state funds based on the approval of an application for such funds.

Each grant entity will be awarded funding under one contract with the community corrections advisory board. Each awarded entity is a separate project for a specific purpose. The contract will state the total amount of grant funding awarded to the county or regional advisory board and will have a budget for each awarded entity.

### State Grant Fund Account

Each awarded entity must establish a separate fund to be known as the "[Entity Name] Justice Reinvestment Grant Fund" for the purpose of receiving and disbursing funds.

**NOTE:** *In the Indiana State Board of Accounts' (SBoA) Chart of Accounts, this fund is known as the 'Community Corrections Grant' and is chosen from 9000 series. Two funds should be established in order to alternate the use of fund accounts each grant year.*

- *Community Corrections Grant (Exp: 2023 grant funds): Fund chosen from 9000 series*
- *Community Corrections Grant (Exp: 2024 grant funds): Fund chosen from 9000 series*

Disbursement records shall be kept in a manner prescribed by the Department and/or the State Board of Accounts and shall be available to the Department and/or the State Board of Accounts upon request.

Once grant funds have been deposited into the Fund, the county may pay out expenditures from this Fund. Any grant funds not expended revert to the State after the end of the grant cycle.

Contributions from other grants, funding sources, or county funds expended on the entity's program cannot be co-mingled with State Grant funds.

**EXAMPLE:** *County receives one executed contract for \$5,000 in grant funds awarded to the County*

- *The exhibit to the contract will have a budget for each awarded grant entity*
  - *\$3,000 Budget to Community Correction*
    - *Requires two state grant funds and one project income fund*
  - *\$500 Budget to Drug Court*
    - *Requires two state grant funds*
  - *\$500 Budget to Re-entry Court*
    - *Requires two state grant funds*
  - *\$1000 Budget to Prosecutor Diversion Program*
    - *Requires two state grant funds*

*For this example: 8 local state grant funds will be established*

1. *Community Corrections Grant 2023: Fund chosen from 9000*
2. *Community Corrections Grant 2024: Fund chosen from 9000*
3. *Drug Court Community Corrections Grant 2023: Fund chosen from 9000*
4. *Drug Court Community Corrections Grant 2024: Fund chosen from 9000*
5. *Re-entry Court Community Corrections Grant 2023: Fund chosen from 9000*
6. *Re-entry Court Community Corrections Grant 2024: Fund chosen from 9000*
7. *Prosecutor's Diversion Community Corrections Grant 2023: Fund chosen from 9000*
8. *Prosecutor's Diversion Community Corrections Grant 2024: Fund chosen from 9000*



### Community Corrections Project Income

**NOTE:** *The following section applies to Community Corrections entities only.*

Project Income, which includes home detention fees, user fees, and other income derived from the operation of a Community Corrections program funded by a state grant, shall be disbursed only in furtherance of the approved Community Corrections Budget provided in the grant year’s executed contract.

A separate account shall be established for Project Income identified as the "Community Corrections Project Income Fund" (IC 11-12-7[1-4] and IC 11-12-2-12 [a-c]).

**NOTE:** *In the SBoA Chart of Accounts, this is known as fund is known as: Fund 1122 Community Corrections Project Income*

Expenditures from this fund shall be accounted for in the same manner as all other expenditures of Community Corrections grant funds.

Project Income (e.g., home detention fees, residential user fees, and other derived income) does not revert to the state at the end of a grant period.

Project Income can only be spent with prior **written approval** by the Department. Written approval may be in one of two forms:

1. The annual Community Corrections Grant Contract
2. Transfer/Additional Appropriation Form (as outlined in **Procedural Bulletin 3-2**)

Contributions from other grants, funding sources, or county funds expended on the Community Corrections program cannot be co-mingled with Project Income accounts.

This fund **does not** include user fees established for:

- Pretrial Service Fees under IC 35-33-8-3.3
- Deferred Prosecution Fee under IC 33-37-5-17
- Problem Solving Court Fees under IC 33-23-16-23
- Alcohol and Drug Services Program Fee under IC 33-37-5-8(b)
- Probation User and Administration Fees under IC 35-38-2-2
- Any user fee that is directed to be deposited to:
  - County User Fee Fund under IC 33-37-8-7
  - Supplemental Adult Probation Fund
  - Pretrial diversion program fund under IC 33-27-8-6

All fees established under the Indiana Trial Court Fee Manual must follow the fee guidelines and be administered in the manner listed.



## Community Transition Program (CTP)

**NOTE:** *This applies to Community Corrections entities who supervise CTP offenders.*

An established Community Corrections program may receive funds on a reimbursable basis for supervision of CTP participants. Community Corrections Programs receiving CTP funds agree to comply with the following:

1. The entity must establish a separate fund for the purpose of receiving and disbursing CTP funds.

**NOTE:** *In the SBoA Chart of Accounts, this fund is known as: Fund 1123 Community Transition Program*

2. Disbursement records shall be kept in a manner prescribed by the Department of Correction and/or the State Board of Accounts. Records shall be available to the Department of Correction and/or the State Board of Accounts upon request.

Once funds have been earned and deposited, the funds shall be administered by the Community Corrections Advisory Board. The funds should be used for programs and services provided by the Community Corrections program. The reimbursement amounts do not revert to the state at the end of the grant period.

If necessary, CTP funds may be transferred to the Project Income fund account. Further information is provided in ***Procedural Bulletin 3.2 Program & Budget Revisions***.

## Comingling of Funds

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Each grant-funded entity's award must be accounted for separately. The Community Corrections Advisory Board must ensure that each entity awarded establishes its own separate grant fund accounts and that grant funds are not comingled with funds from other sources. Grantees and sub-grantees are prohibited from comingling funds on both a program-by-program basis and entity-by-entity basis.

Funds specifically awarded to one entity or program may not be used to support another. If local accounting procedures cannot comply with this requirement, the grantee shall establish a system to provide adequate fund accountability for each program awarded.



## Sub-Awards/Contractual Agreements

Financial arrangements with other entities or individuals to accomplish a portion of the program activities, sub-awards, and procurement transactions must be formalized in written and signed agreements or Memoranda of Understanding (MOUs) between the parties involved. Sub-agreements or MOUs must be made available for IDOC staff to review upon request.

An agreement must include the following:

- Activities to be performed
- Budget
- Project start and end dates
- All required representations, certifications, and assurances
- Program policies and procedures to be followed
- Dollar limitation of the award or contract and any match requirements
- Payment procedure and schedule
- Cost principles to be used in determining allowable costs

All clauses are required by the Contractual Agreement to be included in agreements with sub-grantees/contractual service providers.

The written agreement will not affect the grantee's overall responsibility for the duration of the state-funded program and accountability to IDOC. The grantee and the Advisory Board are responsible for monitoring the sub-grantee and monitoring program and financial responsibilities.

**NOTE:** *Grant funds utilized for sub-awards must be utilized in accordance with the grant cycle's allowable expenditures.*

## Accounting, Auditing, and Retention Requirements

Grantees must maintain accounting systems that accurately account for grant funds, project income, and any matching funds. Grantees must maintain adequate books, records, and supporting documents to verify the amounts, recipients, and uses of all disbursements of funds passing in conjunction with the [Indiana Archives and Records Administration \(IARA\) County/Local General Retention Schedules](#), which includes:

- **BASIC ACCOUNTING RECORDS – REVENUE:** DESTROY/DELETE after six (6) years and after receipt of STATE BOARD OF ACCOUNTS Audit Report and satisfaction of unsettled charges. ([County/Local General Retention Schedule](#), page 6)
- **BASIC ACCOUNTING RECORDS – EXPENDITURES:** DESTROY after ten (10) years and after receipt of STATE BOARD OF ACCOUNTS Audit Report and satisfaction of unsettled charges. ([County/Local General Retention Schedule](#), page 6)
- **BONDS, BIDS, CONTRACTS, LEASES:** DESTROY ten (10) years after expiration of the contract and after receipt of STATE BOARD OF ACCOUNTS Audit Report and satisfaction of unsettled charges. ([County/Local General Retention Schedule](#), page 7)
- **WORK RELEASE RECORDS:** DESTROY six (6) years after release of individual from final discharge of custody. ([County Public Safety Retention Schedule](#), page 5)
- **HOME DETENTION FILES:** DESTROY six (6) years after release of individual from final discharge of custody. ([County Public Safety Retention Schedule](#), page 5)



- **FOOD SERVICES:** RETAIN for three (3) years after the date of the order or State Board of Accounts audit, whichever is later. ([County Public Safety Retention Schedule](#), page 5)