



ISSUING AUTHORITY: INDIANA DEPARTMENT OF CORRECTION

EFFECTIVE DATE: 1/1/2023

## 3.3 Accounting & Expenditures

### APPLICABLE TO:

Entities who receive Community Corrections & Justice Reinvestment Grant Funding or 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

To provide guidelines of the financial management of awarded grant funds.

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## Grant Expenditure Period

The grant funding period is one calendar year, beginning January 1 and ending December 31.

Total expenditures from the grant fund shall not exceed the grant award for the calendar year.

If the grant award is increased or decreased during the grant funding period, a revised budget with justification must be submitted to IDOC in the procedure outlined by the Department. Grant awards cannot be increased without a signed, amended grant contract addendum.

Applicants awarded grant funding may begin charging expenditures to the grant beginning January 1 of the grant cycle year in accordance with an Advisory Board approved budget. No services incurred or purchases encumbered prior to the start date will be allowed.

Expenditures encumbered prior to the end of the grant period must be paid within 90 days after the close of the grant period. Obligated expenditures remaining after 90 days must be paid out of non-grant funds. To facilitate fiscal year end closing, no extensions will be granted.

Expenditures not encumbered with a purchase order or travel or contractual expenses not incurred prior to close of the grant period, will not be allowed as an expenditure from that grant funding period.

Any unspent grant funds remaining at the end of the grant period will be invoiced after Department staff conduct a fiscal audit. The invoiced amount will remain in the account and be deducted from the next grant cycle's payment schedule. Under no circumstances, shall unspent funds be spent outside of the contractual period or be used for any other purpose that was not approved in:

- Community Corrections & Justice Reinvestment Grant Agreement (also referred to as the "grant contract")
- Juvenile Community Corrections Grant Agreement
- the **Transfer/Additional Appropriation Request** process during the grant period

## Allowable Expenditures

Project funds must be used for activities that directly support the accomplishment of the project purpose, priorities, and expected outcomes. All expenditures must be consistent with applicable state and federal laws, regulations, and guidance. Allowable expenses include:

- Developing and implementing evidence-based programs that provide substance abuse, mental health, and behavioral health treatment, jail-based interventions, and community supervision and re-entry services
  - Services must align with the principles of effective intervention, be implemented with fidelity, and meet established performance outcomes. Appropriate uses include, but are not limited to, implementing a validated risk- and needs-assessment tool, ensuring that treatment and supervision meets dosage and responsivity needs, and training in evidence-based practices.
- Developing and implementing pre- and post-adjudication diversion programs that reduce state prison or local jail usage
  - Diversion programs must address the criminogenic needs of the target population in accordance with research on effective intervention strategies.

- Developing and using system mapping to align local criminal justice system processes
  - A system map depicts the flow of a case through the criminal justice system, reflecting the process and key decision makers at each point in the system. It is helpful in identifying inefficiencies that can be quickly resolved, as well as more complicated systemic issues.
- Building an effective, collaborative Community Corrections Advisory Board
  - The Advisory Board should be a highly functioning group made up of key decision makers and stakeholders who participate directly in an ongoing process of collaborative policymaking with the shared purpose of improving their local criminal justice system.
- Collecting and analyzing local data to inform decision making
  - Justice Reinvestment is a data-driven approach that promotes the use of state and local data to inform discussion and decision making. Allowable uses include, but are not limited to, the collection and analysis of local system data at targeted decision points.

## Funding Restrictions

Requirements and restrictions on the expenditure of grant funds, where given, must be adhered to by the applicant. The following funding restrictions are applicable to grant funds awarded by Indiana Department of Correction.

The Indiana Department of Correction grant funding awards may not pay for:

- Any staff not designated for an awarded entity's operations
- Capital construction, renovation, remodeling, or land acquisition (IC 11-12-2-8).
- Vehicles
- Firearms, ammunition, or tactical equipment
- Staff clothing and (or) uniforms
- Lobbying, political contributions, honoraria, or bonuses
- Food, alcohol, and personal entertainment
  - Food, when purchased as a general supply for an enrichment program and/or a family engagement program activity with established outcomes, can be an allowable expense
- Supplies and/or rental costs for staff meetings or events
- Any other purpose that was not outlined or approved in the grant application

Additionally, the following requirements apply to entities where other funds (i.e. county general, local, state, or federal grants) are appropriated for specific criminal justice purposes:

- Funds may not be used to supplant or replace in whole or part current federal, state, or local funding support that may be associated with the administration or operation of an entity

**Note:** If a grantee is awarded funding, and it is determined the grantee supplanted funds, then the grantee will be required to repay grant funds expended on the supplanted item(s).

- Funds may not be used to duplicate programs or services for clients residing in, or being released to, the same locality. Each applicant must describe the extent and type of services provided by each program in the Collaboration Plan to ensure that funds are not being used to duplicate services in one geographical area.
- The Community Corrections and Justice Reinvestment Grant funding may be used to supplement or expand existing funds for programs

### Example: Supplanting vs. Supplementing Funding

County A's Prosecutor's Office has an established Prosecutor's Diversion Program funded with \$50,000 in county funds. The funding covers salary, payroll taxes & fringe benefits and some training costs for a part-time coordinator. County A's Prosecutor's Office would like to apply for a \$70,000 grant from IDOC's Community Corrections and Justice Reinvestment funding for Prosecutor's Diversion Programs to operate their established Prosecutor's Diversion program.

**Supplanting:** County A's Prosecutor's Office would be supplanting if they used the \$70,000 grant to replace, the \$50,000 that the county currently appropriates for the Prosecutor's Diversion Program, and then use that \$50,000 for a different purpose for other than the Prosecutor's Diversion Program.

**Supplementing:** County A's Prosecutor's Office would not be supplanting if they used the \$70,000 grant to enhance the programming provided with the \$50,000 in county funds. The Prosecutor's Diversion program would now have a \$120,000 budget and would be able to add additional staff for the program services or increase the capacity of the program.

## General Purchasing Procedures

For any expenditure to be allowable, it must be included in the original approved budget as outlined in the grant contract or the most recently approved budget revision. The grantee must adhere to all established statutory purchasing requirements in addition to following all state laws and policies regarding purchasing. When these requirements do not apply, the grantee will follow established county or governing board guidelines regarding the purchase and acquisition of supplies, services, and equipment. All purchasing guidelines established by the governing board shall be submitted to the IDOC on an annual basis with the grant application.

## Expenditure Guidelines

The budget sections of the approved Grant Application are the guide and authority for the expenditure of the allocated funds.

All costs incurred by the Grantee prior to the grant's execution are incurred voluntarily at the Grantee's sole risk, and upon its own credit and expenses. The provisions of the Grant Agreement, including compliance with all applicable statutes, rules, regulations, and policy memoranda shall govern payment of grant funds.

The Grantee shall not spend more than the amount allocated to any budget category without the prior written consent of the Grantor.

## Expenditure Documentation

Supporting documentation for expenditures is required for all funding methods.

Documentation includes:

- detailed accounting ledgers
- copies of claims submitted to the auditor
- copies of quietuses
- auditor expenditure records that record disbursements by line item
- copies of approved transfers/ additional appropriations
- copies of financial reports submitted to the Department
- invoices with check numbers verifying payment, and/or bank statements
- monthly reconciliation of IDOC cash statements with the Auditor's balance
- gift card log

All of these documents must be available upon request.