


SOUTH DAKOTA  DEPARTMENT OF CORRECTIONS POLICY AND PROCEDURE		POLICY NUMBER 600-01	PAGE NUMBER 1 OF 4
		DISTRIBUTION: Public	
		SUBJECT: Fiscal Management	
RELATED STANDARDS:	ACA 5-ACI: 1B-01, 1B-07, 1B-08, 1B-11, 1B-16	EFFECTIVE DATE: September 01, 2024	
		SUPERSESSION: 09/01/2023	
DESCRIPTION: Business and Finance	REVIEW MONTH: August	 KELLIE WASKO SECRETARY OF CORRECTIONS	

I. POLICY

It is the policy of the South Dakota Department of Corrections (DOC) that the director of Finance and Administration monitors and reviews the expenditure of state public funds.

II. PURPOSE

The purpose of this policy is to establish an effective system of controls which ensures planning and budgeting support for the DOC's objectives, proper accounting of revenue and expenditures, and a process for fiscal year end operating expenditures to ensure compliance with established SDCL, state procurement management, fiscal rules and procedures, the Statewide Internal Control Framework, as well as DOC budgetary guidelines.

III. DEFINITIONS

Budget:

The complete financial plan for the state for the fiscal period as proposed in the budget report and modified and adopted by appropriation and revenue acts.

Budget Unit:

Any facility/department/operating unit that has been allocated funds.

Fiscal Year:

July 1 to June 30 of the following year.

Procurement Card (PCard):

The term for the State's governmental purchasing "procurement" card issued to authorized state employee cardholders to make allowable purchases for supplies and services, which are \$4,000 or less per transaction.

South Dakota Accounting System (SDAS):

The computerized financial management system used to track expenditures.

State Public Funds:

The term state public funds means cash, checks, bills, notes, drafts, stocks, bonds, and all similar mediums of exchange which are received or disbursed under law, including rules, by a department, institution, commission, any other agency of state government, or any entity created for the purpose of risk sharing by joint powers agreement pursuant to chapter [1-24](#).

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Statewide Internal Control Framework:

A system of internal controls regarding the state's operation, compliance, and reporting objectives.

IV. PROCEDURES

1. Overview:

- A. The director of Finance and Administration will:
1. Manage expenditure control, accounting, fiscal reporting, planning, and budgeting, purchasing, contracts, capital asset inventories, and provide for the functional management of business managers, supervision of capital construction, and controlled maintenance planning and implementation.
 2. Approve all personnel action requests to ensure sufficient funding is available for new and vacant positions, the positions are properly allocated, and the positions do not violate budget authorization. *Written policy and procedure regulate position control regarding position allocation, budget authorization, personnel records, and payroll [ACA 5-ACI-1B-16].*
 3. Promulgate procedures for the fiscal management of the DOC's financial resources. These procedures will bind all divisions, facilities, and budget units of DOC.
 4. Monitor and participate in periodic reviews of the status of appropriations, expenditures, and budget projections by facilities and functional areas of the DOC. *The accounting system is designed to show the current status of appropriations and expenditures [ACA 5-ACI-1B-08].*
 5. Ensure the DOC's compliance with the State of South Dakota Codified Law. *The procedures for the collection, safeguarding, and disbursement of monies shall comply with the accounting procedures established by the state of South Dakota's Codified Law [ACA 5-ACI-1B-07].* These procedures shall be reviewed and updated annually.
- B. All DOC employees will ensure that in their area(s) of responsibility, the obligation of DOC's funds is made with proper authorization and timely processing of commitment and expenditure documentation, refer to SDCL 4-9 and 5-18A.
- C. Each budget manager shall monitor its fiscal activities and provide a written quarterly report to the appropriate director's office. *Written policy, procedure, and practice provide for ongoing monitoring of the institution's fiscal activities. The results are reported in writing at least quarterly and are forwarded to the parent agency [ACA 5-ACI-1B-11].*
- D. Fiscal Year End:
1. Budget managers should anticipate their needs for the final month of the fiscal year (June) and request adequate supplies in advance.
 2. Procurement card (PCard) purchases are to be made for official state business in accordance with the South Dakota Purchasing Card Manual. Allocated operating funds should be spent, as needed, during the first 11 months of the fiscal year. Planning to purchase items needed for June by the end of May should be conducted. It is the policy of the DOC to substantially utilize allocated funds by June 1st of each fiscal year. Operating funds allocated and not spent by May 31st will be utilized based on prioritized needs for general funds, (e.g., mattresses, security equipment, etc.).
 3. The Business and Budget Office will be responsible for the utilization of unspent allocations.

2. Fiscal Responsibilities:

- A. The director of Finance and Administration is delegated responsibility by the SOC to manage the business, fiscal, budget, and financial operations of the DOC and ensure appropriate DOC employees and contract workers are trained in these procedures.

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- B. *Division directors are responsible for the* facility/office *fiscal policy, management, and control*, and for the operational management of business managers assigned to them [ACA 5-ACI-1B-01]. Performance plans and evaluations for these employees are initiated by the director of Finance and Administration, or designee, and forwarded to administrative heads for comment and input, before finalization.
- C. The business manager of each budget unit will initiate the process of fiscal year-end spend down during the months of March and April of each fiscal year.
- D. The business manager of each budget unit is responsible for verifying the availability of funds and proper authorization for all PCard purchases.

3. Institutional Accounting Systems:

- A. Accounting system operations will be structured to indicate the current status of appropriations and expenditures based upon information and reports from the South Dakota Accounting System (SDAS).
- B. Fiscal management and accounting procedures will comply with regulations and direction as provided and prescribed by the Bureau of Finance and Management (BFM) and the Office of the State Auditor.

V. RESPONSIBILITY

The director of Finance and Administration is responsible for the annual review and revision of this policy.

VI. AUTHORITY

- A. SDCL § [1-15-10](#) **Contracts for service, buildings, lands, materials, and supplies.**
- B. SDCL § [1-15-10.1](#) **Contracts for institutional treatment of persons with other states or federal government--Discretion to return person to sending state or federal government.**
- C. SDCL § [1-15-12](#) **Supplies not to be purchased from institution employees.**
- D. SDCL § [1-15-13](#) **Federal funds--Acceptance and use.**
- E. SDCL § [1-15-18](#) **Management and accounting prescribed by secretary.**
- F. SDCL § **Joint Exercise of Governmental Powers.**
- G. SDCL § [1-27-13](#) **Records management procedures proposed by state agencies.**
- H. SDCL § [5-18A-17](#) **Self-dealing by state officer or employee in award or terms of agency contract prohibited.**
- I. SDCL § [5-18A-17.1](#) **Direct benefit from contract.**
- J. SDCL § [5-18A-17.2](#) **Authorization of officer or employee to be a party to or derive direct benefit from contract.**
- K. SDCL § [5-18A-17.3](#) **Authorization of contract with former officer or employee.**
- L. SDCL § [5-18A-17.4](#) **Self-dealing violation as misdemeanor--Removal--Forfeiture of benefit--Contract voidable.**
- M. SDCL § [5-18A-17.5](#) **Specific conflict of interest prohibitions not affected.**
- N. SDCL § [5-18A-17.6](#) **Definitions applicable to §§ [5-18A-17](#) to [5-18A-17.5](#).**
- O. SDCL § [5-24-1.1](#) **Inventory of state personal property required.**
- P. SDCL § [5-24-5](#) **Lost or destroyed property to be noted in inventory--Date and circumstances shown.**

VII. HISTORY

September 2024
August 2023
February 2022
February 2021
February 2020
February 2019
February 2018

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March 2017
February 2016
March 2015
March 2014
March 2013
March 2012
February 2011

ATTACHMENTS

1. DOC Policy Implementation / Adjustments