

**NEVADA DEPARTMENT OF CORRECTIONS
ADMINISTRATIVE REGULATION
213**

EMPLOYEE FUNDS

Supersedes: AR 213 (05/20/10) and AR 213 (Temporary, 04/13/15)
Effective Date: 05/19/15

AUTHORITY

NRS 209.131

PURPOSE

An Employee Fund provides for receipt of revenues generated by NDOC employees, and ensures that those revenues are expended for the collective benefit of those same employees. Those revenues include receipts from vending machines in employee areas, donations, receipts from employee fund raisers, and any other non-taxpayer provided sources.

RESPONSIBILITY

The Warden of each institution will ensure that an Employee Fund is created pursuant to this Regulation.

The designated Deputy Director in the North will ensure that an Employee Fund is set up for the Central Office in the North. The designated Deputy Director in the South will ensure that an Employee Fund is set up for the Central Office in the South.

An Employee Fund Committee will administer the employee fund as created below upon the approval of the Deputy Director of Support Services. It is the responsibility of all employees to have a working knowledge of, and comply with this administrative regulation.

213.01 REPRESENTATION

1. Each employee fund will be administered by at least a three-person committee. The committee will be elected by the employees and approved by the Warden of the institution/facility and/or the respective designated Deputy Director overseeing the creation of the fund. If the organization fails to hold an annual election, the Warden and/or respective designated Deputy Director will appoint at least three employees from various disciplines within that organization. Vacancies caused by staff changes during the fiscal year will be filled by appointment by the Warden or respective designated

Deputy Director. Elections and/or appointments will be reviewed and updated within the first quarter of each fiscal year. An updated statement of purpose and operating procedure, signed by the newly elected/appointed or ongoing committee members for that fiscal year, will be signed by the Warden or respective designated Deputy Director, and sent to the Deputy Director of Support Services no later than the end of the first quarter of each fiscal year.

2. Employees elected or appointed to the committee may not utilize more than 6 work hours per committee member per month administering the fund. Such utilization of work time may not result in any overtime.

213.02 CREATION OF THE FUND

1. The Employee Fund will be created by each institution and/or organization as follows:

A. A statement of purpose (see example "A") will be created which explains how revenues will be generated and for what purpose the funds will be expended.

B. An organization-specific operating procedure will be created which explains how the fund will be administered.

C. The statement of purpose and the operating procedure will be reviewed by the respective Warden and/or designated Deputy Director, and sent to the Deputy Director of Support Services for final approval.

D. The statement of purpose and/or operating procedure will be updated and re-submitted for review and approval if changes are identified as being needed during the course of a fiscal year.

213.02 ADMINISTRATION OF THE FUND

1. All contracts for vending machine service will be in the name of the Nevada Department of Corrections Inmate Store Fund and will follow the state rules and regulations for the bidding, awarding, and contracting as outlined in the Nevada Revised Statutes, the State Administrative Manual, and the Nevada Administrative Code. The Department of Corrections is authorized via the budget to distribute commissions received from employee vending machines to the appropriate employee fund for deposit.

2. Bank accounts for employee funds will be in the name of the committee and not the State of Nevada. If the bank account requires an identifying number, a Federal Employee Identification Number (FEIN) can be obtained from the IRS by submission of a Non-Profit Organization Application. Do not use the State of Nevada's Federal Identification Number. NDOC is not responsible for any federal, state, or local filings. To avoid any tax liability to an individual committee member, once the FEIN is obtained, the Secretary of State's Office can be contacted to incorporate as a nonprofit. Filing fees and annual renewal fees can be paid from the employee fund.

Typical steps to follow for setting up Fund:

- Obtain and Federal Employer Identification Number – file form SS-4 as a Non-profit Agency with IRS (go to IRS WEB site and put “ein” in search box and application on line will come up.
- Elect or have appointed Committee Members. First meeting elect President, Secretary, Treasurer, Director, and Registered Agency. You may also have members that are just officers of the Employee Fund.
- Committee Members meet to vote in By Laws to be signed by each member and given to the Warden or designated Deputy Director to approve and send to DDSS for approval.
- Elected Treasurer determines which local bank to use.
- File with Secretary of State as a Non-profit Corporation under 501© 4.
File Nonprofit Articles of Incorporation, Registered Agent Acceptance \$50 fee
File Annual List of Officers - \$25 fee (must be done annually)
File exempt from having a business license
- File with Department of Taxation – file quarterly sales tax reports.

3. The approved statement of purpose must list the type of expenditures that will be allowed by the Employee Committees representing their respective institutions/facilities. Examples of expenditures that are allowable include: picnics, holiday parties, retirement plaques, training or special recognition plaques, and charitable or other donations. Each committee should set forth expenditure limits for allowable expenditures, which must be included by reference in the statement of purpose. Individual expenditures not covered by that list, or that exceed the expenditure limits contained within the statement of purpose, must be approved by the Deputy Director of Support Services through a request signed by all current employee fund committee members and the Warden or respective designated Deputy Director.

4. An expenditure log will be kept detailing the date, time, amount, and description of each expenditure made.

213.03 INDEPENDENT REVIEW

1. Monthly, the Committee will perform a reconciliation against the bank account statement (paper or online), and a copy of the reconciliation, the expenditure log, and the bank statement will be sent to the Accounting Section in the Fiscal Division for an independent review. If the Committee utilizes online banking, access must be provided to Accounting to conduct that independent review.

2. The Accounting Section will notify the Committee and copy the respective designated Deputy Director and the Warden if expenditures do not match the expenditure log, do not reconcile with the list of allowable items from the statement of purpose, exceed the allowable costs, or the account does not reconcile. Thirty days will be allowed for the Committee to provide the necessary additional records to complete the reconciliation.

3. The Deputy Director of Support Services will be notified immediately at the completion of that

30-day period if the Accounting Section is unable to complete the reconciliation, or if unauthorized expenditures or expenditures exceeding authorized amounts are discovered during the review.

4. Invoices and receipts must be kept by fiscal year and are subject to an independent review. If an independent review is necessary, it will be paid for by the employee fund. Records need to be kept for a minimum of four (4) years and are subject to review by the Deputy Director of Support Services at any time.

APPLICABILITY

1. This regulation requires an Operational Procedure for each institution.
2. This regulation requires an independent review.

ATTACHMENTS

EXAMPLE A – Statement of Purpose

EXAMPLE B – Revenue earned from “Visitor Vending Areas”

EXAMPLE C – Revenue earned from areas other than “Visitor Vending Areas”

EXAMPLE D – Revenue earned from areas other than “Visitor Vending Areas”

EXAMPLE E - Revenue earned from areas other than “Visitor Vending Areas”



Director



Date

Ending Balance: _____ \$0.00
Date

We attest that the above statement is correct:

Committee Member Date

Committee Member Date

Committee Member Date

Committee Member Date

Warden, Institution Date

EXAMPLE "C"

Revenue earned from areas other than "Visitor Vending Areas" as described in AR 213

For the month of: _____

Beginning Balance: _____

Revenues:

_____	\$0.00	
_____	\$0.00	
_____	\$0.00	
_____	\$0.00	
_____	\$0.00	
_____	\$0.00	
_____	<u>\$0.00</u>	
	Total Revenues	\$0.00

Expenditures:

_____	\$0.00	
_____	\$0.00	
_____	\$0.00	
_____	\$0.00	
_____	\$0.00	
_____	<u>\$0.00</u>	
	Total Expenditures	\$0.00

Ending Balance:

Date

\$0.00

We attest that the above statement is correct:

Committee Member

Date

Committee Member

Date

Committee Member

Date

Committee Member

Date

Warden, Institution

Date

EXAMPLE "D"

Revenue earned from areas other than "Visitor Vending Areas" as described in AR 213

For the quarterly reconciliation from _____ to _____

Beginning Balance: _____ \$0.00

Revenues:

_____ \$0.00

_____ \$0.00

_____ \$0.00

_____ \$0.00

_____ \$0.00

_____ \$0.00

Total Revenues \$0.00

Expenditures:

_____ \$0.00

_____ \$0.00

_____ \$0.00

_____ \$0.00

_____ \$0.00

_____ \$0.00

Total Expenditures \$0.00

Ending Balance:

Date

\$0.00

We attest that the above statement is correct:

Committee Member

Date

Committee Member

Date

Committee Member

Date

Committee Member

Date

Warden, Institution

Date

EXAMPLE "E"

Revenue earned from areas other than "Visitor Vending Areas" as described in AR 213

For the quarterly reconciliation from _____ to _____

Beginning Balance: _____ \$0.00

Revenues:

_____	\$0.00	
_____	\$0.00	
_____	\$0.00	
_____	\$0.00	
_____	\$0.00	
_____	\$0.00	
_____	<u>\$0.00</u>	
	Total Revenues	\$0.00

Expenditures:

_____	\$0.00	
_____	\$0.00	
_____	\$0.00	
_____	\$0.00	
_____	\$0.00	
_____	<u>\$0.00</u>	
	Total Expenditures	\$0.00

Ending Balance: _____ \$0.00
Date

We attest that the above statement is correct:

Committee Member Date

Committee Member Date

Committee Member Date

Committee Member Date

Warden, Institution Date