



Illinois Department of Corrections

Administrative Directive

Number: 02.40.102	Title: Establishment of Funds	Effective: 3/1/2022
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Authorized by:	<i>[Original Authorized Copy on File]</i>	Rob Jeffreys Director
Supersedes:	02.40.102 effective 8/1/2019	

Authority: 730 ILCS 5/3-2-2 and 3-2.5-20	Related ACA Standards: 5-ACI-1A-07 and 10, 5-ACI-1B-01, 03, 07, 20 – 22
Referenced Policies:	Referenced Forms:

I. POLICY

The Department shall authorize the establishment of accounts to retain funds at a local level.

II. PROCEDURE

A. Purpose

The purpose of this directive is to establish standard procedures to control establishment of local bank accounts and cash funds.

B. Applicability

This directive is applicable to all correctional facilities within the Department and Fiscal Services.

C. Facility Reviews

A facility review of this directive shall be conducted at least annually.

D. Designees

Individuals specified in this directive may delegate stated responsibilities to another person or persons unless otherwise directed.

E. Definitions

Bank accounts – accounts for checking or savings.

Cash funds – consists of all monies from appropriated and non-appropriated sources and non-State monies, including imprest funds or cash boxes.

F. General Provisions

1. Bank accounts shall only be established at federally insured financial institutions, such as State or Federal Charter Commercial Banks or State or Federal Charter Savings and Loan Associations.
2. All funds, excluding appropriated sources, shall be held in interest bearing accounts when financially feasible.
3. Trust fund monies shall only be held in checking and savings accounts.

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G. Requirements

1. The Chief Administrative Officer (CAO) shall submit a written request to establish a local account or fund to the Chief Financial Officer. The request shall include:
 - a. Source of monies to be placed in the account or fund;
 - b. Nature of the account or fund, such as a checking account, savings account, cash box or imprest fund; and
 - c. Purpose of the account or fund.

2. The Chief Financial Officer shall review the request and notify the CAO of the approval or disapproval of the request.
 - a. When approved, the facility may establish the local bank account or cash fund.
 - (1) A local bank account shall be opened indicating the name of the facility, the name of the fund and the address of the facility.
 - (2) The bank shall be notified of the Federal Employer Identification Number (FEIN).

The Department of Corrections, FEIN 37-1282306.
 - (3) The bank shall be notified in writing that two signatures are required on all checks. A copy of the letter of notification shall be on file in the Business Office and a copy of the bank signature cards shall become a part of the locally held fund file.
 - (a) In Transitional Security facilities, signature authority shall be given to the CAO, the Assistant CAO and Correctional Counselors. However, each check shall be personally signed by either the CAO or Assistant CAO.
 - (b) In correctional facilities, signature authority shall be given to the CAO and the Business Administrator. These individuals may authorize other persons to sign in their absence. However, each person so authorized shall sign his or her own name and shall have a signature card on file with the financial institution.
 - b. The Business Administrator shall ensure the bank is notified in writing of any changes to signature authority and maintain copies of the notification and current bank signature cards in the locally held fund file.
 - c. If the sum of locally held funds, excluding Individuals' Trust Funds, on deposit at a single financial institution exceeds \$250,000, the Business Administrator shall request pledged collateral to equal the amount in excess of the \$250,000 Federal Insurance maximum. This applies only to non-appropriated monies.