



**STATE OF MONTANA
DEPARTMENT OF CORRECTIONS
POLICY DIRECTIVE**

Policy No. DOC 1.2.3	Subject: ACCOUNTING PROCEDURES
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Section 2: Fiscal Management	Effective Date: May 1, 1996
Signature: /s/ Mike Ferriter, Director	Revised: 07/17/97; 04/18/06; 12/15/08

I. POLICY

The Department of Corrections will practice accounting procedures in compliance with generally accepted accounting principles, Montana State Statutes, Administrative Rules of Montana, Montana Operations Manuals, Volume I and II, and Department of Corrections Payroll Procedures Manual.

II. APPLICABILITY

All Department divisions, facilities, and programs.

III. DEFINITIONS

None.

IV. DEPARTMENT DIRECTIVES

A. Accounting Principles

The Department will adhere to Accounting Principles and State Accounting Policies as outlined in *Sections 17-1-101 through 17-6-512 and 17-8-101 through 17-8-311, Montana Codes Annotated (MCA), and Volume II, Chapter 200, Montana Operations Manual (MOM).*

B. Accounting Structure

The Department will utilize the accounting structure as outlined in *Title 17, MCA, and Volume II, Chapter 200, MOM.*

C. Receivables, Collectibles, and Deposits

Receivables, collectibles, and deposits will be accounted for as outlined in *Sections 17-4-101 through 17-4-111, and Sections 17-6-101 through 17-6-512, MCA, and Volume II, Chapters 1100 and 1200, MOM.*

D. Expenditures and Disbursements

Expenditures and disbursements will be accounted for as outlined in *Sections 17-8-101 through 17-8-311, and Sections 17-6-101 through 17-6-512, MCA, and Volume II, Chapters 1500 and 1600, MOM.*

E. Encumbrances

Encumbrances will be accounted for as outlined in *Sections 17-7-302 and 17-7-303, MCA, and Volume II, Chapter 1300, MOM.*

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F. Property Accounting

Property accounting will be accounted for as outlined in *Sections 2.5.701 through 2.5.801, Administrative Rules of Montana (ARM), and Volume II, Chapter 1700, MOM.*

G. Investment Accounting

Investment accounting will be accounted for as outlined in *Sections 17-6-101 through 17-6-512, MCA, and Volume II, Chapter 1800, MOM.*

H. Employee Travel

1. Employee travel will be accounted for as outlined in *Sections 2-18-501 through 2-18-512, MCA, and Sections 2.4.101 through 2.4.202, ARM, and Volume I, Chapter 300, MOM.*
2. Travel expenses will be reimbursed through payroll.
3. Employee travel using State Motor Pool and personal vehicles will be done in compliance with *Sections 2.4.112 through 2.4.116, ARM, and Volume I, Chapter 500, MOM.*

I. Payroll

Payroll will be accounted for as outlined in *Sections 2-18-401 through 2-18-412, MCA.*

J. Long-Term Debt

Long-term debt will be accounted for as outlined in *Volume II, Chapter 2200, MOM.*

K. Records Retention

Accounting document retention will be accounted for as outlined in *Volume I, Chapter 1-800, MOM.*

V. CLOSING

Questions concerning this policy should be directed to the Administrative and Financial Services Division.

VI. REFERENCES

- A. [2-18-401](#) through [2-18-412](#), MCA (2009) Payroll Systems; [2-18-501](#) through [2-18-512](#), MCA (2009) Travel, Meals, and Lodging; [Title 17](#), MCA (2009) State Finance
- B. [2.4.101](#) through [2.4.202](#); [2.5.701](#) through [2.5.801](#); *Administrative Rules of Montana*
- C. *Volume I, Chapters 300, 500, 1-0800; Montana Operations Manual*
- D. *Volume II, Chapter 200, 1100 and 1200, 1300, 1500 and 1600, 1700, 1800, 2200; Montana Operations Manual*
- E. *Department of Corrections Payroll Procedures Manual*

VII. ATTACHMENTS

None.