

PROTOCOL: Justice Initiatives Management of “Pass-Through” Funds

From time to time, some entities within the justice system acquire money from a third party sources (grants, gifts, etc.) but lack the necessary financial structure to administer those funds. One core function of JI is to assist these entities by providing that administrative help. Upon approval by the JI Finance Committee, these funds will be held in JI’s bank account and disbursed at the direction of the entity in conformity with the guidelines set forth in this protocol.

An annual administrative fee not to exceed 1% of the total amount that JI is being asked to manage will be assessed for “pass-through” services. This fee may be waived for good cause at the discretion of the board. JI will also apply for sales tax refund on all such accounts and be entitled to the sales tax refund. In those instances where JI is asked to co-sponsor a fundraising event and act as a pass-through entity for the administration of any funds raised, the requesting agency shall pay JI a fee equal to 25% of the proceeds from the co-sponsored fundraising event. All fees retained by JI shall be for use at the discretion of the board.

STEP 1: Qualified agency, entity, or committee makes application to JI to hold and administer funds. Application should be made through the JI Grant Funding Request form.

STEP 2: Finance Committee approves/disapproves application based upon the following considerations:

- project addresses mission of JI
- need (lack of internal accounting mechanisms within the entity)
- length of time of commitment
- amount of money
- complexity of managing the account (number of transactions)
- internal management of the project within the entity
- JI liability

STEP 3: If approved, entity must provide documentation of source/donor of the funds. Documentation must specify the purpose of the grant and any restrictions on the use of the funds. A detailed budget which sets forth projected income and anticipated disbursements must also be submitted.

STEP 4: Entity must designate a single contact person who is empowered to direct all matters relating to the receipt and disbursement of funds. That entity must certify that any and all bills from vendors or creditors of the entity are being directed to the single contact person.

STEP 5: JI accepts money and holds it in a dedicated fund (sub account) in the name of the entity.

STEP 6: In order to disburse funds, the contact person must make an application to the Finance Committee for disbursement of these funds and submit an invoice from a vendor (or check request signed by the contact person) which corresponds to a line item on the budget. Upon a finding by the Treasurer that disbursement of funds for the purpose and amount requested is appropriate, payment will be made. Minor documentation and other discrepancies can be resolved by written communication with the JI Treasurer. Major discrepancies must be resolved by submission of a formal amendment to the budget by the managing body of the entity.

STEP 7: At the conclusion of the project for which the pass-through funds are held, and/or at the end of JI’s fiscal year, JI will provide an accounting of the sub account.