



**COUNTY OF SAN MATEO**  
Inter-Departmental Correspondence  
Sheriff's Office



**Date:** April 30, 2014  
**Board Meeting Date:** June 3, 2014  
**Special Notice / Hearing:** None  
**Vote Required:** Majority

**To:** Honorable Board of Supervisors

**From:** Greg Munks, Sheriff

**Subject:** Annual Report on the Inmate Welfare Trust Fund

**RECOMMENDATION:**

Accept the report on the Inmate Welfare Trust Fund for the period of July 1, 2012 through June 30, 2013.

**BACKGROUND:**

The Inmate Welfare Trust Fund has been set up under California Penal Code Section 4025, which provides that the Sheriff may operate an inmate commissary program in the jail, and that profits shall be deposited into an Inmate Welfare Fund. Section 4025 also provides that refund, rebate, or commission received from a telephone service provider for inmates' use of telephones shall be deposited into the Inmate Welfare Fund. The fund may only be used primarily for the benefit, program services, and welfare of the inmates, and maintenance of Sheriff's correctional facilities. This includes the cost of operating programs to benefit the inmates, including, but not limited to, education, drug and alcohol treatment, welfare, library, accounting, and other programs deemed appropriate by the Sheriff. Section 4025 further specifies that an itemized report of disbursements must be submitted annually to the Board of Supervisors. Also included in this report is a summary of income.

**DISCUSSION:**

The Inmate Welfare Trust Fund generates revenues from two main sources: Inmate Commissary Sales and Inmate Telephone Commission. Total gross revenue in FY 2012-13 was \$1,976,429. This includes commissary sales, including prepaid calling cards, of \$1,345,068 and revenues from telephone commissions and other sources of \$631,361.

The total disbursements were \$1,960,136, which includes cost of goods sold of \$580,015, operating and other expenses of \$395,255, and other disbursements of \$984,866. At year end, revenue exceeded expenditures by \$16,294. This year end operating surplus was added to the beginning fund balance of \$547,386. After refunding

overpaid telephone commission of \$49,380, we ended with a closing fund balance of \$514,300 as of June 30, 2013.

In May 2013, a new Inmate Telephone Service Provider was selected. The vendor, Securus Technologies, Inc., has guaranteed a higher commission which will be fully realized in FY 2013-14.

The Inmate Welfare Trust Fund is used to pay for a variety of in-custody support and post-release services for inmates and the operation of the inmate library system. The fund also pays for the purchase of items that are used for and by the inmates for recreation and self-development, such as televisions and stand-alone computers. These items are placed in the day rooms and housing units throughout the Sheriff's correctional facilities.

Acceptance of this report contributes to the Shared Vision 2025 outcome of Safe Neighborhoods be enhancing the Sheriff's ability to continue providing recreational, educational, and behavioral modification services to the inmates in the County's correctional facilities.

**PERFORMANCE MEASURES:**

Measures	FY 2012-13 Actual	FY 2013-14 Projected
Number of inmates participating in the Choices Program*	577	543
Number of Mental Health provider visits*	13,839	15,764
Number of inmates participating in the General Education Program*	371	358
Number of inmate service requests fulfilled by the Service League*	80,642	74,500
Number of inmates participating in Project Read*	350	329

*\* One or more services may have been received by inmates during FY 2012-13.*

**FISCAL IMPACT:**

A committee consisting of the Assistant Sheriff, Corrections Division Captain, and a community representative oversees the Inmate Welfare Trust Fund operation. The committee approves yearly fund requests from the service providers and the facilities. The committee also makes recommendations for award of contracts, most of which (because of the dollar amount) come before the Board of Supervisors for approval. The personnel budget for the inmate commissary positions is contained within the Sheriff's Office annual budget, and is fully offset by commissary fund transfers.

The fund has been audited by Macias, Gini & O'Connell LLP, Certified Public Accountants.

There is no Net County Cost to the County's General Fund for the operation of the Inmate Welfare Trust Fund.

**SHERIFF'S DEPARTMENT**  
**INMATE WELFARE TRUST FUND**  
**FY 2012-13**

**STATEMENT OF REVENUES, DISBURSEMENTS AND CHANGES IN FUND BALANCE**

**REVENUES**

**Commissary Operations**

Commissary Sales		
Commissary	\$1,119,308.28	
Prepaid Phone Cards	\$225,760.00	\$1,345,068.28
Cost of Good Sold		
Commissary	\$495,804.79	
Prepaid Phone Cards	\$84,210.00	\$580,014.79
Gross Profit		
Commissary	\$623,503.49	
Prepaid Phone Cards	\$141,550.00	\$765,053.49
Less: Gross Profit Prepaid Phone Cards		(\$141,550.00)
Gross Commissary Profit (excluding Prepaid Phone Cards)		\$623,503.49
Operating Expenses:		
Salaries and Benefits	\$348,009.07	
Office Supplies	\$2,391.56	
Paper Products	\$1,638.35	
Commissary Uniforms	\$472.25	
Automation Service	\$678.00	
Water	\$0.00	
Toshiba (Copy Machine)	\$3,020.51	
Grocery Bags	\$5,214.12	\$361,423.86
Other Expenses:		
Audit Fees	\$0.00	
Motor Vehicle expenses (Public Works)	\$0.00	
Auto Liability Insurance	\$0.00	
General Liability Insurance	\$0.00	
Contract Expenses (COMICS)	\$0.00	
Computers/Printers/Fax Repairs	\$0.00	
Bond Insurance	\$0.00	
Misc. Expenses	\$0.00	
Admin Overhead Costs	\$33,830.66	\$33,830.66
Net Profit/(Loss)		\$228,248.97

**Other Revenues**

Interest Earned	\$4,568.84	
Inmate Phone Commission	\$603,557.43	
Inmate Prepaid Phone Card Commission	\$141,550.00	
Patient Fees	\$12,595.71	
Comics Over/Short	\$1,050.89	
Bad Debt Recovery (Lehman)	\$5,214.37	
Misc. Revenues	\$4,374.00	\$772,911.24
Total Revenues		\$1,001,160.21

**Disbursements**

Services		
Contractual Services	\$947,512.18	
Facility Budgets	\$37,353.61	
	\$0.00	\$984,865.79

Excess Revenues over Disbursements \$16,294.42

Add: Beginning Fund Balance - July 1, 2012 \$547,386.42

**ADJUSTMENTS:**

    Accrue liability for commission overpaid by Securus (\$49,380.00)

    Prior Year Adjustment \$0.00

Fund Balance as of June 30, 2013 \$514,300.84

SHERIFF'S DEPARTMENT  
INMATE WELFARE FUND  
BALANCE SHEET - FY 2012-13

ASSETS

CASH	\$1,262,655.00
CLAIM ON CASH	\$0.00
COMMISSARY INVENTORY	\$40,906.43
ACCTS/REC.	\$0.00
INTEREST RECEIVABLE	\$1,254.84
DUE FROM OTHERS	\$0.00

TOTAL ASSETS	<u>\$1,304,816.27</u>
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DUE TO OTHERS	\$63.69
LIABILITY FOR OVER PAID COMMISSION	\$49,380.00
PRIOR YEAR ACCRUALS	\$0.00
ACCOUNTS PAYABLE	\$57,522.21
DEFERRED REVENUE (PREPAID COMM)	\$683,333.39
ACCRUED SALES TAX	\$216.14
TRUST FUND BALANCE	\$514,300.84

TOTAL LIABILITIES AND FUND BALANCE	<u>\$1,304,816.27</u>
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AS OF June 30, 2013

INMATE WELFARE FUND  
FY 2012/13  
CONTRACTUAL

	SERVICE	COUNTY	MENTAL	CHOICES		
	LEAGUE	SCHOOLS	HEALTH	PUBLIC	PROJECT	TOTAL
DATE				HEALTH	READ	
07/01/12	\$469,054.00	\$124,306.00	\$137,477.00	\$202,967.00	\$15,000.00	\$948,804.00
09/30/12			\$34,369.25	\$50,741.75		\$85,111.00
12/17/12		\$31,076.50				\$31,076.50
12/28/12	\$55,881.00					\$55,881.00
12/28/12	\$54,007.15					\$54,007.15
12/28/12	\$54,381.00					\$54,381.00
12/28/12	\$56,720.38					\$56,720.38
12/28/12	\$56,099.15					\$56,099.15
12/31/12			\$34,369.25	\$50,741.75		\$85,111.00
01/11/13		\$31,076.50				\$31,076.50
01/28/13	\$59,092.27					\$59,092.27
03/11/13	\$55,119.79					\$55,119.79
03/11/13					\$4,582.60	\$4,582.60
03/28/13			\$34,369.25	\$50,741.75		\$85,111.00
04/01/13	\$54,586.61					\$54,586.61
04/24/13					\$2,672.75	\$2,672.75
05/02/13	\$23,166.65					\$23,166.65
05/08/13		\$31,076.50				\$31,076.50
06/30/13		\$31,076.50				\$31,076.50
06/30/13			\$34,369.25	\$50,741.75	\$3,454.98	\$88,565.98
06/30/13					\$2,997.85	\$2,997.85
						\$0.00
TOTAL	\$469,054.00	\$124,306.00	\$137,477.00	\$202,967.00	\$13,708.18	\$947,512.18
REM.BAL	\$0.00	\$0.00	\$0.00	\$0.00	\$1,291.82	\$1,291.82