

## **JAIL COMMISSARY RETAINED EARNINGS BALANCE**

Cass County operates a jail commissary. As authorized by Treasury, this fund is used to record the operations of a concession whereby inmates of the jail are afforded the opportunity to purchase goods such as edible refreshments, toiletries and personal grooming items, and prepaid phone cards.

This fund is designated to be self-supporting and may be profitable. Retained earnings (accumulated profits since the fund's inception) at September 30, 2007 were \$108,478.29. Retained earnings, of this fund, is made up almost completely of cash as the only other assets and liabilities of this fund are the undeposited collections and any unpaid invoices for purchases.

According to the Michigan Department of Treasury, money accumulated in the retained earnings account may be transferred to another fund of the governmental unit if provided for by resolution.

As there is no use or need to continually accumulate cash in this fund it is recommended that annually excess cash be removed from this fund and transferred to the Public Improvement Fund and reserved for Jail Repairs and Construction. The Finance Director, when preparing for the annual audit, should use his/her judgment in the amount of cash to retain in the Jail Commissary Fund to adequately provide a cushion for timing differences between collection of revenue and payment of expenses.

**Adopted: February 7, 2008**

**Amended: April 1, 2021**