



HM Prison &  
Probation Service

# Prison Finance Policy Guidance



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# Prisoner Finance Policy Guidance

## Introduction

This manual is a guide to the financial policies and procedures that apply to the funds prisoners have access to from initial reception to release, sending money to prisoners and the regulations relating to that money once received within a prison. It also covers the policies and processes relating to sponsorship, donations, grants and grants in aid.

It replaces the HMPPS Finance Manual issued on 3<sup>rd</sup> November 2020 that is available on [Gov.uk](#)

All queries relating to issues covered in this manual or other queries about finance in prisons should be directed to the Financial Governance Team at [MoJ-FinancialGovernance@justice.gov.uk](mailto:MoJ-FinancialGovernance@justice.gov.uk).

# Donations

## Donations to Charities from Charitable Fund-Raising Events

In the case of Prisons or Probation Directorates, fund-raising events to raise money to donate to a nominated registered charity are only permitted where offenders initiate and take part in the events. Staff may also take part in the same events providing they are not solely and/or mainly responsible for the fund-raising. Staff can raise money for their own registered charities in their personal capacity so long as it does not conflict with the interests of the core business, or impact adversely on their duties.

Governors, Head of Service or LDU must ensure that the “nominated registered charity/charities” are collectively agreed by those offenders (where prisoner led fundraising events are concerned) taking part, including the reasons for the selection, at the outset, in order to avoid potential allegations of preferential treatment or discrimination.

An appropriate ‘Donations to Charity’ account within the centrally pre-approved special fund account must be opened to hold any monies donated by offenders (and by staff where applicable) for each separate event. No account is to be opened solely to hold staff donations.

The collected amount must be withdrawn from the account and paid to the nominated registered charity as soon as possible after the collection is complete.

## Donations from Charities

Donations may be received from different sources and may be used to fund new projects and initiatives provided directly to named offenders for specific uses, or provided for the benefit of all offenders. Donations from charities to prisoners are accepted where the charity is registered with the Charity Commission for England and Wales.

Details of how to make payments to prisoners are in the section on Prisoners’ Monies starting on page 8.

All donations should be recorded on a locally held gifts and hospitality register.

## Donations of Services or Goods to Prisons or Probation Sites

There are occasions when external groups or individuals approach prisons/probation sites offering to donate goods such as books, musical instruments, art materials etc, for the benefit of offenders/probation service users. There are also situations where individuals and groups may give their time to come into prisons/probation sites and help teach offenders/probation service users or assist with religious meetings, etc.

In these cases it must be clearly shown that such donations are for the benefit of all offenders/probation service users, that they contribute towards HMPPS aims and objectives, that the donors are not seeking/expecting to obtain anything in return from the organisation, and that it does not place HMPPS under any obligations, either now or in the future.

Donations of services or goods should be recorded on a locally held gifts and hospitality register.

# Sponsorship

## General

Sponsorship may only be sought where it would add measurable benefit to a particular official HMPPS initiative, campaign or project such as a conference, publication or publicity campaign. It is expected that sponsorship received will only be in the form of the provision of:

- Funds,
- goods or services at reduced/nil cost, or the
- donation of equipment

The value of sponsorship must not be disclosed to other potential/or actual sponsors.

All sponsorship received must be able to withstand public scrutiny. It should not compromise the interests of either the department or any individual member of staff. There should be no perception that either has shown any preference to the sponsor over that confirmed as part of the agreement. This is particularly important when considering substantial or repeat sponsorship. The department must act with, and be able to demonstrate, impartiality, honesty and integrity when entering into a sponsorship agreement. If there are any doubts as to how this can be achieved, MoJ Financial Governance must be consulted.

Some business sponsorship has characteristics of commercial advertising. The name of the sponsor may be displayed, and the business may use sponsorship as a marketing or public relations tool in order to boost sales. To safeguard HMPPS' position, there must be no perception that the department endorses a particular company or product. Sponsorship does not need to be anonymous but should be discreet: a modest reference to the sponsor of the event is acceptable. If the primary effect of sponsorship is advertisement, with the name or products of the sponsor being very visible, the transaction should be seen as the sale of advertising space, and MoJ Financial Governance must be consulted.

The maximum amount of sponsorship that can be received towards the cost of any one activity is 49%.

An event must not go ahead that would not be able to do so without receipt of the sponsorship.

Members of staff involved in the event must not approach potential sponsors.

Organisations or companies that work on, or in conjunction with HMPPS on the event in question should not be approached for sponsorship, nor may sponsorship be accepted from such bodies.

Sponsorship should be recorded on a locally held gifts and hospitality register. This includes any offers of sponsorship that are declined.

# Insurance

## Insurance and Crown Indemnity - General

HMPPS has no delegated authority to purchase commercial insurance for official activities either on Crown property or elsewhere.

Crown Indemnity is the understanding that the cost of insuring the Civil Service against all potential liabilities would, in all probabilities, outweigh the actual cost of the claims themselves. As part of the Civil Service, Crown Indemnity applies to HMPPS.

If it can be demonstrated that commercial insurance would be cost effective and provide value for money for a particular case, and where Crown Indemnity cannot be accepted, a detailed written proposal, including estimated insurance cost and requirements of what the insurance will cover **must** be submitted to [MoJ Financial Governance](#) as quickly as possible in order that notification to, and authorisation from, HM Treasury can be sought prior to the event.

Crown Indemnity applies to all civil servants, acting in an official capacity and during official time. In the case of HMPPS, crown indemnity extends to third parties invited onto our premises as part of our core business. For example, with the Prison Service prisoners' families using visitor facilities, volunteers visiting the Prison to act as a confidential listener, and offenders visiting a probation site.

Budget Holders will have to assess whether the activity in question falls within the scope of core business activity. For all activities that are deemed to be core business, Crown Indemnity will apply. Non-core business activities will require separate insurance to be considered and in these cases, [MoJ Financial Governance](#) should be consulted for advice and guidance.

Health and Safety **must** always be considered when planning any event, as this can have a significant impact on the likelihood of any liabilities occurring. Further advice and guidance can be found in the latest Health and Safety information in the [HMPPS](#) intranet. It is essential, regardless of whether the event falls within core business activity or not, that a risk assessment is undertaken to ensure the likelihood of any liability arising is minimised.

Examples of events that would require commercial/public liability insurance (note: this list is not exhaustive):

- hiring out of HMPPS training or conference facilities to external organisations (in which case the cost of the insurance would be recovered by including it in the charge for use of the premises);
- where certain trading activities occur within an establishment (primarily those that supply goods and/or produce to members of the public) commercial insurance may be required. [PSI 14/2010 \(Managing Risk in Prison Industries\)](#) should be consulted for further guidance;
- in all cases where separate commercial/public liability insurance is deemed necessary, quotes should be obtained from reputable and registered insurance companies, with normal procurement rules applying. Where insurance is likely to be required, [MoJ Financial Governance](#) **must** be contacted in the first place.

## Car Hire

If HMPPS hires a vehicle, then the commercial insurance offered by the hire company **must** be used. Any claims should be referred to the hire company. Further [guidance](#) can be found on [MyHub](#).

HMPPS manages a fleet of owned vehicles to carry out official duties. Under the provision of the Road Traffic Act 1972 all official vehicles are registered as Crown vehicles and as such are exempted from the requirement to have commercial insurance. Further information and guidance can be found on the [MoJ intranet](#).

There may be some occasions where it is decided that commercial insurance is appropriate. Such decisions would need to be justified and only after a cost benefit analysis to ensure value for money for the organisation. Examples include insurance for buildings and equipment e.g. lifts or boilers, both of which could form part of the conditions of a lease. Further guidance concerning acceptable exceptions and the cost benefit analysis to undertake can be found in HM Treasury's [Managing Public Money](#).

# Prisoners' Monies

## Introduction

This section describes the processes involved in the effective recording and management of prisoners' monies and valuable property. It does not cover the policies associated with [prisoners' pay \(PSO 4460\)](#), how prisoners are permitted to conduct their [financial affairs \(PSI 01/2012\)](#), the [Incentives Policy Framework](#), [Prisoner Discipline Procedures \(Adjudications\) Policy Framework](#), [Prison-NOMIS \(PSI 23/2014\)](#), nor items of prisoners' property ([Prisoners' Property Policy Framework](#)).

## Prison NOMIS Accounts

Whilst they are held in custody prisoners are not allowed to have money on their person. Prisoners are allowed to receive and spend money within laid down rules and are also paid for the work they do.

The Prison NOMIS system records all receipts and payments and shows the balance of money being held for each prisoner on their set of personal accounts.

Prisoners are encouraged to open an external bank or building society account, where this is possible, as the money held within Prison NOMIS does not attract interest.

On reception at prison, each prisoner will have a non-interest bearing account set up consisting of 3 sub-accounts.

The total balance of the 3 sub accounts must not exceed £900 unless the governor has agreed an exception, for example, to facilitate saving for specific circumstances. Further guidance can be found in [PSI 01/2012](#). Details of the three sub accounts are below:

- **Private Cash Account:** this account includes money from initial reception and money sent in from friends or relatives. Depending on the local IEP policy, prisoners may be able to purchase catalogue orders from this account.
- **Spending Account:** this account holds the prisoner's private cash allowance, which is dropped down weekly from the Private Cash account according to IEP level, compensation amounts paid, cash bonuses and any locally paid earnings. All personal expenditure transactions made on behalf of prisoners must be made from this account.
- **Savings Account:** this account allows prisoners to save money from their spending account for their release and must be operated if a prisoner requests it. Once a credit has been made to this account it should remain there until the prisoner's release. Requests for deductions from this account should be considered on a case by case basis, with approval from the Governing Governor. Approval should only be given if the funds will contribute to rehabilitation.

**Account Statements:** Prisoners may request details of transactions that have been processed through their accounts. Prisoner Account statements report on opening balances for each sub account, individual transactions processed through each sub

account and closing balances for each sub account over a specified timeframe. See also [PSI 76/2011](#), Deducting money from prisoner wages, paragraph 2.1.10.

## Incentives Policy Framework

The Incentives scheme allows a pre-determined amount to transfer from a prisoner's private cash to their spending account, subject to sufficient funds being available within the private account. This amount is based on their incentives status (Basic, Standard or Enhanced) and whether they are convicted or unconvicted. The automatic transfer from private cash to spends will occur on Sunday and is updated throughout the week by running the 'Manual Money Transfer' option on Prison NOMIS.

The Incentives Policy Framework provides further information on this scheme and is available on Gov.Uk by following this link

<https://assets.publishing.service.gov.uk/media/632c2823e90e073721b083f9/incentives-policy-framework.pdf>.

## Authorisation

All deductions relating to prisoners' expenditure/disbursements must be authorised in advance by the prisoner. Disbursement requests from prisoners must include the signature of a witnessing officer confirming the identity of the prisoner and a reason for the disbursement.

The Governor must approve any disbursement request that exceeds a total of £250 per prisoner per week or is greater than £50 per recipient. Evidence of the approval should be retained for six years.

## Initial Reception

All monies in possession of a prisoner upon reception **must** be taken from them, and details of the amount entered onto the Reception Day Sheet (F377A). This includes nil amounts. Each prisoner **must** sign against their entry. If they refuse, the reception officer **must** sign on their behalf, recording also that the prisoner refused to sign.

Money **must** be placed in a sealed bag individually for every prisoner and the seal number recorded on the Reception Day Sheet, and held securely in a lockable tin and/or Reception safe. This money should then be handed to the site cashier daily, signed in receipt by both parties, and then recorded and banked on the OTC log.

Any cash in possession of a prisoner on their arrival that is believed to be suspicious (i.e. on the balance of probability is likely to be from an illegitimate source (proceeds of crime), or is intended to be used for an illegitimate purpose (a criminal offence), **must not** be banked. The Financial Investigations Unit should be contacted for advice (fiu@justice.gov.uk ).

Prisons must complete local intelligence checks to determine whether cash is suspicious and can be banked.

## Advances

**Prisoners can only be credited with an advance to cover their first night canteen purchases at initial reception.** If a prisoner has sufficient funds to cover the cost, then an advance **must not** be issued. If a prisoner has funds to cover part of the cost, then only the difference may be advanced.

Prisoners may be advanced funds throughout their time in custody where it can be demonstrated that there is a justified need for such funds. Any advance should only be given where the repayment is guaranteed and collected in full as soon as possible. Requesting an advance and demonstrating the ability to repay will not guarantee that an advance will be granted.

Advances will be automatically deducted from the prisoner's spends account each week until fully repaid or until transfer to a private prison/release. Prison NOMIS collects advances in sequential order of issue, so if there is more than one advance it will collect from the earliest first.

For prison transfers within the public sector, any outstanding balance in the advance account will automatically transfer with the prisoner for collection by the receiving establishment.

All advances **must** be fully repaid prior to discharge. Where this is not possible, any outstanding advance **must** be written off and recorded at the time of discharge on the Losses and Compensation return under the heading of '*Claims waived/abandoned*'. An advance can only be written off by the issuing establishment. If a prisoner has transferred during their time in custody, it will be necessary to request the write off from the issuing prison

Any advance outstanding **must not** be deducted from a prisoner's subsistence payment. See [PSI 72/2011](#), Prison discharge policy.

## Property

[The Prisoner Property](#) Policy Framework, available on Gov.uk, provides detailed instructions on how prisoners' property should be handled while the prisoner remains in the establishment, on the transfer of the prisoner, on discharge and on death of the prisoner.

## Foreign Currency

Foreign currency brought in at reception **must** be treated as valuable property and held securely. Where possible a prisoner can exchange their foreign currency to sterling if they wish. Any associated commission charge is borne by the prisoner.

## Earnings and Bonuses

Earnings **must** be paid in line with guidance on prisoners' pay in [PSO 4460 Prisoners Pay](#), available on Gov,UK at <https://www.gov.uk/government/publications/paying-prisoners-for-work-and-other-activities-psy-4460>. The Earnings Budget Holder is responsible for monitoring and management of the earnings system.

The implementation of the Prisoners' Earnings Act 1996 means that prisoners working outside will not be paid directly by their employer. The preferred method of payment is a BACS transfer directly into the HMPPS bank account for the levy to be deducted and the balance forwarded to the prisoner's external bank account. In order to facilitate this payment, prisoners **must** be given the opportunity to open a bank account in their own name. [PSI 01/2012](#) references staff assisting prisoners to open external bank accounts (paragraph 3.2).

Delays of up to 5 working days are possible before prisoners receive payment into their personal bank account. Cheque payments will incur further delay because they will require clearing before being processed.

Prisoners who work for outside employers are expected to meet the cost of their travel and subsistence while outside the establishment.

It is the employer's responsibility to pay the prisoner after deduction of Income Tax and National Insurance. Prisoners are not exempt from the normal thresholds for Income Tax and National Insurance contributions

In exceptional circumstances, where prisoners are paid by cash or cheque employers can pay the wages into any Nat West branch. Full details can be found in [PSI 76/2011 Prisoners Earnings Act](#).

Bonuses may be credited to recognise and reward productivity and achievement. Section 3.1 [of PSO 4460 Prisoners Pay](#) explains the criteria for this. It is the responsibility of the Business Hub to manually credit prisoners' accounts with the bonus amounts.

## Electronic Credits

Funds can be sent to prisoners electronically via debit card if the prisoner has not exceeded the £900 limit. [Guidance](#) can be found at <https://www.gov.uk/send-prisoner-money> and in [PSI 01/2012](#).

The [Money to Prisoner Compliance Team](#) will review transactions that are flagged as potentially suspicious. This may result in payments being rejected.

Any electronic credit that the prison believes to be suspicious (i.e. on the balance of probability is likely to be from an illegitimate source (proceeds of crime) or is intended to be used for an illegitimate purpose (a criminal offence)) must be placed on hold until cleared.

## Money Sent In by Post

Provided that approval via the Money to Prisoners Exemption Application Process has been given, money can be sent in to prisoners from friends and relatives in the form of cash, cheque or postal order to the extent provided in the exemption approval. Cheques from other Government Departments and Local Authorities are not subject to the exemption process. For further guidance on the Money to Prisoners Exemption process please refer to [PSI 01/2012 Manage Prisoner Finance and its annexes](#).

All prisoners' mail **must** be opened in a secure environment in the presence of two members of staff.

All monies received through the post **must** include the full name and address of the sender in order to comply with Money Laundering Regulations. Where sender details are

missing the money is to be deemed an anonymous gift and **must** be treated as detailed below.

All cash and postal orders, where full sender details are available, **must** be credited to the prisoner's P NOMIS account on the day of receipt if an exemption has been approved and the prisoner has not reached the £900 limit in their accounts.

**Postal Orders:** Postal orders can be stopped or cancelled on the request of a police investigation or where the sender has sent a request to *Post Office Ltd at Chesterfield* to have them cancelled. On receipt of such a request the Post Office will refund the money to the sender after 28 days if the postal order has not been banked.

If the date of issue is less than 18 days from the date of receipt the postal order **must** be treated as cash and credited to the prisoners account immediately.

If the date of issue is 18 days or more from the date of receipt, the postal order **must** be put on hold until 10 working days after the day of banking has passed to allow time for the postal order to clear and for the establishment to be notified.

All postal orders **must** be banked weekly unless identified as potentially suspicious.

Postal orders are only valid for 6 months from the date of issue. If the postal order is out of date or will be by the time it is banked, it **must** be returned to the sender stating the reason for refusal.

**Cheques:** Cheques should be made payable to "HM Prison and Probation Service".

Cheques must be cleared by the bank before the money is made available to the prisoner. The amounts must be credited to the prisoners' accounts immediately but must be put on hold until 10 working days after the day of banking has passed to allow time for the cheque to clear and for the establishment to be notified. Cheques must be banked weekly. Any commission charge incurred must be borne by the prisoner.

Cheques must not be banked if it is believed to be suspicious (i.e. on the balance of probability it is likely to be from an illegitimate source (proceeds of crime) or is intended to be used for an illegitimate purpose (a criminal offence).

If a prisoner has transferred to another establishment before the clearance period has passed it is the responsibility of the establishment that originally placed the hold to release it.

## Anonymous Gifts

Anonymous gifts are any cash, cheques, or postal orders received for prisoners that do not include the sender's full name and address. HMPPS has a responsibility to ensure all monies sent to prisoners are from legitimate sources and for legitimate purposes.

**Money received where both the prisoner and sender are unknown:** the money must be recorded and held in the anonymous cash suspense account while attempts are made to identify the prisoner and sender. If the sender and prisoner cannot be identified after 3 months the money must be sent to the National Association for the Care and Resettlement of Offenders (NACRO).

**Money received where the prisoner is unknown, but the sender is known:** the money must be returned to the sender.

### **Money received where the prisoner is known but the sender is unknown:**

- Cash: inform the prisoner that funds have been received without the required information. If confirmation of the sender's details can be obtained, return to sender via Special Delivery. If not, and the prisoner disclaims the funds, it must be paid to NACRO
- Cheque: to be placed in the prisoner's valuable property.
- Postal Order: to be placed in the prisoner's valuable property.

If there are suspicions about the cash, cheque or postal order an intelligence report must also be submitted.

### **Money Sent Out**

Prisoners **must** apply for funds to be sent out on the relevant form. Each prisoner can send a maximum of £50 per recipient and £250 in total for all recipients per week. Any amounts requested above this limit **must** only be processed with the approval of the Governor.

Cash Disbursements **must** be processed as a cheque or BACS transfer unless cash is specifically requested. Prisoners **must** be advised that sending cash out is at their own risk and will only be processed with the approval of the Governor/delegated approver. The prisoner **must** meet all postage costs incurred when sending money out.

Foreign currency may be transferred electronically provided the Swift and IBAN codes are provided. Charges are dependent on the amount requested and the country receiving the transfer and **must** be borne by the prisoner. The appropriate form should be submitted if the preferred method of sending the money is by banker's draft.

For further guidance on sending money out please refer to [PSI 01/2012 Manage Prisoner Finance](#) available on Gov.UK.

### **Scheduled Payments**

Scheduled Payments may be set up locally. Once activated a schedule will collect the same amount of money from a prisoner each week, until it is end dated.

Prisoners with in-cell televisions **must** pay a weekly amount for rental. Annex E of the [Incentives Policy Framework](#) explains the policy for charging prisoners.

### **Canteen/Prison Shop**

All eligible prisoners **must** be given the opportunity to purchase from an approved range of products at least once a week.

Where this is still a paper process canteen sheets **must** be printed and issued weekly. It is important to action the manual money transfer before canteen sheets are printed to ensure any outstanding amounts of private cash allowance are transferred to the spending account.

## Catalogue Spends

[PSI 01/2012 Manage Prisoner Finance](#) states that large purchases are permitted at the discretion of the Governor. The consideration of these applications should take into account:

- the wider issues of security and control within the establishment;
- the impact of the purchase if the prisoner is transferred to another prison;
- the need to demonstrate consistency with other like decisions.

Prisoners' **must** complete a request to purchase form for any catalogue items. These items should come within the range of items subject to the establishment's facilities list and their incentive scheme limit.

The weekly incentive level of transfer of private cash **must not** be increased to speed up the accrual of funds. Prisoners **must not** exceed the amount they have in their spending account. The amount of the catalogue items should be deducted immediately from the prisoners account to ensure sufficient funds are available.

## Adjudications

The following adjudication awards will impact on prisoners' monies:

- **Loss of earnings:** all or part of a prisoner's daily pay earned while in prison custody may be stopped. The punishment is limited to a maximum amount equivalent to 84 days full pay for adult offenders and 42 days full pay for young offenders.
- **Loss of canteen:** this means that prisoners are not able to purchase items from the canteen/prison shop. The purchase of postage stamps and PIN Phone credits and the use of the telephone should not normally be forfeited unless the circumstances of the offence are directly related to their abuse.
- **No private cash transfer:** this will hold the weekly transfer from private cash to spending account based on the incentives level. If the spending account has a balance, the prisoner can purchase canteen items. Any earnings from the week will be credited to the spending account as usual.

**Damage to property:** Prisoners are required to pay compensation for the destruction or damage caused to prisons and prison property. This will only be imposed following a finding of guilty in the corresponding adjudication. See Annex C of PSI 05/2018 Prisoner Discipline Procedures (Adjudications) Further information can be found in the [Prisoner Discipline Procedures \(adjudications\) Policy Framework](#)

## Liability for prisoners

HMPPS has no a legal obligation to provide for replacement items unless it is established that the damage or loss was a direct consequence of action/inaction by HMPPS staff acting in official capacity, and that the claim is generally reasonable and without any contributory negligence from the claimant. Once agreement has been reached to settle a claim, the amount agreed should be recorded using form PHX153 (Loss or Damage to the Personal Property of Third Party).

## Confiscation Orders

To assist prisoners with repayment of outstanding confiscation orders while in custody, they should be notified of the process to arrange payments from their Prison-NOMIS account via a cash disbursement.

The National Best Practice Guide to Confiscation Enforcement says:

- the prison should notify the Enforcement Authority if a defendant with an outstanding order has more than **£250** in their prison account ([PSI 16/2010 - Confiscation Orders](#)). The enforcement authority should also maintain contact with the prison in order to keep up to date with the prisoner's circumstances.
- If the defendant agrees to a sum being taken from his prisoner account either as a one of payment or in regular instalments the prison will forward the payments to the enforcement authority

## Transfers between prisons

When prisoners transfer within public prisons, their account balances will transfer on P NOMIS as soon as a prisoner is received into their new prison. Prisoners' money will be transferred by IUC on the day after transfer. If there is a 'withhold funds' transaction against an amount, this must not be transferred to the new prison, it must remain at the originating prison.

Where it is known that a transfer is taking place to a contracted out prison, any outstanding advances should be repaid or written off before the Prison-NOMIS account is transferred.

Private prisons have been instructed to allow prisoners access to their funds upon arrival, before receiving the physical funds. The manual transfer of monies must be actioned immediately by pre-signed manual cheque.

Any approved money to prisoner exemption applications will transfer with the prisoner to the new establishment.

## Credits after transfer

If a prisoner transfers to another establishment and a credit is received at the previous establishment (i.e. money through the post or canteen refund), it is the responsibility of the originating establishment to credit the account and then transfer the funds.

## Discharges

Prisoners' cash **must** be prepared for discharge, after the deduction of any outstanding advances and spends. A discharge balance report **must** be printed and signed by the prisoner.

If a prisoner has funds on hold under the transaction type 'withhold funds' this must be paid to the prisoner, unless further instructions have been sent by the [Financial Investigation Unit](#) (FIU). If the hold was placed at a previous prison, that prison **must** be contacted to release the hold.

If a prisoner with money held under 'withhold funds' is to be released suddenly, FIU must be contacted immediately.

It is recommended that prisoners are discharged with a maximum of £200 in cash, with any remaining balance made up by way of cheque.

If a prisoner requests that the full balance due is paid in cash then a [PHX154 \(Prisoner Cash Disclaimer\)](#) **must** be signed by the prisoner and filed on their record.

Prisoners released who do not hold a bank account can be given an encashment form which will allow them to cash a cheque at a nominated bank. [Encashment CM-SOP-24](#) form **must** be emailed to [SSC Cash Management team](#) (to arrange this. They will provide a unique encashment reference which the prisoner **must** provide to the bank in order to cash the cheque. The cheque **must** be made payable to the individual followed by '(CASH)').

### Money left after discharges

Occasionally prisoners will be released or abscond and leave behind an amount of money in their account. Where the discharge address is known, the money should be forwarded. Where an address is not known, establishments **must** retain this money for reclaim for 12 months and dispose in line with Output 14 of [Prisoners' Property Policy Framework](#).

After the above periods of time this money **must** be sent to the National Association for Care and Resettlement of Offenders (NACRO), Walkden House, 16-17 Devonshire Square, London, EC2M 4SQ .”

Cheques **must** be accompanied by a note detailing:

- the period to which it relates;
- the name of the sending establishment.

Money cannot be reclaimed by prisoners/ex-prisoners where the money has been sent to NACRO after the above time periods. Any such claims made **must** be refused unless policy has not been adhered to. Where an error has occurred and a claim is honoured, an adjustment **must** be made to the next payment due to NACRO and a written record retained. NACRO is not responsible for returning any money sent to them in error.

When a credit is made to establishment NACRO via Clear Inactive Accounts on Prison-NOMIS, the information relating to the prisoner should be kept on a spreadsheet including the date of release to ensure that funds are not forwarded to NACRO prematurely.

# Grants and grants in aid

## General

In accordance with the [Compact](#) signed between HM Government and civil society organisations (CSOs), grants are often considered as a means of ensuring CSOs have a greater role and more opportunities in delivering public services by opening up new markets in accordance with wider public service reform measures and reforming the commissioning environment in existing markets.

## Definitions

Grants and grants in aid are methods of funding delivery of HMPPS business priorities where the outcomes are broad. The methods of achieving them is down to the grant recipient and where a third party benefits from the outcomes, not HMPPS.

**Grants** are awarded for specific purposes which deliver against HMPPS business priorities, under statute, and satisfy specific conditions, e.g. about project terms, or with other detailed control. Grants are a specific amount of money, which will be transferred to a non-Crown organisation to achieve a specific purpose and for which HMPPS does not directly receive goods or services. The programme of activity should not be open ended, it should be in line with HMPPS priorities, be well defined and limited in scope e.g. research to test a proof of concept, the refurbishment of a youth centre, or the promotion of an arts programme and:

- which usually achieves a result for which there would not normally be a commercial supplier. HMPPS could make a grant to enable a library to buy books, because without such a donation the library would not be able to commercially raise the funds to purchase books to lend out to people for free. Similarly, HMPPS could provide a grant to a charity that helps young offenders acquire skills where others would not profitably do this.
- which, once transferred, is at the disposal of the recipient. This does not mean that HMPPS may not put conditions on the way the money is spent, or require assurances that the funds are being utilised for the purpose specified. HMPPS must not retain involvement in the management of grant funds or have the power of decision over their day-to-day use. The grant agreement should detail the information the recipient should provide to HMPPS for monitoring purposes. As long as these are incidental to the primary purpose of the grant funding they do not amount to payment for a supply of services.
- which fit one of HMPPS's statutory powers to award grants.

**Grants in aid (GIA)** provide more general support, with fewer specific, but more general controls on the recipient, and less oversight by HMPPS. A GIA is generally used when HMPPS wishes to fund the costs of a recipient whose work supports HMPPS business priorities, as opposed to the costs of specific work/projects. The aim is to enable the recipient to work at arm's length and to give discretion over the spending of the GIA.

**Procurement** is the acquisition of goods and services from third party suppliers under legally binding contractual terms, for the direct benefit of HMPPS, for example, Counselling Assessment Referral Advice and Throughcare Services contracts. The main

difference between procurement and grants/GIA is that procurement is describable, measurable and quantifiable, you know what you are buying. Grants involve less detailed criteria, there is a plan of action that aims to deliver outcomes which benefit the business priorities of HMPPS, but there is no certainty of the final outcome.

The VAT treatment of grants and procurement also differs significantly and grant payments made by HMPPS will be subject to scrutiny by HMRC to ensure compliance.

End



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