

**ARKANSAS BUDGET SYSTEM
AGENCY PROGRAM COMMENTARY
1997 - 1999**

The bail industry collects and pays to the Insurance Department Trust Fund \$10.00 for each bail bond that is posted in the State of Arkansas. This fee that is collected amounts to approximately \$700,000.00 annually.

The Board's appropriation is funded by the bond fee that is paid into the Insurance Department Trust Fund.

The amounts requested above the "base line" are necessary for the efficient operation of the board in carrying out its responsibilities.

The Priority 01 request is for funds to cover the cost of the certified court reporter that is required when we have hearings.

The Priority 02 request is for an additional computer to be used as a "file server" and to be able to replace the existing computers and related equipment as they wear out.

The Priority 03 request is needed because of the fees charged by the State Police for doing the required ACIC and NCIC criminal history checks on applicants of either a professional bail bond company or a professional bail bondsman.

AGENCY	DIRECTOR	AGENCY PROGRAM COMMENTARY BR21	PAGE
Professional Bail Bondsmen Licensing Board	Thomas D. Nickolich, Chairman		56

PROFESSIONAL BAIL BONDSMAN LICENSING BOARD
SUMMARY OF AUDIT FINDINGS AND RECOMMENDATIONS
FOR THE YEAR ENDED JUNE 30, 1994

	Fund Types		Account Groups		Total
	Governmental	Fiduciary	General Fixed Assets	General Long-Term Debt	
Assets	\$ 46,771.20	\$ 1,015,000.00	\$ 3,255.65	\$ 1,420.69	\$ 1,066,447.54
Liabilities	33,492.20			1,420.69	34,912.89
Fund Equity	13,279.00	1,015,000.00	3,255.65		1,031,534.65
Revenues	107,750.16				107,750.16
Expenditures	95,493.52				95,493.52
Other Financing Sources (Uses)	1,022.36	1,015,000.00			1,016,022.36

Findings

1. CASH TRANSACTIONS - Review of the cash transactions relating to the Professional Bail Bondsman Licensing Board cash fund indicated the following:
 - a. There was inadequate segregation of duties in recording the receipt of cash and making deposits to the bank account. One employee was responsible for all duties relating to cash receipts.
 - b. The monthly bank reconciliations were not prepared accurately.
 - c. The Accounting Federal Grants Management System Fund Analysis report was not reconciled to the bank account to assure all transactions had been recorded by the Department of Finance and Administration. Review of the disbursements from the cash fund indicated that twenty-five (25) checks totaling \$3,853.89 had been issued which were not recorded by the Department of Finance and Administration.
2. SECURITY DEPOSITS - As a condition of licensure, professional bail bond companies are required to file with the Agency certain security deposits which could be accessed by the Agency in the event of claims against the company. Review of the procedures to account for these security deposits indicated that controls had not been established to reflect all activity relating to the receipt and release of security deposits.

Recommendations

1. Review and comply with the State Accounting Procedures Manual which require agencies to maintain an adequate internal control structure, with proper accounting of all cash fund transactions.
2. Establish controls to adequately account for the receipt and release of a security deposits held by the Agency.

PROFESSIONAL BAIL BONDSMAN LICENSING BOARD
SUMMARY OF AUDIT FINDINGS AND RECOMMENDATIONS
FOR THE YEAR ENDED JUNE 30, 1994

Findings (Continued)

3. LEAVE AND ATTENDANCE RECORDS - No formal system of recording leave for the Agency's employees had been developed. The leave records for the employees consisted of notations in the Executive Director's personal journal.

Recommendations (Continued)

3. Establish a leave accounting system which includes a formal recording of leave earned and taken for each employee, with appropriate review of the documentation and calculation of leave balances.

Audited by Division of Legislative Audit
SA0721194

ARKANSAS BUDGET SYSTEM
 EMPLOYMENT SUMMARY
 AS REQUIRED BY ACT 358 OF 1993
 (A.C.A 19-4-307)

AGENCY TITLE 211 - BAIL BONDSMAN

	MALE	FEMALE	TOTAL	PERCENTAGE OF TOTAL
WHITE EMPLOYEES	<u>1</u>	<u>2</u>	<u>3</u>	<u>100%</u>
BLACK EMPLOYEES	<u>0</u>	<u>0</u>	<u>0</u>	<u>0%</u>
EMPLOYEES OF OTHER RACIAL MINORITIES	<u>0</u>	<u>0</u>	<u>0</u>	<u>0%</u>
TOTAL EMPLOYED AS OF			<u>0</u>	<u>0%</u>
08/10/96			<u>TOTAL MINORITIES</u>	
<u>DATE</u>			<u>3</u>	<u>100%</u>
			<u>TOTAL EMPLOYEES</u>	

Richard S. Longwell

 AGENCY DIRECTOR

SUMMARY
STATUS OF NEW PROGRAMS/EXPANSIONS AUTHORIZED BY THE 80TH GENERAL ASSEMBLY
PROFESSIONAL BAIL BONDSMAN LICENSING BOARD (211)

PROGRAM AUTHORIZED	# POS. AUTH.	ADDITIONAL AUTHORIZED APPROPRIATION		STATUS
		FY 95-96	FY 96-97	

APPROPRIATION: A45 - OPERATIONS-CASH

The Board received an additional \$8,000 in Operating Expenses each fiscal year for office machines and supplies. Also, additional Capital Outlay was authorized at \$4,500 each year for office furniture and equipment.

\$12,500

\$12,500

The additional Operating Expenses was expended in FY96, and has been fully budgeted in FY97. The authorized Capital Outlay was not utilized in FY96, however \$3,000 is budgeted for FY97.

REQUEST FOR CHANGE IN FEE SCHEDULE

1997-1999 BIENNIUM

AGENCY NAME: PROFESSIONAL BAIL BONDSMAN LICENSING BOARD **AGENCY CODE:** 211

CURRENT FEE STRUCTURE

PROPOSED CHANGE

DESCRIPTION	CURRENT FEE STRUCTURE		AUTHORIZING ACT/ CODE CITE	PROPOSED CHANGE		REASON FOR CHANGE	
	FEE AMOUNT	EST. RECEIPTS 1996-97		FEE AMOUNT	EST. RECEIPTS		
				1997-98	1998-99		
APPLICATION/ EXAM FEE	25.00	3,750	17-19-204	79.00	11,850	11,850	ACT 1109 OF 1993 AUTHORIZED ARKANSAS STATE POLICE TO CHARGE \$15.00 FOR ACIC RECORD CHECK, \$24.00 NCIC RECORD CHECK AND \$15.00 FOR EACH FBI FINGERPRINT CARD SUBMITTED A.C.A. 17-19-203 REQUIRES VERIFICATION THAT NO LICENSEE HAS BEEN CONVICTED OF A FELONY AND THAT ALL APPLICANTS HAVE SUBMITTED THEIR FINGERPRINTS.

**ARKANSAS BUDGET SYSTEM
DEPARTMENT APPROPRIATION SUMMARY**

AGENCY TITLE		1995-97				1997-99				1997-99			
Professional Bail Bondsman Licensing Board		Expenditures				Biennium Request				Executive Recommendation			
Appropriations		Actual	No. of	Budgeted	No. of	Year 1	No. of	Year 2	No. of	Year 1	No. of	Year 2	No. of
Code	Name	1995-96	Pos.	1996-97	Pos.	1997-98	Pos.	1998-99	Pos.	1997-98	Pos.	1998-99	Pos.
A45	Operations - Cash	\$142,438	3	\$169,250	3	\$188,181	3	\$185,906	3	\$188,181	3	\$185,906	3
A46	Transfers to State Treasury	33,044		33,044		400,000		400,000		400,000		400,000	
TOTALS		\$175,482	3	\$202,294	3	\$588,181	3	\$585,906	3	\$588,181	3	\$585,906	3
Funding Sources			% of		% of		% of		% of		% of		% of
			Total		Total		Total		Total		Total		Total
Fund Balances		\$44,058	16.3%	\$23,872	7.9%	\$24,836	3.6%	\$27,209	3.9%	\$24,836	3.1%	\$27,209	3.9%
General Revenues													
Special Revenues													
Federal Funds													
Const. & Fiscal Agency Fund													
State Central Services Fund													
Non-Revenue Receipts													
Cash Funds		81,249	30.0%	84,000	27.9%	84,000	12.0%	84,000	12.1%	84,000	10.4%	84,000	12.1%
Insurance Commission/Contingency		145,661	53.7%	193,767	64.2%	588,181	84.4%	585,906	84.0%	697,017	86.5%	585,906	84.0%
Total Funding		270,968	100.0%	301,639	100.0%	697,017	99.9%	697,115	100.0%	805,853	100.0%	697,115	100.0%
Excess Appro./ (Funding)		(95,486)		(99,345)		(108,836)		(111,209)		(217,672)		(111,209)	
TOTAL		\$175,482		\$202,294		\$588,181		\$585,906		\$588,181		\$585,906	
DEPARTMENT					DIRECTOR					DEPARTMENT APPROPRIATION SUMMARY			
PROFESSIONAL BAIL BONDSMAN LICENSING BOARD (211)					Linda Longstreth					BR 40			

**ARKANSAS BUDGET SYSTEM
ANALYSIS OF BUDGET REQUEST
1997 - 1999**

The Professional Bail Bondsman Licensing Board utilizes this appropriation to cover operating expenses to administer and enforce the provisions of the law relating to licensing and regulation of professional bail bond companies and bondsmen. The Insurance Commission collects \$10 per bond written in the state, and has entered into a contract with the Board to provide funding up to the appropriated level each fiscal year. The Board also receives cash funds from licensing and examination fees. Beginning in FY97, the Board began depositing its income in the State Treasury.

The budget request for the Professional Bail Bondsman Licensing Board reflects a Base Level of \$158,181 in FY98 and \$160,906 in FY99, covering 3 positions. Priorities were requested in the areas of Professional Fees & Services and Capital Outlay. Professional Fees & Services will be utilized to cover the cost of court reporters, transcription services, as well as for background checks of applicants. The Capital Outlay request will cover the cost of a new computer and related equipment to support the Agency's office operations. The Board has requested an increase in the application/exam fees to cover the costs of police background checks on applicants. Expenditure of this appropriation is contingent upon the availability of adequate funding.

The Executive Recommendation provides for Agency Request, which includes appropriation for a 2.8% Cost of Living Allowance for positions on July 1 of each year of the biennium along with accompanying employee matching requirements. No recommendation is reflected on the Board's request for a fee change.

AGENCY	APPROPRIATION	CASH FUND	ANALYSIS OF BUDGET REQUEST	PAGE
Name: Professional Bail Bondsman Licensing Board Code: 211	Name: Operations - Cash Code: A45	Name: Bail Bondsman Licensing Board Code: 359	BR20	63

ARKANSAS BUDGET SYSTEM

CHARACTER TITLE	-----EXPENDITURES-----			-----97-98 FISCAL YEAR-----			-----98-99 FISCAL YEAR-----			-----R E C O M M E N D A T I O N S-----			
	95-96	96-97	96-97	BASE	PRIORITY PROGRAMS	TOTAL REQUEST	BASE	PRIORITY PROGRAMS	TOTAL REQUEST	EXECUTIVE		LEGISLATIVE	
	ACTUAL	BUDGETED	AUTHORIZED APPRO							97-98	98-99	97-98	98-99
REGULAR SALARIES	71,844	81,431	84,057	85,259	0	85,259	87,576	0	87,576	85,259	87,576		
NUMBER OF POSITIONS	3	3	3	3	0	3	3	0	3	3	3		
PERSONAL SERVICES MATCHING	16,603	17,088	20,166	24,136	0	24,136	24,544	0	24,544	24,136	24,544		
OPERATING EXPENSES	53,055	52,945	44,000	44,000	0	44,000	44,000	0	44,000	44,000	44,000		
CONF FEES & TRAVEL	126	3,000	3,000	3,000	0	3,000	3,000	0	3,000	3,000	3,000		
CONF FEES & SERVICES	810	10,000	0	0	20,000	20,000	0	20,000	20,000	20,000	20,000		
CAPITAL OUTLAY	0	3,000	4,500	0	10,000	10,000	0	5,000	5,000	10,000	5,000		
DATA PROCESSING	0	1,786	5,000	1,786	0	1,786	1,786	0	1,786	1,786	1,786		
				WITHOUT FEE INCREASE									
TOTAL	142,438	169,250	160,723	158,181	30,000	188,181	160,906	25,000	185,906	188,181	185,906		
PROPOSED FUNDING SOURCES			*****										
UNDEVELOPED BALANCES	44,058	23,872	*****	24,836		24,836	27,209		27,209	24,836	27,209		
GENERAL REVENUES			*****										
SPECIAL REVENUES			*****										
FEDERAL FUNDS			*****										
STATE GENERAL SERVICES FUND			*****										
NON-REVENUE RECEIPTS			*****										
CASH FUNDS	81,249	84,000	*****	84,000		84,000	84,000		84,000	84,000	84,000		
OTHER INSURANCE COMMISSION	112,617	160,723	*****	158,181	30,000	188,181	160,906	25,000	185,906	188,181	185,906		
TOTAL FUNDING	237,924	268,595	*****	267,017	30,000	297,017	272,115	25,000	297,115	297,017	297,115		
EXCESS APPRO/ (FUNDING)	(95,486)	(99,345)	*****	(108,836)		(108,836)	(111,209)		(111,209)	(108,836)	(111,209)		
TOTAL	142,438	169,250	*****	158,181	30,000	188,181	160,906	25,000	185,906	188,181	185,906		

EPT 007 REGULATORY BOARDS AND COMMISSIONS
 GY 211 PROFESSIONAL BAIL BONDSMAN LICENSING BOARD
 PPRO A45 CASH OPERATIONS
 UND 359 BAIL BONDSMAN LICENSING BD-(211)

The FY97 Budgeted amounts in Regular Salaries and/or Personal Services Matching may exceed the Authorized amounts due to the implementation of the pay plan during the 1995-97 biennium.
 Appropriation was established through the authority of the DFA Cash Holding Account
 Only 25% of the Board's remaining funds can be carried forward.

APPROPRIATION SUMMARY

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ARKANSAS BUDGET SYSTEM

CHARACTER TITLE	-----EXPENDITURES-----		96-97	-----97-98 FISCAL YEAR-----			-----98-99 FISCAL YEAR-----			-----R E C O M M E N D A T I O N S-----			
	95-96	96-97	AUTHORIZED	BASE	PRIORITY	TOTAL	BASE	PRIORITY	TOTAL	EXECUTIVE		LEGISLATIVE	
	ACTUAL	BUDGETED	APPRO							97-98	98-99	97-98	98-99
REGULAR SALARIES	71,844	81,431	84,057	85,259	0	85,259	87,576	0	87,576	85,259	87,576		
NUMBER OF POSITIONS	3	3	3	3	0	3	3	0	3	3	3		
PERSONAL SERVICES MATCHIN	16,603	17,088	20,166	24,136	0	24,136	24,544	0	24,544	24,136	24,544		
OPERATING EXPENSES	53,055	52,945	44,000	44,000	0	44,000	44,000	0	44,000	44,000	44,000		
CONF FEES & TRAVEL	126	3,000	3,000	3,000	0	3,000	3,000	0	3,000	3,000	3,000		
PROF FEES & SERVICES	810	10,000	0	0	20,000	20,000	0	20,000	20,000	20,000	20,000		
CAPITAL OUTLAY	0	3,000	4,500	0	10,000	10,000	0	5,000	5,000	10,000	5,000		
DATA PROCESSING	0	1,786	5,000	1,786	0	1,786	1,786	0	1,786	1,786	1,786		
				WITH FEE INCREASE									
TOTAL	142,438	169,250	160,723	158,181	30,000	188,181	160,906	25,000	185,906	188,181	185,906		
PROPOSED FUNDING SOURCES			*****										
FUND BALANCES	44,058	23,872	*****	24,836		24,836	29,234		29,234	24,836	29,234		
GENERAL REVENUES			*****										
SPECIAL REVENUES			*****										
FEDERAL FUNDS			*****										
STATE CENTRAL SERVICES FUND			*****										
NON-REVENUE RECEIPTS			*****										
CASH FUNDS	81,249	84,000	*****	92,100		92,100	92,100		92,100	92,100	92,100		
OTHER INSURANCE COMMISSION	112,617	160,723	*****	158,181	30,000	188,181	160,906	25,000	185,906	188,181	185,906		
TOTAL FUNDING	237,924	268,595	*****	275,117	30,000	305,117	282,240	25,000	307,240	305,117	307,240		
EXCESS APPRO/ (FUNDING)	(95,486)	(99,345)	*****	(116,936)		(116,936)	(121,334)		(121,334)	(116,936)	(121,334)		
TOTAL	142,438	169,250	*****	158,181	30,000	188,181	160,906	25,000	185,906	188,181	185,906		

DEPT 007 REGULATORY BOARDS AND COMMISSIONS
 AGY 211 PROFESSIONAL BAIL BONDSMAN LICENSING BOARD
 APPRO A45 CASH OPERATIONS
 FUND 359 BAIL BONDSMAN LICENSING BD-(211)

The FY97 Budgeted amounts in Regular Salaries and/or Personal Services Matching may exceed the Authorized amounts due to the implementation of the pay plan during the 1995-97 biennium.
 Appropriation was established through the authority of the DFA Cash Holding Account
 Only 25% of the Board's remaining funds can be carried forward.

APPROPRIATION SUMMARY

BR 215

ARKANSAS BUDGET SYSTEM

PROGRAM/SERVICE INFORMATION LIST

RANK BY APPROPRIATION

L	02		03		04		05		06		07		08		09		10		11		12		13		14		15		16		17		18		19	
	PK	PROGRAM DESCRIPTION	FUND	ACCOUNTING INFORMATION		D E S	EXPENDITURES		1997 - 99 BIENNIAL REQUESTS				RECOMMENDATIONS																							
				95-96	96-97		FY 1997 - 98		FY 1998 - 99		EXECUTIVE		LEGISLATIVE																							
						ACTUAL	BUDGETED	REQUEST	REQUEST	REQUEST	REQUEST	1997-98	1998-99	1997-98	1998-99																					
0		359	211 A45		B	142,438 3	169,250 3	158,181 3		160,906 3		158,181 3	160,906 3																							
1		359	211 A45		P01		0 0	10,000 0		10,000 0		10,000	10,000																							
<p>For the appropriation of funds to for a Certified Court Reporter for hearings on violations of the Statutes, Rules and Regulations of this Board and if deemed necessary independent investigative services that can not be handled by the full time investigator.</p>																																				
2		359	211 A45		P02		0 0	10,000 0		5,000 0		10,000	5,000																							
<p>For the appropriation of funds for a new computer to be used as a "file server" for intra office network and eventual replacement of existing computer workstations and related equipment.</p>																																				

PT 007 REGULATORY BOARDS AND COMMISSIONS
 Y 211 PROFESSIONAL BAIL BONDSMAN LICENSING BOARD
 PRO A45 CASH OPERATIONS
 IND 359 BAIL BONDSMAN LICENSING BD-(211)

RANK BY APPROPRIATION

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PROGRAM/SERVICE INFORMATION LIST

RANK BY APPROPRIATION

01 02 03 04 05 06 07 08 09 10 11 12 13 14 15 16 17 18 19

RANK	PROGRAM DESCRIPTION	FUND	ACCOUNTING INFORMATION	D E S	1997 - 99 BIENNIUM REQUESTS				R E C O M M E N D A T I O N S							
					EXPENDITURES		FY 1997 - 98		FY 1998 - 99		EXECUTIVE		LEGISLATIVE			
					ACTUAL	BUDGETED	REQUEST	REQUEST	1997-98	1998-99	1997-98	1998-99				
	95-96	96-97														
003		359	211 A45	P03		0	10,000	0	10,000	0	10,000	10,000				

For the appropriation of funds to conduct the background checks of applicants for a bail bond company or bail bondsman license per A.C.A §17-19-203.

DEPT 007 REGULATORY BOARDS AND COMMISSIONS
 AGY 211 PROFESSIONAL BAIL BONDSMAN LICENSING BOARD
 APPRO A45 CASH OPERATIONS
 FUND 359 BAIL BONDSMAN LICENSING BD-(211)

RANK BY APPROPRIATION

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**ARKANSAS BUDGET SYSTEM
ANALYSIS OF BUDGET REQUEST
1997 - 1999**

The Professional Bail Bondsman Licensing Board utilizes this appropriation to comply with Section 4 of Act 700 of 1993, which requires the Board to transfer all but 25% of its fund balance to the State Treasury at the end of each fiscal year. The Board is requesting a Base Level Budget of \$400,000 annually.

The Executive Recommendation provides for Agency Request.

AGENCY	APPROPRIATION	CASH FUND	ANALYSIS OF BUDGET REQUEST	PAGE
Name: Professional Bail Bondsman Licensing Board Code: 211	Name: Transfers to State Treasury Code: A46	Name: Bail Bondsman Licensing Board Code: 359	BR20	68

ARKANSAS BUDGET SYSTEM

01 02 03 04 05 06 07 08 09 10 11 12 13 14

CHARACTER TITLE	-----EXPENDITURES-----			96-97			-----97-98 FISCAL YEAR-----			-----98-99 FISCAL YEAR-----			-----R E C O M M E N D A T I O N S-----			
	95-96	96-97	AUTHORIZED	BASE	PRIORITY	TOTAL	BASE	PRIORITY	TOTAL	EXECUTIVE		LEGISLATIVE				
	ACTUAL	BUDGETED	APPRO							97-98	98-99	97-98	98-99			
TRANSFERS TO STATE TREASU	33,044	33,044	400,000	400,000	0	400,000	400,000	0	400,000	400,000	400,000					
TOTAL	33,044	33,044	400,000	400,000	0	400,000	400,000	0	400,000	400,000	400,000					
PROPOSED FUNDING SOURCES			*****													
FUND BALANCES			*****													
GENERAL REVENUES			*****													
SPECIAL REVENUES			*****													
FEDERAL FUNDS			*****													
STATE CENTRAL SERVICES FUND			*****													
NON-REVENUE RECEIPTS			*****													
CASH FUNDS			*****													
OTHER CONTINGENCY	33,044	33,044	*****	400,000		400,000	400,000		400,000	400,000	400,000					
TOTAL FUNDING	33,044	33,044	*****	400,000		400,000	400,000		400,000	400,000	400,000					
EXCESS APPROZ (FUNDING)			*****													
TOTAL	33,044	33,044	*****	400,000		400,000	400,000		400,000	400,000	400,000					

APPROPRIATION SUMMARY

DEPT 007 REGULATORY BOARDS AND COMMISSIONS
 AGY 211 PROFESSIONAL BAIL BONDSMAN LICENSING BOARD
 APPRO A46 TRANSFERS TO STATE TREASURY

BR 215

FUND 359 BAIL BONDSMAN LICENSING BD-(211)