DEPARTMENT OF CORRECTIONS

Policy Number:	**402.055**
Title:	**MINNCOR Production Order**
Effective Date:	**10/16/18**

PURPOSE: To ensure all production has a valid production order number prior to beginning any work.

APPLICABILITY: Adult facilities with Minnesota Corrections Industries Program (MINNCOR) production sites and MINNCOR order entry staff

DEFINITIONS:
Job jacket – a file that accompanies the job in process in the shop and is to include job specifications, production order, pick lists, and/or traveler.

PROCEDURES:

A. MINNCOR customer service enters customer sales orders into the accounting system. The specification of items on the sales order creates demand for those items.

B. Prior to beginning production, a production order is generated by the factory by utilizing MINNCOR's enterprise resource planning (ERP) accounting system, based on the sales order or inventory restock.
   1. Work in a shop cannot begin without a production order.

   2. Production orders are retained within the ERP system.

C. Facility operations staff review the production order to identify materials needed and for scheduling purposes.

D. Facility operations staff prepare a job jacket to accompany the production order.
   1. The job jacket includes:
      a) Production order number;
      b) Order date;
      c) Requested ship date;
      d) Quantity;
      e) Description of product to be produced; and
      f) Production order document from the MINNCOR's ERP accounting system, production module, and other applicable documentation.

   2. Job jackets/travelers/pick lists must accompany all work in the shop.

   3. Job jackets and all documents within are retained at the facility,

E. All MINNCOR staff are trained and updated as changes are made to the document. Documentation on procedures used in the MINNCOR ERP accounting system and document management systems are maintained on central office and MINNCOR iShare intranet sites.

F. The MINNCOR chief financial officer (CFO) and MINNCOR vice president (VP) of operations must approve any deviation from this process.

G. All production orders, with the exception of labor-only contract manufacturing jobs, are entered into the MINNCOR ERP accounting system production module.

INTERNAL CONTROLS:

A. Production orders are electronically retained in MINNCOR's ERP system.

B. Working papers (job jacket) are retained at each facility.

C. Documentation on procedures used in the MINNCOR ERP accounting system and document management systems are maintained on central office and MINNCOR iShare intranet sites.

ACA STANDARDS: None

REFERENCES:
Minn. Stat. § 241.27
Policy 403.090, "MINNCOR Customer Credit"
Policy 402.020, "MINNCOR Production Scheduling - Lead Times"
Policy 402.100, "MINNCOR Production Orders - Material Ordering"
Policy 402.070, "MINNCOR Production Order Changes - Increased Encumbrances"
Policy 402.050, "MINNCOR Quality Control"
Policy 403.110, "MINNCOR Work In Progress"
Policy 403.100, "MINNCOR Inventory Control"
Policy 403.060, "MINNCOR Accounts Receivable and Deposits"
Policy 402.200, "MINNCOR Reimbursement from Vendor"
Policy 402.080, "MINNCOR Production - Capacity Reporting"

REPLACES: Division Directive 402.055, "MINNCOR Production Order," 8/19/14.
All facility policies, memos, or other communications whether verbal, written, or transmitted by electronic means regarding this topic.

ATTACHMENTS: None

APPROVALS:
Deputy Commissioner, Facility Services
Deputy Commissioner, Community Services
Assistant Commissioner, Facility Services
Assistant Commissioner, Operations Support