DEPARTMENT OF CORRECTIONS

Policy Number:	**403.090**
Title:	**MINNCOR Customer Credit**
Effective Date:	**11/6/18**

PURPOSE: To provide a uniform customer credit procedure to ensure that MINNCOR products and services are sold only to creditworthy customers.

APPLICABILITY: Minnesota Corrections Industries Program (MINNCOR) in adult facilities and central office

DEFINITIONS:
D & B Report® – a credit history and rating available from Dun and Bradstreet, a private credit reporting firm.

PROCEDURES:

A. For all private industry and not-for-profit (non-government) orders where credit is extended, all MINNCOR sales staff must ensure that new private customers are creditworthy prior to selling them products or services.
   1. Sales of less than $500 can be made to new customers without a credit check, if the product is shipped collect on delivery (COD) only or paid by credit card.

   2. All other exceptions require authorization by MINNCOR chief financial officer (CFO) or designated MINNCOR finance staff.

B. Customers must submit purchase orders to an account manager or customer service representative at MINNCOR central office. Customers without an assigned MINNCOR credit limit must complete a MINNCOR credit application and submit it to the MINNCOR CFO.

C. The MINNCOR CFO (or a designated accounting staff person in the absence of the CFO) determines the appropriate credit limits for new customers using the D & B Report, bank references, business references, the Better Business Bureau rating, and sound business practices.

D. If necessary, the MINNCOR CFO files a security agreement or obtains a bank letter of credit.

E. Customer credit application and corresponding reports, references, letter of credit, and other similar documents are scanned into the electronic data management system and retained according to MINNCOR's records retention schedule.

F. MINNCOR accepts customer purchase orders as long as the outstanding order amount falls within the established credit limit.

INTERNAL CONTROLS:

A. Customer credit applications and information is retained in MINNCOR's electronic data management system in accordance with MINNCOR's record retention schedule.

ACA STANDARDS: None

REFERENCES: Minn. Stat. § 241.27

REPLACES: Division Directive 403.090, "MINNCOR Customer Credit," 8/5/14.
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