DEPARTMENT OF CORRECTIONS

Policy Number:	**403.110**
Title:	**MINNCOR Work In Process**
Effective Date:	**11/6/18**

PURPOSE: To provide procedure to calculate the monetary value of work-in-process (WIP).

APPLICABILITY: Minnesota Corrections Industries Program (MINNCOR)

DEFINITIONS:
Work-in-process (WIP) – inventory units in the process of being manufactured, together with their related manufacturing costs.

PROCEDURES:

A. Facility staff must submit required information promptly so the dollar value of all work-in-process (WIP) can be calculated monthly from reports generated by MINNCOR central.

B. MINNCOR central generates and distributes inventory reports with the monthly financials. Inventory reports are generated using the production modules for product being produced through the enterprise resource planning (ERP) system.

C. WIP reports are generated from the ERP system production module.

D. Facilities must complete and update all data recording within 48 hours of receiving or consuming production inventory materials. All production for the current month must be recorded by the last working day of the current fiscal month. All materials recorded in production set to start or reported as finished are calculated as WIP in the ERP system.

1. MINNCOR finance calculates the value of WIP from the recorded data against production work within the ERP system production module.

2. Finished goods inventories are calculated separately from the WIP. All production set to ended status in the ERP system production module is financially updated from WIP to finished goods.

3. Purchased inventory must remain in inventory status until recorded and posted to set production job status in the ERP system production module.

4. All production in the started or reported as finished status in the ERP system production module is calculated as WIP, until moved to the ended status.

5. All open production at each facility is reviewed and evaluated prior to the end of the month. All production jobs having been completed and moved to finished goods are set to ended status to update the value financially and move out of WIP, prior to the end of the month's inventory closing in the ERP system. MINNCOR's central office staff must end all production jobs in MINNCOR's ERP system.

6. All recorded transactions are retained electronically in the ERP system according to the MINNCOR records retention schedule.

INTERNAL CONTROLS:

A. MINNCOR's ERP system electronically retains all production transactions.

ACA STANDARDS: None

REFERENCES: Minn. Stat. § 241.27
Policy 403.100, "MINNCOR Inventory Control"

REPLACES: Division Directive 403.110, "MINNCOR Work In Progress," 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