DEPARTMENT OF CORRECTIONS

Policy Number: 104.102
Title: Per Diem Calculations – Juvenile
Effective Date: 9/4/18

PURPOSE: To establish policy and procedure for calculating the operational and cost of confinement per diems used to charge Minnesota counties or other jurisdictions for services for juveniles housed with the Department of Corrections.

APPLICABILITY: Juvenile facilities and financial services

DEFINITIONS:
Average daily population (ADP) – the average daily resident population.

Cost of confinement per diem – the average daily cost for housing and treatment of juvenile male residents. It includes all general fund expenditures directly related to housing a resident such as facility management, security, food, clothing and linens, treatment, staff, medical, and behavioral health costs. The cost of confinement per diem does not include costs attributed to educational programming. This per diem is used to calculate an annual rate for charging Minnesota counties or other jurisdictions for the cost of confinement at the facility.

Correctional operations management system (COMS) – an operational database used by DOC to track resident information from the time the resident enters prison until the resident's sentence expires.

Direct program costs – costs that are directly attributable to a specific program.

Facility operations costs – includes costs related to incarcerating and providing programming to residents such as facility staffing, security, plant operations, prison administration, and education.

Statement of functional expenses – a document used to allocate direct and indirect supporting services costs to selected programs at a facility.

Supporting services costs – costs that exist to support the entire facility that get allocated to specific programs as follows:
A. Administrative and physical plant costs – costs allocated to programs based on expenditures within each program; and
B. Resident support costs – costs allocated to programs based on population within each program (excluding education).

PROCEDURES:
A. Cost of confinement per diem:
   1. Facility financial services staff prepare an initial statement of functional expense. The initial statement of functional expenses is based on the budgeted spending plan and population estimates that factor in total capacity and average daily population for the previous year. This statement is calculated using data from the allotment report, excluding facility equipment and repair projects, and facility startup and facility expansion costs.

2. The health care component includes general fund medical and dental costs located in central office budgets and an appropriate portion of contracted resident medical services.

3. Facility wardens review and forward recommendation for the cost of confinement per diem charge to counties to the deputy and assistant commissioners for facility services and assistant commissioner of support services.

4. Facility staff prepare a memo for the warden's signature to the counties notifying them of the rates for the upcoming fiscal year. Signed copies are retained at the facility.

5. Financial services staff prepare monthly reports monitoring population, budget, and revenue.

6. A final statement of functional expense is completed after the fiscal year close. The final statement is based on actual expenditures at closing and final average population counts. The statement of functional expense is retained at the facility.

7. Original per diem reports are retained in central office financial services.

B. General guidelines for invoicing counties:

1. Facility records staff must record all admissions, county of commitment or responsible county, and program the resident was admitted and date of release.

2. Consistent with Minn. Stat. §§242.192 and 401.13, financial services staff invoice counties the cost of confinement per diem for all residents at the end of each month, the end of a program, or upon release of the resident unless otherwise specified in a host county agreement.
   a) Counties are charged cost of confinement for the date of admission and not charged for the date of release.
   b) If a resident escapes from the facility, the county or appropriate jurisdiction is charged for the date of escape, but is not charged for subsequent days the resident is on escape status unless otherwise specified in a host county agreement. Once the resident is apprehended and returned to the facility, the cost of confinement per diem is charged to the county beginning with the day of return.

C. Financial service invoicing guidelines:

1. Financial services staff calculate the cost of confinement per diem for each resident based on program per diem and days of confinement, or as stipulated by applicable contract(s).

2. Financial services staff calculate an invoice for each county or other jurisdiction. Invoices may be completed once per month for each county or other jurisdiction.
   a) Invoices are entered into the accounts receivable of the statewide accounting system.
   b) Invoices are mailed to each county or other jurisdiction.

3. Financial services staff apply payments in the statewide accounting system as required by the Minnesota Management and Budget policies and procedures.

4. Financial services staff maintain appropriate records of invoice calculations and payments.

INTERNAL CONTROLS:

A. Original per diem reports are retained in central office financial services.

B. The annual statement of functional expense is retained at the facility.

C. Receivable and payment information is recorded in the statewide accounting system.

ACA STANDARDS: None

REFERENCES: Minn. Stat. §§ 242.192 and 401.13
Minnesota Management and Budget Statewide Financial Polices and Procedure Manual

REPLACES: Policy 104.102, " Per Diem Calculations - Juvenile," 6/21/16.
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