DEPARTMENT OF CORRECTIONS

Policy Number:	**104.104**
Title:	**Payment Requests, Preparation, and Approval**
Effective Date:	**5/5/20**

PURPOSE: To ensure payments are processed accurately and in an appropriate and timely manner in accordance with generally-accepted accounting principles (GAAP), Minnesota statutes including Minn. Stat. § 16A.124 "Prompt Payment of State Agency Bills Required," and other state and federal laws and reporting requirements. The department of corrections (DOC) has adopted Minnesota Management and Budget (MMB) Statewide Financial Policies, "Chapter 8 – Expenditures" as currently in effect.

APPLICABILITY: All department payments and payment approvals

DEFINITIONS: None

PROCEDURES:

A. See Minnesota Management and Budget, Statewide Financial Policies, "Chapter 8 – Expenditures"

B. Payment Scheduling

All payments are scheduled to be paid at 30 days, with the following exceptions:

1. Invoices that provide a discount with an earlier payment.
2. Postage requests.
3. Legal settlements or injury payments.
4. Emergency offender housing.
5. Cell phones, gas, electric, water/sewer, cable/satellite service, and other fuel/utilities with a specific payment due date.
6. Purchasing card payments.
7. Travel invoices (airline, hotel).
8. Institution community work crew (ICWC) revolving construction funds.
9. DOC contract medical services provider.
10. Payments to vendors providing food and/or food service.
11. Memberships.
12. Grant payments to private/nonprofit agencies.
13. Imprest checking account reimbursement.
14. Pre-payments as defined in Minn. Stat. § 16A.065.
15. Reimbursement to vendor for expenses paid from offender trust fund account (examples include offender debit/release cards and offender media charges).
16. Certified Target Group (TG), Economically Disadvantaged (ED) or Veteran Owned (VO) vendors have a payment term of 15 days.

C. Payment Tolerances

1. The state's accounting and procurement system establishes the tolerance levels that are allowed to exceed the original purchase order amount on a payment. As a general rule for non-blanket order types, the tolerance is set at the order line level and limited to the smaller amount of 10% or $50.

2. For blanket-type orders, no tolerance is allowed. The purchase order must be increased or a new order established when the purchasing order amount is exceeded.

D. Non-Offender Claims
The Minnesota Commissioner of Corrections is authorized under Minn. Stat. §3.732 to settle claims of $7,000 or less from non-offenders for property loss or damage or actual expenses for treatment of personal injury that resulted from an act or omission of the DOC or its employees. (see attached forms).

E. Financial unit staff responsibilities are assigned with consideration of segregation of duties; separating employees with purchasing authority from accounts payable staff. Written compensating controls are retained in central office financial services and at the locations where the transactions take place.

F. Original or electronic payment documents must be retained at the appropriate facility per the retention schedule.

INTERNAL CONTROLS:

A. Original or electronic payment documents are retained at the appropriate facility per the retention schedule.

B. Financial unit staff responsibilities are assigned with consideration of segregation of duties; separating employees with purchasing authority from accounts payable staff. Written compensating controls are retained in central office financial services and at the locations where the transactions take place.

ACA STANDARDS: 4-4027, 1-ABC-1B-02, 1-ABC-1B-09, 2-CO-1B-05, 4-APPFS-3D-23, 4-APPFS-3D-25, 4-JCF-6B-02, 4-JCF-6B-05

REFERENCES: Minn. Stat. §§ 16A.065, 16A.124, 16A.15, 16C.08 subd. 2(10)
MMB Statewide Financial Policy Chapter 8 - Expenditures

REPLACES: Policy 104.104, "Payment Requests, Preparation, and Approval," 4/2/19.
All facility policies, memos, or other communications whether verbal, written, or transmitted by electronic means regarding this topic.

ATTACHMENTS: Available for staff only on the DOC intranet:
Non-Offender Claim form
Claim Investigation Report and Settlement Recommendation
Release for Non-Offender Claim

APPROVED BY:
Deputy Commissioner, Community Services
Deputy Commissioner, Facility Services
Assistant Commissioner, Operations Support
Assistant Commissioner, Strategic Planning, Implementation, and Employee Development
Assistant Commissioner, Criminal Justice Policy, Research, and Performance