DEPARTMENT OF CORRECTIONS

Policy:	**204.044**
Title:	**Career Technical Sales and Donations**
Effective Date:	**11/21/17**

PURPOSE: To provide guidelines to sell products or services offered by department career technical programs.

APPLICABILITY: Minnesota Department of Corrections (DOC); all facilities, with the exception of facility community work service projects

DEFINITIONS:
Career technical sales pricing formula – 150% cost of materials for product production; or 150% cost of materials plus labor for refinishing services. All orders must include state and local sales tax.

PROCEDURES:

A. Product and service availability

1. The program instructor must make products and services equally available to the general public and department employees.

2. The program instructor must make the general public aware of product or service availability, using signage or notice(s) in a public posting.

B. Career technical sales

1. The program instructor must assist the customer in determining product or service specifications, and must determine a cost for the final product or service. Pricing must be determined using the career technical sales pricing formula. Specifications and cost must be documented on a Career Technical Sales Order form (attached).

2. Delivery may be available and must be charged at a rate quoted using standard delivery pricing.

3. The customer must review, approve, and sign the Career Technical Sales Order form and initial all blueprints and/or drawings. The customer is responsible for insuring that all measurements and other specifications are correct.

4. The program instructor must forward a copy of the Career Technical Sales Order form to the facility finance department. The education director/designee and program instructor must keep copies of all Career Technical Sales Order forms according to the retention schedule.

5. A down payment of 50% must be received by the facility's finance unit before the project begins. Career technical instructor do not handle payments.

6. The program instructor and the customer must mutually agree to any changes in specifications or cost. Changes must be documented on a Career Technical Sales Order Form Addendum (attached) and signed by both the instructor and the customer.

7. Product must be removed per facility security procedures.

8. Businesses, organizations, and state entities must be invoiced for purchases.

9. The customer must make full payment before accepting or receiving the final product or service. Final payment must be documented on a copy of the Career Technical Sales Order form and attached to the form. The form must be forwarded to the facility finance department by the receiving security staff; career technical instructors do not accept payments.

10. A copy of the sales order form and supporting documents (e.g., blueprints and drawings) must be retained by the program instructor for a minimum of two fiscal years.

11. All sales are final upon full payment of the product/service. If final product/service is not accepted due to deviating from the specifications on the Career Technical Sales Order form, the dollar amount must be refunded or the product/service must be corrected at no cost to the customer.

C. Finances

1. Financial services procedures for career technical sales must follow applicable Minnesota Management and Budget (MMB), Minnesota Department of Administration (Admin), and DOC policies. Records must be retained according to the finance retention schedule.

2. All funding received from career technical sales must be used as directed in DOC Policy 104.100, "Operating Budget."

D. Career Technical Project Surplus Donations

1. Program items may be donated to an approved organization that is registered with the Department of Administration/Surplus Services. This must follow the state's policy on disposal of surplus property.

2. Surplus Services maintains a list of organizations that are registered and approved to receive donations and will assist in locating an approved organization in a particular location or in checking to see if a particular organization is already registered. Entities included are public agencies, nonprofits, etc. The process to request eligibility is included on the Department of Administration website.

INTERNAL CONTROLS:

A. Career Technical Sales Order forms and supporting documents are retained by the program instructor according to retention schedules.

B. Financial information from the sales is retained by the facility's finance unit according to retention schedules.

ACA STANDARDS: None

REFERENCES: Minn. Stat. §241.01, subd. 5a.
MMB statewide financial policies and procedures.
Admin, Surplus Property Services
Admin, Eligibility Criteria
Policy 104.100, "Operating Budget"

REPLACES: Policy 204.044, "Career Technical Sales," 8/18/15.
All facility policies, memos, or other communications whether verbal, written or transmitted by electronic means regarding this topic.

ATTACHMENTS: Career Technical Sales Order form (204.044A)
Career Technical Sales Order Form Addendum (204.044B)
Property Disposition Request form (external, Admin)

APPROVED BY:
Deputy Commissioner, Facility Services
Deputy Commissioner, Community Services
Assistant Commissioner, Facility Services
Assistant Commissioner, Operations Support