DEPARTMENT OF CORRECTIONS

Policy Number:	**402.070**
Title:	**MINNCOR Production Order Changes – Increased Encumbrances**
Effective Date:	**10/16/18**

PURPOSE: To provide procedures for accommodating a customer request to increase the quantity of an order, which increases the financial obligation beyond an existing purchase order or other obligating document.

APPLICABILITY: Minnesota Department of Corrections (DOC); Minnesota Corrections Industries Program (MINNCOR) in adult facilities and central office

DIRECTIVE:
DEFINITIONS: None

PROCEDURES:

A. MINNCOR staff who receive requests to increase an existing customer order must ask the customer to issue a new purchase order for the revised amount.

1. A new purchase order is not needed if the amount of increase is $2000.00 or less, and the administrative time to process the change exceeds the financial exposure.

2. Change order information is entered and retained in the electronic data management system.

B. New purchase order
The sales representative or customer service representative must complete a change order and route it with the new purchase order to sales order entry. The sales order entry staff changes the quantity and the purchase order number.

B. Increase less than $2000 (without new purchase order)

1. The sales representative or customer service representative quotes the exact amount of the increase to the customer. When applicable, the customer submits a paper acknowledgement (e-mail, fax, etc.) that reflects the approved increase to the customer's original purchase order. The customer's acknowledgement is uploaded into the electronic data management system and attached to the original customer purchase order.

2. The sales representative or customer service representative completes a MINNCOR change order with the name, date, and phone number of the contact person recorded on the change order and scans the change order into the electronic data management system.

3. Customer service makes the changes to the order in the enterprise resource planning (ERP) system.

4. A customer service staff person prints the sales order noting the change, date, and initials the top of the sales order.

5. Customer service staff scans the sales order with the supporting document from the customer acknowledging the change into the electronic data management system. The data management system e-mails the change order to the appropriate facility.

6. A purchase requisition is submitted by the facility via the ERP for any additional materials needed for the change.

7. The facility must notify customer service of any changes to the due date.

8. Customer service must notify the customer if the due date is adjusted.

INTERNAL CONTROLS:

A. All documentation related to the change order is retained electronically in the electronic data management system.

ACA STANDARDS: None

REFERENCES: Minn. Stat. § 241.27, subd. 1
Policy 402.055, "MINNCOR Production Order"

REPLACES: Division Directive 402.070, "MINNCOR Production Order Changes – Increased Encumbrance," 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