DEPARTMENT OF CORRECTIONS

Policy Number:	**403.060**
Title:	**MINNCOR Accounts Receivable and Deposits**
Effective Date:	**11/6/18**

PURPOSE: To ensure all customers are timely and accurately invoiced and to properly record, secure, and deposit receipts per Minnesota statutes.

APPLICABILITY: Minnesota Corrections Industries Program (MINNCOR)

DEFINITIONS:

Packing slip/picking slip – document itemizing all items shipped to customer. A copy of the completed document goes with the shipment to the customer and a copy signed by the customer goes to accounting, where it is uploaded into MINNCOR's electronic data management system.

Tracking number – number assigned by common carrier to track the shipment from pick up location to final destination.

PROCEDURES:

A. MINNCOR staff must generate and post the required packing slip/picking slip from MINNCOR's enterprise resource planning (ERP) system.

B. Staff complete a packing slip for each shipment, documenting
   1. What items were shipped;
   2. How many were shipped;
   3. How many are on backorder;
   4. The date shipped; and
   5. Who packaged and shipped the item(s).

C. If the product/package is delivered by MINNCOR, a customer signature is required to show the product was received.
   1. Staff must forward the completed packing slips signed by the customer to the MINNCOR central accounts receivable department on a daily basis.
   2. The packing slips are uploaded into MINNCOR's electronic data management system and indexed by the accounts receivable staff.
   3. Packing slips are retained with the customer invoices as supporting documentation in the electronic data management system under DOC's record retention policy.

D. MINNCOR central accounts receivable:

1. Invoices customer orders daily based on completed packing slips received from the MINNCOR shipping department and posted in MINNCOR's enterprise resource planning (ERP) system;

2. Matches packing slips to the corresponding sales order;

3. Generates and mails invoices to the customer(s);

4. Invoices all packing slips in the same month as the product was delivered;

5. Contacts and begins collection efforts with customers when invoices become past due. For collection details, see collections procedures; and

6. Electronically scans invoices to MINNCOR's electronic data management system.

E. Designated staff must open mail, endorse fund instruments, and prepare deposits.
   1. Staff must prepare a control listing of incoming fund instruments.

   2. All MINNCOR's check receipts are deposited electronically daily with the state treasurer.

   3. If no deposit is made, staff must secure the check receipts.

F. Staff, other than the staff that originally receipted the funds, prepare and enter deposits into the statewide accounting system and MINNCOR's ERP system.
   1. Cash receipts are entered into MINNCOR's ERP system by general journal transactions.

   2. All general journal entries in MINNCOR's ERP system require electronic approval by both MINNCOR's accounting supervisor and CFO prior to posting in MINNCOR's ERP system.

   3. Deposit transaction log information is retained according to the finance record retention schedule.

G. Staff prepare bank deposits to be electronically sent to bank, or physically taken to the bank.

H. Receipt transactions are reviewed daily by MINNCOR's accounting supervisor by comparing the statewide accounting system cash deposits with daily check receipt logs. The statewide accounting system is reconciled by MINNCOR's accounting supervisor, at least monthly.

I. All staff approving deposits and reconciling transactions/statements must initial/sign the documents to show separation of duties.

INTERNAL CONTROLS:

A. Approved and reconciled deposit documents contain staff initials/signatures.

B. All required accounts receivable documentation is retained in MINNCOR's electronic data management system according to DOC finance records retention schedule.

C. Bank statements and documents related to receipt transactions are retained according to DOC finance record retention schedule.

ACA STANDARDS: None

REFERENCES: Minn. Stat. § 241.27

REPLACES: Division Directive 403.060, "MINNCOR Accounts Receivable," 11/3/15.
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