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**Policy Number:** 403.090  
**Title:** MINNCOR Customer Credit  
**Effective Date:** 11/6/18

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**PURPOSE:** To provide a uniform customer credit procedure to ensure that MINNCOR products and services are sold only to creditworthy customers.

**APPLICABILITY:** Minnesota Corrections Industries Program (MINNCOR) in adult facilities and central office

**DEFINITIONS:**

D & B Report<sup>®</sup> – a credit history and rating available from Dun and Bradstreet, a private credit reporting firm.

**PROCEDURES:**

- A. For all private industry and not-for-profit (non-government) orders where credit is extended, all MINNCOR sales staff must ensure that new private customers are creditworthy prior to selling them products or services.
  - 1. Sales of less than \$500 can be made to new customers without a credit check, if the product is shipped collect on delivery (COD) only or paid by credit card.
  - 2. All other exceptions require authorization by MINNCOR chief financial officer (CFO) or designated MINNCOR finance staff.
- B. Customers must submit purchase orders to an account manager or customer service representative at MINNCOR central office. Customers without an assigned MINNCOR credit limit must complete a MINNCOR credit application and submit it to the MINNCOR CFO.
- C. The MINNCOR CFO (or a designated accounting staff person in the absence of the CFO) determines the appropriate credit limits for new customers using the D & B Report, bank references, business references, the Better Business Bureau rating, and sound business practices.
- D. If necessary, the MINNCOR CFO files a security agreement or obtains a bank letter of credit.
- E. Customer credit application and corresponding reports, references, letter of credit, and other similar documents are scanned into the electronic data management system and retained according to MINNCOR's records retention schedule.
- F. MINNCOR accepts customer purchase orders as long as the outstanding order amount falls within the established credit limit.

**INTERNAL CONTROLS:**

- A. Customer credit applications and information is retained in MINNCOR's electronic data management system in accordance with MINNCOR's record retention schedule.

**ACA STANDARDS:** None

**REFERENCES:** [Minn. Stat. § 241.27](#)

**REPLACES:** Division Directive 403.090, "MINNCOR Customer Credit," 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