DEPARTMENT OF CORRECTIONS

Policy: 405.030
Title: MINNCOR Marketing Expenditures
Effective Date: 3/20/18

PURPOSE: To provide procedures, responsibilities and guidelines for appropriate expenditure of MINNCOR Industries marketing funds.

APPLICABILITY: MINNCOR employees

DEFINITIONS:
General Ledger (GL) Accounts –accounts showing a breakdown of the allocation of MINNCOR funds.

Marketing Budget – annual budget determined by MINNCOR Industries executive management for the use of promoting MINNCOR.

Marketing Plan – an annual document established to guide MINNCOR's marketing department throughout the fiscal year which includes the annual marketing budget.

Purchase Order – a document detailing the quantity, price, terms and conditions of a specific purchase, which creates the encumbrance required by Minn. Stat. §16A.15.

Single Source Purchase – see DOC Policy 104.300, "Purchasing," for the definition.

Special Expenses – see DOC Policy 104.460, "Special Expenses," for the definition.

PROCEDURES:
A. General Requirements
1. All purchasing expenditures from the MINNCOR marketing budget must comply with Minnesota Statutes and Department of Administration (DOA) purchasing rules.

2. All purchasing expenditures from the MINNCOR marketing budget must be reviewed for compliance by a MINNCOR vice president, the chief financial officer (CFO), or the chief executive officer (CEO). The approver of discretionary expenditures must be prudent; exercise sound judgment; and be satisfied that the expense is reasonable, allowable, and conforms to the policies contained in this document.

3. All marketing expenses must fall under an appropriate General Ledger (GL) account listed in the marketing budget.

4. The industrial and commercial activities authorized by this policy are designated as MINNCOR Industries and are for the primary purpose of sustaining and

ensuring MINNCOR Industries' self-sufficiency; providing educational training, meaningful employment, and the teaching of proper work habits to the offenders of correctional facilities and/or participants of MINNCOR-Bridge under the control of the commissioner of corrections; and not solely as competitive business ventures.

B. Conference and Industrial Trade Show Registration Fees and Expenses
Registration fees and expenses for conferences and industrial trade shows must follow in accordance with DOC Policy 104.460, "Special Expenses," and the MINNCOR Marketing Plan and annual budget. Registration fees for in-state conferences, seminars, training, or workshops are within the boundaries of this policy if they contribute to furthering organizational financial self-sustainability or to the MINNCOR mission. Requirements in DOC Policy 104.460, "Special Expenses," must be followed.

1. When required, staff must also provide a completed, signed and approved Request for Approval to Incur Special Expenses form (104.460A, attached).

2. Requests for payment are subject to review and approval by one of MINNCOR's vice presidents, the CFO or the CEO.

3. Registration fees for out-of-state conferences, seminars and workshops in any dollar amount must be submitted on an Authorization for Travel form (attached; see Policy 104.461, "Employee Travel and Reimbursement of Expenses," and Policy 104.460, "Special Expenses,") in accordance with the department travel policy in effect. Allocation of MINNCOR marketing funds may be used once the forms have been completed and approved.

4. Completed and approved special expense forms and authorization for travel forms must be retained in the appropriate financial services office.

C. Trade and Association Memberships

1. Agency trade and/or professional memberships, dues, and fees may be paid for by MINNCOR and the Department of Corrections only if there is a direct benefit to MINNCOR. Requests for payment are subject to review and approval by one of MINNCOR's vice presidents, the CFO, or the CEO. Allocation of MINNCOR marketing funds may be used in accordance with DOC Policy 104.310 "Membership in Professional Organizations," only if MINNCOR, as a whole, has a direct benefit to being a member organization.

2. If membership in a professional organization is deemed beneficial, MINNCOR staff must comply with DOC policy, submit form 104.310A, "DOC Membership Approval," and have all the necessary documents signed before proceeding.

3. Unallowable Expenses
MINNCOR and the Department of Corrections do not pay for or obtain memberships for a variety of organizations. Refer to DOC Policy 104.310,

"Membership in Professional Organizations," for full detail as to what is and is not allowed.

D. Promotional Activities

Allocation of funds to be used for promotional activities that contribute to the financial self-sufficiency of MINNCOR may be allowed. These requests for payment are subject to review and approval by one of MINNCOR's vice presidents, the CFO or the CEO. Documentation of approvals and payments are retained in financial services. Promotional activities may include such examples as:

1. All-Staff Meetings

   Reasonable costs related to in-state training, meetings or workshops determined by the MINNCOR CEO to elevate or enhance work performance are covered when accompanied by a completed signed and approved special expense form (104.460A).

2. Open House Events

   Reasonable costs associated with events to promote or raise awareness for MINNCOR Industries and/or its products and services are covered when accompanied by a completed signed and approved special expense form (104.460A).

3. Quarterly Learn at Lunches

   Reasonable costs associated with educational events for customers or potential customers of MINNCOR Industries are covered when accompanied by a completed signed and approved special expense form (104.460A).

4. MINNCOR staff may be requested to wear MINNCOR shirts, such as when required to represent MINNCOR at a professional event (see Policy 103.221, "Uniforms, Attire, and Personal Hygiene").

E. Promotional Items and Trinkets

MINNCOR Industries may allocate the use of marketing funds for the purchase of a trinket, promotional item or memento costing $5 or less per person. Requests for payment are subject to review and approval by one of MINNCOR's vice presidents, the CFO, or the CEO.

F. Trade Publication Advertising

1. MINNCOR marketing staff must pursue an active marketing effort to maximize sales and expand product lines of industries operations, consistent with MINNCOR's marketing plan and legislative intent, in order to provide a program that ensures MINNCOR Industries' self-sufficiency, providing educational training, meaningful employment and the teaching of proper work habits to the offenders of correctional facilities and/or participants of MINNCOR-Bridge, under the control of the commissioner of corrections, and not solely as competitive business ventures.

2. Requests for payment are subject to review and approval by one of MINNCOR's vice presidents, the CFO, or the CEO.

G. Online Initiatives

1. MINNCOR Public Website

a) MINNCOR maintains a public website to promote its products and services, and to educate and inform employees and public groups.

(1) MINNCOR's marketing department reviews and approves requests for new or modified pages, pricing, product and/or service listing, and general public information to be posted on the website.

(2) MINNCOR's marketing department also maintains the website's content to ensure consistency in all publications.

b) Changing Content

(1) Requests to change website content must be submitted in electronic format to MINNCOR's marketing department and have the approval of a MINNCOR vice president, CFO, or CEO.

(2) Once approved requests have been submitted, the marketing department must make the change in a timely manner.

(3) If changes require the assistance of the web hosting company, MINNCOR's marketing must contact the account representative of the host company and submit the request.

(4) Requests that require funding must go through the proper channels and follow Policy 104.104, "Payment Requests, Preparation, and Approval."

c) Hosting

MINNCOR's website is hosted by a third-party vendor who must be approved in accordance with MINNCOR purchasing requirements. Hosting is an annual contract between MINNCOR and its third party vendor, and must follow Policy 106.030, "Processing Contracts and Other Agreements," and Policy 104.300, "Purchasing,, Procedure B, on state commodity contracts and MINNCOR contracts.

2. ThomasNet is an online yellow pages designed for the sole purpose of having manufacturing companies list their businesses. In accordance with the MINNCOR Marketing Plan, funds can be allocated for the use of this online initiative provided it has a direct benefit to the business needs of the organization, and the approval of a MINNCOR vice president, CFO, or CEO.

H. Staff Meal Expenses

Tactics to build, nurture and solidify relationships may include meal expenses.

1. If the location and/or meal expenses are outside of the parameters for allowed meal expenses under the employees' collective bargaining agreements, staff must submit a completed, signed and approved Request for Approval to Incur Special Expenses form (104.460A, attached) prior to the event. (See also DOC Policy 104.460, "Special Expenses.")

2. These requests for payment are subject to review and approval by a MINNCOR vice president, CFO, or CEO.

INTERNAL CONTROLS:

A. Approved special expense and authorization for travel forms are retained in the appropriate financial services department.

B. Documentation of approvals and payments for promotional activities are retained in financial services.

ACA STANDARDS: None

REFERENCES:
Minn. Stat. §241.27
Minn. Stat. §16A.15
Minn. Stat. §471.895, "Certain Gifts by Interested Persons Prohibited"
Policy 104.460, "Special Expenses"
Policy 104.461, "Employee Reimbursement for Travel and Other Business Expenses"
Policy 104.310 "Membership in Professional Organizations"
Policy 104.104, "Payment Requests, Preparation, and Approval"
Policy 104.303, "Professional and Technical Services Contracts and Other Agreements"
Policy 104.300, "Purchasing"
Policy 103.221, "Uniforms, Attire, and Personal Hygiene"

REPLACES: All facility policies, memos, or other communications whether verbal, written, or transmitted by electronic means regarding this topic.

ATTACHMENTS:
MINNCOR Industries annual marketing plan (external iShare link)
Request for Approval to Incur Special Expenses (104.460A)
Authorization for Travel (external MMB form)
DOC Membership Approval form (104.310A)

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