



**DEPARTMENT OF CORRECTIONS
Institutions**



Title:	Food Cost (Food Services)	DOC Policy: 40.2.12
Effective:	8/23/15	Supersedes: 5/20/15
Applicability:	Institutions and Fiscal Services	
Directives Cross-Reference:	Inmate Revenue Generating Activities – 20.1.6	
Attachments:	None	

I. PURPOSE

The purpose of this policy is to establish a uniform process for calculating inmate per day food cost. All institutions within the Department of Corrections shall establish and maintain accurate monthly records of all financial transactions and inventories that are used to calculate the inmate per day food cost.

II. DEFINITIONS

- A. AFAMIS: Automated Financial Accounting Manufacturing Inventory System used to order, track, receive, and make payment for inventory and non-inventory purchases.
- B. Cottage Program: A program that uses inmate labor to produce goods or services that are sold to an outside entity.
- C. Incentive Meals: Meals served to inmates purchased from other funds for maintaining appropriate conduct.
- D. Invoice Request (Form CD1477): A DOC form used when DOC needs to bill an outside entity, other agency, or internal unit that doesn't use AFAMIS.
- E. Order Transfers/Sales Transfers (OT/ST): Complementing orders between two internal "units" for the transfer of stock items and their cost. Sales transfers and order transfers are the equivalent of an internal sales order and an internal purchase order. When a sales transfer is created, an identical order transfer is created.

III. POLICY

A. Calculating Food Costs:

- 1. The Food Service Manager or designee shall submit the institution Food Cost Report to the Food Service Administrator no later than the third business day after the closing of AFAMIS. The report will be submitted on the standard Food Cost Report form CD1572.
- 2. The monthly report shall include the following:
 - a. Food Cost Report;
 - b. Cover sheet of inventory with totals;
 - c. Cover sheet of AFAMIS cost center totals;

- d. Total of all journal entries that have not been posted to AFAMIS; and
 - e. Inmate meal participation report.
3. Institutions will use the Food Service general fund cost center for calculating the food cost. The monthly food cost shall be calculated using the 9257.600, 9261.100 and 200, 9269.301 and 309 object subject code series.
 4. Any monies spent, but not reimbursed during the month, will be accounted for on the Monthly Food Cost Report; e.g., Religious Services events. Staff may not subtract out monies not reimbursed from the AFAMIS report to justify high food cost.
 5. Credits will be used the same month they are posted on the AFAMIS month-end close out.
 6. If an institution is over the budget amount, a written justification must be submitted with the Food Cost Report.
 7. Each institution will conduct a monthly inventory on the last day of each month of all food and non-food items that are used to figure monthly food cost on the last day of each month.

B. Accounting:

The Food Service Manager shall ensure the following is completed at the end of each month:

1. All outstanding OT/ST and invoices have been received in AFAMIS before the close of business on the last work day of the month.
2. After all known OT/STs and invoices have been received online, each institution must run the "Orders Transferred, Not Received Report." Any remaining outstanding orders must be received on line.
3. All Central Accounting Unit invoice request forms, requests for commissary, bread programs, and/or outside contractual food agreements will be invoiced by the 5th day of the next month.

C. Meal Tickets:

There are three different types of meal tickets. All of them have a direct impact on the food service budget, and need to be accounted for in order to prepare an accurate food cost. Any staff member associated with the Food Services unit shall not sell or issue meal tickets. Only the local Business Office, Accounting Technician, or institution designated staff shall sell or issue meal tickets.

1. Employee meal tickets: Purchased by an employee. Funds will be transferred back into Food Service's general fund account quarterly.
2. Contractual meal tickets: A complimentary meal provided to an employee per union contract. The price of the meal shall be billed to the unit requesting the contractual meal monthly by filling out a journal entry form.
3. Overtime meal tickets: A meal given to a staff member who works an overtime shift and is unable to leave the institution for a meal period. The unit ordering the

overtime meal tickets will fill out a journal entry form that will transfer the money back into Food Service's general fund cost center, and submit it to their local Business Office or Accounting Technician.

D. Cottage Programs, Incentive Meals, Banquets, or Other Food/Non-food Not Meal Related:

1. Institutions that sell food and non-food items to cottage programs (such as Meals on Wheels, senior meals, the CDC, external food programs, etc.) shall purchase all food and non-food items from their Inmate Work Program other funds cost center (sealed cost center), unless fiscally or logistically not possible.
 - a. When billing for goods, an invoice request form (CD1477) shall be filled out and sent to the Business Office or Accounting technician to generate the invoice.
 - b. All invoice dollars shall go back into the sealed cost center.
2. Institutions that do not use sealed cost centers shall purchase food and non-food items from their general fund account and invoice all goods at cost plus 20%, unless permission for a different price has been given by the Food Services Administrator. When seeking reimbursement for goods and services, a request for journal entry will be filled out identifying the exact amount that will go back into the general fund account and the amount that will go into the other fund account.
3. All institutions will use their other fund cost center when ordering food and non-food items for outside programs like Meals on Wheels, senior meals, or for food that is not meal-related. All food and non-food items ordered from other fund cost centers shall not be used for institution meals and must be kept separate from food and non-food items ordered using general fund dollars.
4. All non-meal related functions will be invoiced at cost plus a 20% markup.

E. Maintenance, Repair, and Replacement:

1. Maintenance of equipment will be charged to the Physical Plant's cost center.
2. Repair of equipment will be charged to the Physical Plant's cost center.
3. If repairs are beyond Physical Plant's expertise, they shall work with the Food Service Manager to bring in an outside technician to repair equipment.
 - a. If repairs are made by an outside vendor, the cost shall be charged to the Physical Plant's cost center.
 - b. If the technician determines equipment is beyond repair, it will be up to the Food Service Manager to replace the equipment from their budget.
4. If Physical Plant determines the equipment is beyond repair, the Food Service Manager has the option of contacting an outside vendor.
 - a. If the vendor agrees it is beyond repair, Food Service will pay for the service call. If the vendor determines equipment repairs do not exceed the cost of

new equipment, the Food Service Manager will work with the Physical Plant Manager to repair the equipment. If the equipment is repaired, the service call and repair cost will be charged to Physical Plant.

- b. When staff determines whether to repair or replace the equipment, the age of equipment and past repair costs shall be considered.

IV. IMPLEMENTATION

This policy shall be adopted immediately without further modification.

Certified: signature on file
Birdie Worley, Rules Coordinator

Approved: signature on file
Elizabeth Craig, Administrator