



DEPARTMENT OF CORRECTIONS
Institutions

Title:	Food Cost (Food Service)	DOC Policy: 40.2.12
Effective:	3/1/24	Supersedes: 10/6/22
Applicability:	Institutions and Office of Chief Financial Officer	
Directives Cross-Reference:	Code of Conduct – Policy 20.1.3 AIC Revenue Generating Activities and Programs - Policy 30.1.6	
Attachments:	None	

I. PURPOSE

The purpose of this policy is to establish a uniform process for calculating adult in custody (AIC) daily food cost. All institutions within the Department of Corrections (DOC) shall establish and maintain accurate monthly records of all financial transactions and inventories that are used to calculate the AIC daily food cost.

II. DEFINITIONS

- A. Adult in Custody (AIC): Any person under the supervision of the Department of Corrections who is not on parole, probation, or post-prison supervision status.
- B. AFAMIS: Automated Financial Accounting Manufacturing Inventory System used to order, track, receive, and make payment for inventory and non-inventory purchases.
- C. Cottage Industry Program: An Institution Work Program (IWP) that uses AIC labor to produce goods or services to sell to customers. Some programs may have an education or training component. Net profits belong to the cottage industry program. Cottage industry programs may purchase raw materials, receive donated materials from an outside entity, use surplus material, or use scrap or salvage material.
- D. Food Cost Form: A department form used to show the average amount spent on food for the AIC population.
- E. Incentive Meals: Meals served to AICs purchased from Other Funds (OF) to incentivize appropriate conduct.
- F. DOC Invoice Request Form: A department form used when DOC bills an outside entity, other agency, or internal unit that doesn't use AFAMIS.
- G. DOC Journal Entry Request Form: A department form used to move revenue or expense from

one cost center to another.

- H. Order Transfers (OT) and Sales Transfers (ST): Complementing orders between two internal units for the transfer of stock items and their cost. Order transfers and sales transfers are the equivalent of an internal purchase order and an internal sales order. When a sales transfer is created, an identical order transfer is created.

III. POLICY

A. Calculating AIC Daily Food Costs:

1. The Food Service Manager or designee shall submit an institution food cost report to the Food Service Administrator no later than the third business day after the month- end closing of AFAMIS.
2. The monthly report shall include the following:
 - a. Food cost report.
 - b. Cover sheet of inventory totals.
 - c. Cover sheet of AFAMIS cost center totals.
 - d. Total of all journal entries that have not been posted to AFAMIS; and
 - e. AIC meal participation report.
3. Food Service expenditures shall be coded to the following object subsidiary codes:
 - a. 9257.600 Janitor/Sanitation Supply
 - b. 9261.100 Food
 - c. 9261.200 Kitchen/Dining Supplies
 - d. 9269.301 AIC Clothing
 - e. 9269.309 Personal Supplies
4. All financial activity during the month will be accounted for on a monthly food cost report. Staff may not subtract out expenses not reimbursed from the report.
5. Credits and debits will be reported the same month they are posted on the AFAMIS month-end close out.
6. If an institution is over their budget amount, a written justification must be submitted with a food cost report.
7. Each institution will conduct a monthly inventory of all food and non-food items on hand

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 transactions and invoices have been received in AFAMIS before the close of business on the last workday of each month.
2. After all known OT/ST and invoices have been received within AFAMIS, each institution must run the "Orders Transferred, Not Received Report" in AFAMIS. Any remaining outstanding orders that have been physically received must be received in AFAMIS.
3. All invoice and journal entry request forms, requests for commissary, bread programs, and outside contractual food agreements will be invoiced by the fifth day of the month after the service is provided.

C. Cottage Programs, Incentive Meals, Banquets, Other Food or Supplies, and Non-AIC Meal-Related Items:

1. Institutions that purchase food and supplies for cottage programs (for example, Meals on Wheels, senior meals, external food programs, etc.) shall purchase the food and supplies using their Institution Work Program OF cost center, unless fiscally or logistically impossible.
 - a. When invoicing an external customer for goods, an Invoice Request form (CD1477) shall be completed and submitted to Business Services who shall review and submit the completed form to Accounting, who will then generate an invoice.
 - b. An invoice may not be required to bill certain external customers when payments are accepted in accordance with the department's policy on AIC Revenue Generating Activities (DOC policy 30.1.6) (for example, customers who are paying upon receipt, orders that are less than \$100, or AIC clubs that send payment with an Administrative Check Request/Transfer (CD28a)).
 - c. All revenue shall go into the appropriate Institution Work Program OF cost center.
2. Cost centers that do not purchase food and supplies directly from vendors may acquire food and supplies from other cost centers by purchasing the food and supplies from the cost center that paid for the items. The institution Food Service Manager will be responsible to ensure a journal entry is completed. This journal entry will reduce expenses in the cost center which paid for the food and supplies and record an expense in the cost center that is receiving the food and supplies. The journal entry will be done at cost. This process applies when transferring or selling food and supplies to any cost center, even if the cost center receiving the food and supplies is not a part of Food Service, such as Security, Administration, Correctional Services, etc.

3. When selling food and supplies to external customers, the full production expense including a 20 percent markup will be recorded as revenue in an OF cost center. Exceptions to adding the 20 percent markup may be approved by the Food Service Administrator. If the OF cost center making the sale has not already paid for the food and supplies sold, the OF cost center must acquire the food and supplies by following the process in (III)(C)(2).
4. In accordance with the department's policy on Code of Conduct (DOC policy 20.1.3), DOC employees and non-employee service providers shall not receive special pricing or discounts due to their official position.
5. Food and supplies ordered from OF cost centers shall not be used for institution meals and must be kept separate from the food and supplies ordered using General Fund money.

IV. IMPLEMENTATION

This policy shall be adopted immediately without further modification.

Certified: _____signature on file_____

Julie Vaughn, Rules Coordinator

Approved: _____signature on file_____

Heidi Steward, Deputy Director