



**DEPARTMENT OF CORRECTIONS
Chief Financial Office**



Title:	Inmate Revenue Generating Activities	DOC Policy: 30.1.6
Effective:	7/23/18	Supersedes: 04/05/13
Applicability: Fiscal Services and Institutions		
Directives Cross-Reference: Oregon Constitution Oregon Accounting Manual Code on Conduct – Policy 20.1.3 Accounting-Control of Funds – Policy 30.1.1 Checks, Warrants, and Vouchers– Policy 30.1.2 Receipting, Securing and Depositing Funds – Policy 30.1.3 Donations – Policy 30.1.7 Fixed Assets – Policy 30.2.1 State P-Card (SPOTS) Card Program – Policy 30.3.2 Contracts Administration – Policy 30.3.3 Commissary Operations – Policy 40.2.3 Food Services Programs – Division 061 Performance Recognition and Award System – Division 077 Assessment, Assignment of Inmates for Work Assignments – Division 082 LEAP – Learning Entrepreneurship, Arts and Production– Division 121 Group Activities – Division 145 Central Trust Account (Inmate) – Division 158 Purchasing-Work Programs – Division 163		
Attachments: None		

I. PURPOSE

To document the department's policies, processes and procedures for various activities where inmates are producing or selling goods to generate funds or staff are overseeing activities that generate funds for the benefit of inmates. Inmate produced items sold through revenue generating activities in the Department are restricted to intra-state commerce.

II. DEFINITIONS

A. Administrative Trust Account (Central Trust): An account created and approved by Central Trust that is located in the inmate financial system. These accounts are not associated with an individual State Identification Number (SID#). Central Trust Administrative accounts include but are not limited to:

1. **Activity Account (Central Trust):** An account set up with Central Trust to hold funds generated by inmate activities for fundraising purposes, group fees, etc. Accounts that fall into this category include regular fundraising activity account, religious groups, and special interest groups. Unlike funds in Central Trust Club Account, funds generated for activity

accounts will be collected and administered by Central Trust and permanently reside in a DOC Cost Center that does not bear interest.

2. **Club Account (Central Trust):** An approved group of inmates that meets the criteria of a club (see OAR 291-145-0015). Funds raised by an approved club, belongs to the club's membership. Unlike funds in Central Trust Activity Account, funds generated for club account will be held in the club Central Trust account, but will be controlled and administered by the club with DOC staff oversight.
 3. **Event Pass-through Trust Account (EPTA):** A Central Trust account that acts as a holding account for fundraising events. Additionally, an EPTA should be used or for any situation that necessitates a SPOTS purchase on behalf of an inmate. Funds collected from inmates are placed into this account until expenses and revenue (if applicable) are reconciled and distributed.
- B. **CFO:** The Chief Financial Officer (CFO) is responsible for overseeing the financial actions of the Department. The CFO's duties include oversight of the functions tracking cash flow and financial planning as well as analyzing the Department's financial risks and proposing corrective actions.
- C. **Club:** A DOC-approved group that represents a segment of an inmate population with a common social or cultural interest and meets the criteria of club as established in OAR 291-145-0015.
- D. **Community Contribution Program:** A program in which inmates may produce goods for donation to various charitable organizations, local government entities, or Qualified Rehabilitation Facility (QRF) as defined in DOC policy Donations 30.1.7 and is approved by the functional unit manager or designee.
- E. **Cost Center (Central Accounting):** An alphanumeric field that identifies a separate entity within a business unit for which costs are tracked. For example, a business unit might be a warehouse location, job, project, work center, branch or plant.
- F. **Cottage Industry Program:** An inmate work program that uses inmate labor to produce goods or services sold to a customer that also has the following characteristics: some programs may have an education or training component; Inmates earn PRAS points and all net profits go to the program; prices are set using Value-Based Pricing; the program purchases the raw materials, receives the materials through a donation or an outside entity or uses surplus/scrap.
- G. **Customer:** Any person or organization soliciting an arrangement of services or goods that can or may be provided through an inmate work program, LEAP program or work based education program. Examples are: DOC staff, the public, other government agencies, internal DOC units and outside entities.
- H. **Donation to/from DOC:** See DOC policy Donations 30.1.7.
- I. **Expense:** Something, frequently money, expended to secure a benefit or bring about a result.
- J. **Food Program:** An inmate work program that prepares and sells food. The food products may be sold on canteen to inmates, sold to other DOC entities via a Banquet or Refreshment request form (CD1771 or CD1772), or sold to outside entities. Examples of food sold to inmates include bakery goods and oatmeal made available on canteen. Examples of food sold to DOC or outside entities include baked goods, tortillas, luncheon buffets for meetings, etc. These programs are

supported by Inmate Work Program (IWP) assigned inmates in Food Services that also support the daily delivery of approved meals to the inmate population.

- K. **Functional Unit Manager (FUM):** Any person within the Department of Corrections who reports to the Director, Deputy Director, an Assistant Director or an Administrator and has responsibility for the delivery of program services or coordination of program operations. In a correctional facility, the functional unit manager is the superintendent.
- L. **Fundraiser:** Events, goods or services approved by the superintendent to be purchased by inmates, staff or others, wherein the proceeds, after covering associated expenses, are used to benefit a pre-approved cause. Fundraisers are not to compete with commissary by selling like items. Please see DOC Policy Commissary Operations, 40.2.3.
- M. **Incentive Program:** A system of activities, special events or canteen purchases that together are meant to motivate inmates to better behavior and maintain program compliance. Inmates are assigned incentive levels based on behavior and successful efforts in satisfying the conditions of their corrections plans. To be eligible for some activities, events, or purchases, inmates must be at or above a given incentive level.
- N. **Inmate Work Program (IWP):** The system used by the DOC to categorize all approved inmate work assignments or any subset thereof. Work assignments may support daily institution operations or exist in programs supporting partnerships with other jurisdictions, agencies or private parties. Please see ORS 421, 423 and Oregon Constitution, Article 1, Section 41.
 - 1. Internal IWP Programs that utilize inmates internally to the Department (for example, Cottage Industries, custodians, and commissary workers).
 - 2. External IWP Programs with contractual relationships with a third party that utilizes inmates external to the Department and Institutions (for example, fire crews, tree crews, and road crews).
- O. **LEAP-Learning Entrepreneurship, Arts and Production:** An inmate program where inmates use artistic talents to create unique goods for sale to the customer. This type of program is what was referred to as a hobby shop or handicraft program. LEAP programs allow for the inmate to own the supplies and keep the proceeds from sales. Inmates may also obtain business licenses. Prices are set using the Market Based Pricing method. Examples include the creation and sale of jewelry and wood crafts. See OAR Division 121.
- P. **Net Profits:** Revenue(s) minus expense(s).
- Q. **Office of Chief Financial Officer:** Section of the Department that provides support services to all levels of the Department through Inmate Financial Services and Operations Financial Services; functional units relevant to this policy include:
 - 1. Central Accounting: A functional unit of the Operations Financial Services Division that records all financial transactions outside of the inmate financial system and is the custodian of the Department's fiscal records.
 - 2. Central Trust: A functional unit within the Inmate Financial Services Division that is responsible for administering and managing inmate trust accounts; including making authorized transactions in the inmate trust and Administrative Trust Accounts acting upon actions based on rules and federal or state laws.

3. **Business Services:** A functional unit within the Inmate Financial Services Division that places employees in larger institutions and provides satellite accounting and other fiscal services. This unit acts as a liaison between the Department's Operations Division and the Office of the CFO.
 4. **Inmate Revenue Generating:** A functional unit within the Inmate Financial Services Division that is responsible for oversight of all inmate revenue generating activity providing guidance towards best business practices, with an emphasis of fiduciary accountability. This includes developing policies and procedures, training staff, ensuring financial integrity, providing technical assistance, and monitoring and auditing compliance with applicable rules, statutes, and policies.
- R. **Outside Food:** Food prepared by a licensed food service establishment other than Oregon Department of Corrections. This includes food prepared by or sold by a licensed commercial vendor.
- S. **Program Supervisor:** A manager responsible for one or more specific functions within a DOC facility or functional unit.
- T. **Revenue:** Money generated from the sale of goods or services.
- U. **Salvage:** Repurposing, or upcycling, scrap materials. Example: turning a pallet into a birdhouse for resale or donation purposes.
- V. **Scrap Material:** A small piece or amount of something, especially one that is left over after the greater part has been used and has a value of less than \$250.
- W. **Surplus Material:** Goods in excess of the requirement and cannot be returned to the vendor for credit, but are useful for some purpose. Most surplus items need to be turned in to State Surplus for resale. See DOC Policy, Fixed Assets 30.2.1 for additional guidance.
- X. **Value Based Pricing:** Actual cost of materials plus inmate labor costs (average PRAS cost for unit doing the work) plus 20% (or what the market allows). Unless on going staff labor costs are a significant factor in the production of the product, staff labor costs are not required to be included in item pricing.
- Y. **Work Based Education (WBE) Program:** An education program that may involve inmate work. All WBE programs are administered by a Community College with a contract in place. PRAS points are allowed and either a Community College certification or other credentials are obtained by the inmate. If revenue is generated, profits are returned to DOC WBE program.

III. POLICY

A. GENERAL

It is the policy of the Department of Corrections to conduct transactions of Other Fund programs in compliance with standard business practices, the Oregon Accounting Manual (OAM), DOC policy on Code of Conduct 20.1.2, the Oregon Constitution and any applicable federal or state laws. All Other Fund programs that include activities where staff and inmates are producing and/or selling goods to generate money will comply with direction set forth by the Director.

1. The Oregon Constitution, Article I, Section 41, provides the products and services of corrections work programs shall be provided on such terms as are set by the Department of Corrections Director.

2. The Constitution provides the agency should avoid establishing or expanding for-profit work programs that displace or significantly reduce pre-existing private enterprise or government or non-profit programs that employ persons with developmental disabilities.
3. The decision to establish, maintain, expand, reduce or terminate any prison work program remains in the sole discretion of the Department of Corrections Director. Therefore, any time the agency creates an exception to the above they will work with state industry associations on a compromise.
4. The Oregon Constitution requires state agencies to use inmate labor when it saves the state money, therefore the agency's inmate work programs focus on providing services to other agencies that require labor.
5. The OAM requires each employee authorized to make an expenditure decision involving state funds is responsible for the "good judgment" and "lawfulness" of the expenditure. He or she must ensure the transaction is for authorized purposes and is a responsible and appropriate use of the funds. A negligent or fraudulent expenditure will result in personal financial responsibility and disciplinary action up to and including dismissal.
6. It is recommended that staff utilize the Inmate Revenue Generating unit for questions pertaining to this policy.

B. INMATE WORK PROGRAMS

1. Internal

a. Cottage Industries

- (1) Internal Cottage Industries are considered inmate work programs operating within an institution. The following procedures, steps and practices outline program development and day-to-day business requirements of a Cottage Industry not considered an Inmate Work Crew.
- (2) Program Development: Prior to implementing a new program, a business plan must be completed by institution staff and approved by the functional unit manager. The business plan must be submitted to the Inmate Revenue Generating Unit who will review before forwarding it on to the Assistant Director of Operations and the Office of the CFO, or those designated, for final approval before implementing a new program. See the Business Plan form (CD 1773) for a template. In addition, the following guidelines, considerations, and requirements shall be addressed by the business plan:
 - (a) Potential liability, specialized inmate labor training, and product safety.
 - (b) Whether the industry will operate on a cash payment basis or require a contract for each customer.
 - (c) A contract is needed for the following:
 - (i) Any agreement to provide recurring services or goods to a customer
 - (ii) Goods sold through a private retailer.
 - (iii) Cottage Industry Programs requiring a contract as identified in section (III)(B)(1)(c)(1) of this policy, shall work with DOC Contract office to establish a contract with the customer.
 - (d) A contract is NOT needed for the following:
 - (i) Internal sales to other DOC work units.

- (ii) Point of Sale Transactions at institutions, other department locations, or public events (Sumpter Days, fairs, public markets, etc.)
- (iii) Cottage Industry Programs NOT requiring a contract as identified in section (III)(B)(3)(d) of this policy, shall follow the general order procedures for Cottage Industry Programs in (6) below.
- (e) Other Fund dollars shall be used for start-up costs:
 - (i) Any new program must be self-sustaining within six months on a current month basis.
 - (ii) If funding exists, exceptions may be made with approval by the Assistant Director of Operations or designee to continue operations if the goals and results of the program support the mission, vision, and core values of the Department.
- (f) Appropriate accounts to manage the Cottage Industry will be established with Central Accounting using Cost Center Request form (CD1610) and Delegation of Expenditure Authority Form (CD1439).

(3) Records Management

- (a) The Inmate Revenue Generating Unit will be responsible for approving the processes and procedures used to document, track and control the financial activities of DOC Cottage Industry Programs.
- (b) Inmate Revenue Generating Unit will be responsible for coordinating financial records for all DOC Cottage Industry Programs.
- (c) Net Income generated from a cottage industry program must be available to the program that generated those funds first before support is given to a different inmate work program (IWP) at the same facility. Funds generated from these activities will remain dedicated for use within IWP.
- (d) At the discretion of the Assistant Director of Operations, or designee, funds generated may be transferred to another functional unit within the IWP.
- (e) Records must be maintained for audit purposes in accordance with records retention policies and the Secretary of State's retention schedule.
- (f) Records must be maintained by DOC staff, contractors, or inmate clerical support with staff supervision.
- (g) Ultimate responsibility for completeness and accuracy of record keeping lies with the manager of the program area operating the industry/program.
- (h) Costs should be reviewed for accuracy and updated annually as necessary. This may include amending contracts with outside customers.
- (i) Cottage Industry program revenue and expenditures will be reconciled on a monthly basis by the program supervisor and reports will be stored for audit purposes. Program supervisors may utilize the following to ensure financial accountability:
 - (i) AFAMIS
 - (ii) Inmate Financial System Reports
 - (iii) Internal Spreadsheets
 - (iv) SPOTS Purchases

- (v) Purchase Orders
- (vi) Sales Receipts
- (j) Assigned managers should meet with Inmate Revenue Generating Unit representative(s), as needed, to assure processes and controls are operating as intended. Quarterly, the Inmate Revenue Generating Unit shall prepare a detailed summary of accounts for distribution to key stakeholders including the FUM.
- (k) When new managers are assigned to a cottage industry, it will be required that they receive training from the Inmate Revenue Generating Unit.
- (4) Donation of Goods and Services to Customers
 - (a) Goods from a Cottage Industry Program may be donated in accordance with a Community Contribution Program The following methods shall be used:
 - (i) Method 1: Materials are purchased by community organization and provided to the DOC institution; DOC may donate inmate labor and staff supervision; or
 - (ii) Method 2: The donation is created with products made from non-metal scrap/salvage materials of a value of less than \$250 and DOC policy Fixed Assets 30.2.1(III)(D)(3) is adhered to; DOC may donate inmate labor and staff supervision.
- (5) General Order Procedures for Cottage Industry Programs
 - (a) Catalog:
 - (i) All products offered for sale to the public and staff must be listed in a program catalog or list of standard products. The catalog will provide information describing the product, its availability, its designated price and any available options.
 - (ii) Choices are limited to what is listed in the catalog. Any deviation from the catalog is considered a custom order. Custom orders are available only after approval by the program supervisor.
 - (iii) Customers may have the option to view the product catalog via a webpage.
 - (b) Orders:
 - (i) All customers must go through the Business Services Office (BSO), or designee, with a completed order form and approved form of payment during regular business hours. Upon receipt of payment, the BSO, or designee, will issue a serially numbered receipt to the customer. The Cottage Industry Program order form will be marked "PAID" and a copy of the form will be scanned to the program supervisor. This copy will be used as an order fulfillment request form. If there is a delay in fulfillment (i.e., the item is not in stock) the customer will be contacted.
 - (ii) When purchasing a Cottage Industry product, customers must either pay the staff in the BSO or designee (for example: staff who manage meal ticket sales).
 - (iii) If technology allows, other DOC approved forms of payment will be allowed.
 - (iv) Some items, due to their size and/or complexity, will not be kept in inventory and will only be assembled upon receipt of the paid order. The program catalog will provide approximate assembly times.

- (v) The program supervisor will determine when the item will be available and will contact the customer to arrange for pick-up.
- (c) Standards and Protocols:
 - (i) Customers shall not engage in conversations with inmates concerning projects, prices, or enter into any kind of business arrangement. If there is a need to provide project specifications to an inmate, the program supervisor shall facilitate the engagement.
 - (ii) If attempts are made to circumvent these procedures, the customer's purchasing abilities may be suspended for an indefinite period of time, and in the case of DOC employees, may also include discipline, which will be determined by institution administration.
 - (iii) Goods and services must be readily available for purchase to the public items represented in the catalogue but not yet assembled or produced will be considered readily available.
 - (iv) Staff will perform an initial reconciliation of assets (cash, checks, inventory, and etc.) prior to selling goods and then a final reconciliation at the close of the business day if conducting business outside of normal operations.
 - (v) If sales are made during non-business days (such as a weekend flea market or other public sales event), all proceeds and receipts must be brought to the Business Services Office, or designee, at the start of the next business day for reconciliation. All sales involving cash must be in accordance with Oregon Accounting Manual policy 10.20.00 and properly secured.
 - (vi) All Cottage industries shall use Value Based Pricing.
 - (vii) Cottage Industry programs will not replicate or reproduce any images or items that are deemed to be trademarked, registered or the protected property of others unless appropriate approval has been given.
- (6) Custom Order Procedure:
 - (a) Product Development
 - (i) The customer completes a Cottage Industry Program order form and supporting documentation is attached; e.g. drawings, pictures, blueprints etc.
 - (ii) The customer submits the completed order form to program supervisor for review and approval.
 - (iii) The program supervisor reviews, with appropriate shop staff, the feasibility of the project.
 - (b) Order Approval/Denial:
 - (i) The program supervisor approves or denies the request.
 - (ii) Denial: Upon denial, the order form is marked, a brief explanation is provided, the order form is returned to the customer, and a copy retained on file.
 - (iii) Approvals: Upon approval, a unique tracking number is assigned, and an estimate is provided to the customer. The estimate shall use value-based pricing, taking into consideration market fluctuation of pricing for needed materials.
 - (iv) If the estimate is accepted, a 50% deposit of the estimate price shall be paid to the Business Services Office (BSO) or designee. The BSO or designee

will provide the customer with a serially numbered receipt and notify the program supervisor the deposit has been received. All deposits are non-refundable.

- (v) Notification of payment will indicate the Cottage Industry program may begin working on the project. NOTE: The materials for the project will not be ordered until notification of payment is received.
 - (vi) If there are any deviations from the original price quote prior to or during production, the customer will be notified and must approve (preferably in writing) prior to changes being made to ensure they are aware of the increase in price.
- (c) Order Payment:
- (i) At the completion of the project, the customer is notified and given the final price.
 - (ii) The program supervisor has discretion to fluctuate product pricing based on special considerations which may include large quantity orders, community projects, non-profit organizations, or donations of materials, as long as the price is not lower than the cost to produce the item. Staff members shall not receive reduced pricing for individual purchases; however, they may request a lower cost when representing one of the groups referenced above, provided they are not granted any preferential treatment that they would otherwise not receive if they were not a public official.
 - (iii) The customer will submit payment of the remaining balance to the Business Services Office, or designee, and will be issued a receipt for payment in full.
 - (iv) Acceptable forms of payment:
 - 1. Public (to include DOC staff): Cashier's Check or Money Order
 - 2. ODOC Internal entities: Journal Entry
 - 3. External Government Entity: Invoice
- (d) Order Pick Up:
- (i) The customer will bring the receipt to the program location where a copy will be made for record purposes and the completed project delivered to the customer.
 - (ii) All custom ordered items are to be picked up within 60 days of notification of completion. All items not picked up will be sold on a first come, first serve basis.

b. Food Programs

The Banquet Request form (CD1771) and/or Refreshment Request form (CD1772) will always be used as an invoicing backup document. Staff will attach other required documents as explained below when submitting for payment.

- (1) Outside Food Program: Food sold to outside entities. For example, meals sold to jails, schools, senior meals, or sales of baked goods.
 - (a) Staff shall take steps to ensure compliance with federal, county and local regulations controlling the sale of food. Examples: USDA, State and County Health Departments and the Oregon Department of Agriculture.
 - (b) Food programs, including proportionate staff time, must be self-supporting within three months of startup on a current month basis unless the program is given

approval to continue for a specific period of time by the FUM, the Institution Administrator, and a designee from the Office of CFO.

- (c) Food sold under this program model should include a contract with the purchaser. Exception to this would be one-time or nonrecurring purchases. (Examples: baked goods sold for functions such as a Chamber of Commerce meeting, or a Scout meeting, etc.).
- (d) All food provided for outside food sales must be documented on a Banquet Request form (CD1771), and Refreshment Request form (CD1772). These forms will be used as backup documentation for invoicing the customer.
- (e) All accounts receivable Invoice Request forms (CD1477) to outside customers must come from Central Accounting. Institutions may not generate their own invoice to bill a customer. All invoices must be generated by accounting. The only exception to this is a point-of-sale transaction.
- (f) Items prepared for outside sale must be billed using department Invoice Request forms on a monthly basis. An Invoice Request form (CD1477) may contain multiple line items for different food products. Exception to this would be nonrecurring sales of less than \$100.00. (Examples: baked goods sold for functions such as PTA meeting, Chamber of Commerce meeting, a Scout meeting, etc.)
 - (i) Transactions of Nonrecurring sales of \$100.00 or less are completed by using a Banquet Request form (CD1771) as the invoice and backup document, and a three-part receipt book.
 - (ii) Customers will not be billed; rather they must pay for the sale prior to acceptance of product.
- (g) Any general fund dollars (tax dollars) used for start-up costs, staff time and/or raw materials must be repaid within six months and no later than the end of the biennium out of other funds, unless the program is given approval for an extension of time by the FUM and the designee from the Office of Chief Financial Officer.
- (h) Ongoing expenses for food, staff salaries, and inmate labor purchased with general funds must be reimbursed to general fund cost centers quarterly. Records for food supplies, salary expenses and inmate labor costs must be maintained and reimbursed monthly.
- (i) Staff time and inmate labor may be estimated to arrive at an amount for general fund reimbursement; however, it should be a reasonable proportion of total staff and inmate labor and should be applied consistently.
- (j) Proceeds from outside food programs are considered an inmate work program activity. Net revenue can only be used to support the existing program or other inmate work programs. It is recommended food service IWP programs have their own cost center in the institution IWP fund separate from other IWP classes of activity, such as work crews or creative arts programs.
- (k) Markup for outside food programs should be cost plus 20%, unless the food service manager involved can justify higher costs to their functional unit manager and food services administrator. Documentation supporting pricing must be kept for audit purposes. This includes customer quotes, food receipts, etc.
- (l) Costs should be reviewed for accuracy and updated yearly as necessary.

- (m) Past and current formulas for calculating cost of meals and overhead must be maintained as part of the program's permanent records.
 - (n) Food program accounts and transactions will be reconciled with AFAMIS on a monthly basis with all reports printed and stored for audit purposes.
- (2) Inside Food Program: Food sold for internal meetings and activities (cookies, cinnamon rolls, fruit platters, banquets, sandwich platters, beverage service) that are not a part of the Meal Ticket policy.
- (a) All food provided for internal activities must be documented on a Banquet Request form (CD1771) and/or the Refreshment Request form (CD1772). The Banquet Request and/or Refreshment Request form will be used as an invoicing (backup) document for a Journal Entry Request form (CD1476) or an Admin Check Request form (CD28a).
 - (b) Supplies purchased with general funds for food that is re-sold must be reimbursed to the general fund food cost centers.
 - (i) If food products are sold for DOC usage (i.e., they will be billed to a cost center), Food Services shall be reimbursed quarterly by submitting a Journal Entry Request form (CD1476) and a Banquet Request form (CD1771) for backup documentation. NOTE: Journal Entries are for cost centers and are processed by Central Accounting.
 - (ii) If food products are sold for inmate activities, clubs, or fundraisers (i.e. they will be billed to a Central Trust Account), Food Services shall be reimbursed monthly by submitting an authorized CD28a form and associated Banquet Request form (CD1771) for backup documentation. NOTE: CD28a forms are processed by Central Trust.
 - (c) Central Invoices for food sold internally will be submitted monthly through the institution Business Services Office. The Business Services Office will charge the cost center listed on the event form accordingly.
 - (d) Proceeds from food sales for internal activities will be recorded in a Food Services Other Funds cost center. Proceeds must be recorded in a cost center separate from other administrative revenue activities, such as donations, recycling, etc.
 - (e) Cost of food supplies and inmate labor costs plus 20% should be the guideline for pricing food sold for internal meetings and activities. Unless on-going staff labor costs are a significant factor in the production of the product, these are not required to be included in item pricing.
 - (f) Requests for inside food service shall be made with a minimum of 30 days' notice to allow Food Services to accommodate the requests. It is at the discretion of the Food Services Manager to make an exception to late requests.
 - (g) The Food Services Manager, in conjunction with the FUM, has the option to decline to provide food for an event; in which case, the event planner may have the option (depending on institution procedure) to use an outside vendor to provide needed food.
 - (h) If outside food is brought in for an internal event, event planners need to consult the Food Service Manager to ensure proper sanitation measures are taken and that storage is available. The event planner is responsible for the safety and sanitation of the outside food.

- (i) Food Service managers shall not charge DOC as if they were a vendor when catering meals or events.
- (3) Commissary Program: Food sold on canteen for inmate purchase (oatmeal, farina, baked goods, etc.). Prior to the implementation of any new food program that could have the appearance of competing with commissary, it must be reviewed and approved by the Assistant Director of Operations and the Assistant Director of Administrative Services or their designees.
 - (a) Fundraisers are not to compete with commissary by selling like items. Please see DOC Policy Commissary Operations, 40.2.3. Markup for food sold on inmate commissary should not exceed 50%.
 - (b) Items prepared for sale on inmate commissary must be billed using Invoice Request forms on a monthly basis. An Invoice Request form may contain multiple line items for different food products.
 - (c) Supplies purchased with general funds for food that is re-sold on inmate commissary must be reimbursed to general fund food cost centers quarterly.
- c. Other: All other internal inmate work programs; examples are custodians, food service, and other inmate work performed for DOC are outside the scope of this policy.

2. External

- a. Inmate Work Crew: Inmate work programs and their operations that are governed by the rule on Assessment, Assignment, and Supervision of Inmates for Work Assignments and Unfenced Minimum Housing (OAR 291-082).
- b. External Cottage Industries: Inmate work programs outside an institution that is functioning at another DOC location. (I.e. Dome/CDC). Please refer to section IV (A)(i)(1) of this policy for Program Development, Records Management, other process and procedures relating to Cottage Industries.

C. ACTIVITIES

- 1. Fundraisers:** These activities are intended to generate funds for inmate sponsored charitable causes, inmate clubs, inmate activities, or specific purchases to support inmate quality of life. Revenue generated through fundraising activities should provide monies to benefit the general inmate population and enhance inmate activities and programs. Fundraisers are not to compete with commissary by selling like items. Please see DOC Policy Commissary Operations, 40.2.3

Ownership of funds that are raised is determined by what entity the funds were raised for. Funds that were raised by an inmate "club" belong to the inmates that are a part of that club. Funds raised for any purpose other than for club use belong to DOC. Accounts for funds generated through fundraising shall be established with Central Trust using EPTA form (CD1777).

- a. Fundraisers should not be used to generate funds to offset security, food, clothing, staff office supplies, medical or mental health care expenses or any other routine general fund expenses.
- b. Institutions shall maintain a separate Central Trust administrative account or other fund cost center for specific fundraising purposes if the activity will be on-going. If the activity is a one-time event, staff shall use the designated EPTA account in Central Trust.

- c. The functional unit manager is responsible for ensuring funds generated are used for appropriate expenditures.
- d. Fundraising Procedures:
 - (1) Institutions must inform all operational areas in the approval process for inmate fundraising events (Business Services, Security, Religious Services, Correctional Rehabilitation Services, Food Services, Administration, etc.). For institutions that do not have on-site Business Services staff, please inform the Business Services Manager.
 - (2) Institutions may form a committee to oversee and coordinate fundraising objectives.
 - (3) Final approval for fundraisers must be authorized by the FUM or designee.
 - (4) The authorizing entity will assume the cost of security or preparation overtime associated with events, whether it is in the food service area or elsewhere in the institution.
 - (5) Institutions shall develop, maintain, and distribute an activity calendar of events for all types of inmate fundraisers and events. This will help to keep operational areas aware of events and help prevent the overburdening of resources in Food Services, Business Services, and Central Trust.
 - (6) Markup for fund raisers should not exceed 100% over the cost to produce or purchase the item. Example: The purchase of a \$5.00 value meal should not be marked up beyond \$10.00.
 - (7) It is recommended that staff seek guidance from the Inmate Revenue Generating Unit as appropriate.
- e. Food Purchases:
 - (1) Institutions are required to consult with the FUM or designee to recommend appropriate serving sizes and amounts of food ordered or purchased from outside sources.
 - (2) Institutions shall develop a system for tracking approved CD28s in order to present a guaranteed number to the outside food vendor to limit waste or over-purchasing. The system shall be based on the weekly reports provided by Business Services. Institutions are encouraged to use the electronic CD28 process.
 - (3) Food left over from an event is the responsibility of the entity sponsoring the event. If there is significant left-over food, items may be donated to the institution for general consumption, with the functional unit manager or designee's approval. If the food product is suitable for donation to a local food bank, the event planner will be required to obtain a receipt for the donation. The receipt should be kept by the event planner according to the department's retention schedule.
- f. Standards and Protocols:
 - (1) It is acceptable to use a SPOTS card to purchase ingredients to prepare a fundraiser meal.
 - (a) If outside food (from a restaurant) is purchased for an inmate fundraiser or incentive meal, the SPOTS cardholder is responsible for determining if the SPOTS card may be used for the purchase.
 - (b) Prior to purchases with a SPOTS card, funds must be in the EPTA in Central Trust.

- (2) All outside purchases require a second person other than the SPOTS cardholder, to verify that the receipt and the items received match. The receipt must then be provided to Central Accounting and Central Trust (if EPTA used) during the SPOTS cardholder's monthly reconciliation.
- (3) DOC employees or contractors may not function as a paid independent vendor to cater events. This is a conflict of interest.
- g. Trust Accounting:
 - (1) Central Trust/Business Services:

All inmate fundraisers and events in which inmates are charged, or when inmates donate to participate in an event shall use a CD28 form for collection of funds from the inmate. Funds collected shall be placed in the EPTA in Central Trust; when the SPOTS expenditures are within 60 days.

 - (a) CD28 forms shall be submitted to Business Services two weeks prior to the date of the event. No goods out of the EPTA account shall be purchased prior to a final count of participants. Weekly reports are available from Business Services staff.
 - (b) All event expenditures paid by a Cost Center must be reimbursed before the profit can be transferred to the entity that owns it. In cases where the entity that owns the profit is the cost center that will make the purchase, all funds generated may be transferred to the Cost Center once inmates have been charged.
 - (c) When profits are identified, a request for funds transferred from a Central Trust account is completed by using an Administrative Check Request form (CD28a).
 - (d) Expenditures that are generated through the use of a SPOTS card will be reviewed by Central Trust upon receiving the appropriate SPOTS reconciliation log (CD1710).
 - (e) After Reviewing the SPOTS reconciliation log, Central Trust shall issue a check to Central Accounting for SPOTS card purchases.
 - (f) A CD28a shall be used following reconciliation to transfer net profit from the EPTA to the appropriate account. If a club raised the revenue, net profit shall be transferred to the appropriate club account within Central Trust.
 - (g) Funds shall not reside in an EPTA longer than necessary.
- h. Central Accounting:
 - (1) Central Accounting pays expenditures associated with Cost Centers. If expenditures are created by SPOTS card purchases, accounting pays these expenditures from a Cost Center. Central Accounting then seeks documentation from an authorized SPOTS card holder and an associated reimbursed check from Central Trust to reconcile to the SPOTS card log charges.
 - (2) All of the above steps must be completed for audit and documentation purposes.
 - (3) Staff should contact Inmate Revenue Generating for any questions regarding the above process.

2. Inmate Clubs

- a. Inmate Club Central Trust accounts will not be allowed to run a deficit. Staff sponsoring club activities must ensure inmates who participate have adequate funds available.
- b. All disbursement of club funds must be made in accordance with the department policy on Cash Handling (Checks, Warrants and Vouchers 30.1.2).
- c. Inmate clubs may own memberships to discount stores.

- (1) Staff cannot use inmate club membership cards for personal use.
 - (2) Memberships must be established using the institution and club name and cannot include any staff member on the account. (e.g. OSP Tea Club)
 - (3) The membership card must be kept under lock and key by the functional unit manager or designee.
 - (4) Rebates must be deposited into the inmate club Central Trust account.
 - (5) Any remaining monies from a withdrawal to purchase products must be turned in the next business day so they can be placed back into the inmate club Central trust account.
- d. Institutions are encouraged to maintain separate club Central Trust accounts for each club to maintain financial integrity provided that it has enough activity to warrant a separate account.

3. Other Activities

- a. Supporting Community Causes:
- (1) Funds should be contributed by Request for Withdrawal of Funds form (CD28) and maintained in an appropriate Central Trust account, such as a club or activity Central trust account.
 - (2) Funds should be disbursed to the receiving entity using the Administrative Check Request form (CD28a).

IV. IMPLEMENTATION

This policy will be adopted immediately without further modification.

Certified: __signature on file_____
Michelle Mooney, Rules Coordinator

Approved: _signature on file_____
Brian Belleque, Deputy Director