



DEPARTMENT OF CORRECTIONS
Institutions



Title:	Food Cost (Food Service)	DOC Policy: 40.2.12
Effective:	10/6/22	Supersedes: 8/23/15
Applicability:	Institutions and Office of Chief Financial Officer	
Directives Cross-Reference:	None	
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.** AFAMIS: Automated Financial Accounting Manufacturing Inventory System used to order, track, receive, and make payment for inventory and non-inventory purchases.
- B.** 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.
- C.** Food Cost Form: A DOC form used to show the average amount spent on food for the AIC population.
- D.** Incentive Meals: Meals served to AICs purchased from Other Funds (OF) to incentivize appropriate conduct.
- E.** DOC Invoice Request Form: A form used when DOC bills an outside entity, other agency, or internal unit that doesn't use AFAMIS.
- F.** DOC Journal Entry Request Form: A form used to move revenue or expense from one cost center to another.
- G.** 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 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 and Sanitation Supplies
 - b. 9261.100 Food
 - c. 9261.200 Kitchen and Dining Room
 - d. 9269.301 Wearing Apparel
 - 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 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 must be received.
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. Meal Tickets:

No staff member associated with the Food Service unit shall sell or issue meal tickets. Only Business Services staff or designated institution staff shall sell or issue meal tickets.

1. Employee meal tickets: Purchased by an employee. If approved, institutions may offer expanded staff meal options that may require the redemption of multiple meal tickets. Meal ticket revenue is deposited into the institution's Food Service Administrative Other Funds cost center. Each month, Accounting will process a journal entry to reimburse General Fund (GF) to offset the cost of staff meals.
2. Contractual meal tickets: A 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 using a journal entry request form.
3. Overtime meal tickets: A meal given to a staff member who works an overtime shift but is unable to leave the institution for a meal period. The price of the meal shall be billed to the unit receiving the overtime meal monthly by using a journal entry request form.

D. Cottage Programs, Incentive Meals, Banquets, or Other Food or Non-Food Non-AIC Meal-Related items:

1. Institutions that sell food and non-food items to cottage programs (e.g., Meals on Wheels, senior meals, Central Distribution Center, external food programs, etc.)

shall purchase all food and non-food items from their AIC Institution Work Program OF cost center, unless fiscally or logistically impossible.

- a. When billing for goods to external customers, an invoice request form shall be completed and submitted to Business Services who shall review and submit the completed form to generate an invoice.
 - b. All revenue shall go into the appropriate OF cost center.
2. Institutions that cannot purchase from an OF cost center shall purchase food and non-food items from their GF cost center and invoice all goods at cost plus a 20 percent markup unless permission for a different price has been given by the Food Service Administrator. Once the revenue is posted in the OF cost center, a journal entry request form will be completed, moving GF expense for the meal production into the OF cost center.
 3. All food and non-food items ordered from OF cost centers shall not be used for institution meals and must be kept separate from the food and non-food items ordered using GF dollars.
 4. All food items made and sold will be invoiced at cost plus a 20 percent markup unless permission for a different price has been given by the Food Service Administrator.

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, Acting Director