

**COMMONWEALTH OF MASSACHUSETTS
DEPARTMENT OF CORRECTION
103 DOC 476
CANTEEN AND VENDING MACHINE OPERATIONS AND EXPENDITURES
TABLE OF CONTENTS**

476.01	Definitions.....	2
476.02	General Policy.....	2
476.03	Secure Delivery System.....	3
476.04	Canteen Items.....	3
476.05	Secure Delivery System Procedures.....	4
476.06	Inmate Benefit Revenue Report.....	4
476.07	Vending Machines.....	5
476.08	Verification of Vending Revenues.....	5
476.09	Vending Machine Accounting Records.....	6
476.10	Department of Correction Program Account.....	6
476.11	Law Library Account.....	7
476.12	Institutional Guidelines for Expenditure of Inmate Benefit Revenue.....	8
476.13	Employee Benefit Account.....	9
476.14	Institutional Guidelines for Expenditure of Employee Benefit Revenue.....	9
476.15	Accounting Period.....	10
476.16	Retention of Accounting Records/Source Documents.....	10
476.17	Access to Records.....	10
476.18	Responsible Staff.....	10
	Inmate Benefit Revenue Report (Attachment A).....	11
	Institutional Expenditure Request Form (Attachment B).....	12

Excess Expense Request Form (IBF) (Attachment C)	13
Excess Expense Request Form (EBF) (Attachment D)	14

MASSACHUSETTS DEPARTMENT OF CORRECTION	DIVISION: CENTRAL ADMINISTRATION
TITLE: CANTEEN AND VENDING MACHINE OPERATIONS AND EXPENDITURES	NUMBER: 103 DOC 476

Purpose: To establish departmental policy and procedures for canteen, vending machines, and associated expenditures.

References: MGL C. 124, S. 1c and (q)

Applicability: All Staff **Public Access:** Yes

Location: DOC Central policy file / Institutional policy file
Inmate Library

Responsible Staff for Implementation and Monitoring of Policy:

- Deputy Commissioner, Administration Services Division
- Director of Administrative Services
- Superintendents
- Fiscal Officers

Promulgation Date: 07/07/2010 **Effective Date:** 08/05/2010

Cancellation: This document cancels all previous department policy statements, bulletins, directives, orders, notices, rules and/or regulations regarding the operation of canteens, vending machines, and expenditures which are inconsistent with this policy.

Severability Clause: If any part of this policy, for any reason, is held to be in excess of the authority of the commissioner, such decision will not affect any other part of this policy.

476.01 **Definitions**

Audit: An examination of agency or facility operations, programs or accounts which is conducted by a person or persons not directly involved in the area being assessed. An independent audit results in an opinion regarding the adequacy of the area assessed.

Canteen Item: Any saleable product, commodity, foodstuff, etc., which is enumerated by retail pricing or trademark. Every item which appears on the institutional canteen list whether distinguished by price or brand is considered unique for quantitative purposes.

Charter: A document detailing who will manage revenues collected and for what purposes those revenues may be expended.

Contractor: A person or organization that agrees to furnish materials or to perform services for a facility or jurisdiction at a specified price. Contractors operating in correctional facilities are subject to all applicable rules and regulations for the facility.

Department: The Department of Correction (DOC).

Director of Administrative Services: The Central Office Administrator whose duties include the overall management of inmate funds.

Manager of Library Services: An employee designated by the Commissioner of the Department of Correction as being responsible for coordination of library services.

476.02 **General Policy**

The Department of Correction institutions receive canteen services from a centralized contract for same. These services are in the form of a Secured Delivery System (SDS) where inmates can purchase from an approved list of items, not provided by the institution. Also a centralized contract for vending machines is maintained to allow vending machines to be located on institutional property and provide miscellaneous viands to inmates, employees, and the public. It is the policy of the Department of Correction to standardize and establish uniform procedures for the expenditures of the

aforementioned generated commissions/profits as contained herein.

476.03 **Secure Delivery System**

1. The secured delivery system is a pre-bagged order procedure which will be accomplished at a designated location.
2. The Superintendent will determine the maximum allowable weekly canteen expenditures per inmate. This expenditure ceiling will be assimilated into canteen procedure and documented in each applicable institutional policy as submitted annually.
3. The delivery schedule will be determined by mutual agreement between the contractor and the respective superintendent.
4. The day-to-day operations of the SDS will be accomplished in accordance with the language of the Request For Response (RFR) and corresponding contractual agreement.

476.04 **Canteen Items**

1. All canteen items shall be limited to a maximum of 250 and selected from the departmental master list as documented in the contractual agreement. Said limit shall not include property items, i.e. clothing, etc. or appliance items, i.e. television, radios, etc. Any additions to the department master list shall be approved by the Commissioner or designee. The determination of allowable canteen items will be at the discretion of the Superintendent or designee who may establish such mechanisms to determine inmate preferences in choosing said products. Items may be discontinued to accommodate new products if so desired. However, under no circumstances shall the aforementioned inventory cap be exceeded.
2. Canteen items shall be priced in accordance with the mark-up as documented in the RFR and contractual agreement. Any price increase/decrease shall be approved by the Commissioner or designee. Price lists shall be posted in a visible location

or shall be assimilated into the order form.

476.05**Secure Delivery System Procedures**

1. The debiting of inmate accounts for canteen sales will be coordinated with the Division of Technology Services.
2. Canteen orders are packaged in clear, heat sealed, plastic bags. Inmates must verify the contents of same before signing receipt and opening the bag. Inmates will not be afforded credit for missing items once the bag has been opened.
3. The contractor shall notify the institution of any credits for missing items or for orders that were not delivered. The institution receiving funds shall be responsible for crediting the respective inmate's account.
4. All sales will be accrued to the designated account on the Department of Correction Inmate Management Information System (IMS), Trust Fund Accounting module. Sales should be reconciled before any vendor payment is disbursed. Commissions shall be systematically transferred to a consolidated inmate benefit account for accounting purposes.
5. Evidence of canteen expenditures should be retained and systematically filed for audit purposes.
6. The retail sales of all tangible items at the canteen are subject to the Massachusetts sales tax. The contractor is responsible for the collection, reporting, and payment of sales tax pursuant to the contractual agreement.

476.06**Inmate Benefit Revenue Report**

1. On a monthly basis, each facility/institution shall complete an Inmate Benefit Revenue Report (IBRR) (Attachment A) detailing commissions, collection, and expenditures. Said report will be cumulative in form and submitted to Support Services by U. S. or electronic mail no later than 15 days after the close of the previous period. These reports will be reviewed/audited for compliance to the contents of this policy. An annual report will be compiled by the Audit and Compliance Unit delineating the

aforementioned financial transactions.

2. The Audit and Compliance unit shall execute the annual audit plan for Inmate Benefit Funds. One component of the annual audit plan shall be to identify facilities that generate revenue in excess of historical needs and facilities that fail to generate sufficient revenue to meet historical needs. Upon approval of the Director of Administration, funds identified as excess shall be redistributed to facilities that are in need of additional Inmate Benefit funds. Any remaining excess funds shall be transferred to a centralized Inmate Benefit Account. The Director Administrative Services shall be responsible for the control and management of the centralized Inmate Benefit Account and shall have spending authority to \$10,000.00, any expenditure in excess of \$10,000.00 shall require the Commissioner's approval.

476.07 **Vending Machines**

1. All Department of Correction institutions or divisions which have vending machines located on their property shall do so only with an approved written charter. This charter shall state for whose benefit any profits accrue to; for what purposes profits may be expended; who can authorize expenditures; as well as any other appropriate functions or policies deemed appropriate. The aforementioned charter must be resubmitted to the Commissioner or designee for approval whenever a material change occurs or if there is a change in the position of Superintendent.
2. The procurement of vending machine services is centralized for the entire department and will be accomplished by competitive solicitation in accordance with department policy 103 DOC 340, Departmental Purchasing Procedures. The Director of Administrative Services will coordinate said procurement and execute the required contractual documentation.

476.08 **Verification of Vending Revenues**

It is the responsibility of the Superintendent or designee to verify that all revenues received agree with the terms of the contract.

476.09 **Vending Machine Accounting Records**

Associated commission statements, revenue receipts, etc. should be systematically filed and retained for audit purposes. Any profit splits between different groups should be so noted (e.g. 50 percent canteen account, 50 percent employee fund) on the source document.

476.10 **Department of Correction Program Account**

1. In an effort to identify and utilize all available resources, a Department of Correction program account has been established to supplement existing programs or funding for new programs throughout the Department
2. The Program Account will generate its funding by a Ten (10) percent stipend of all gross profits from canteen sales and vending machines with the exception of those profits/commissions that are designated in accordance with an approved charter, as Employee Benefit Funds, which are exempt from this assessment. The amount of this stipend will be determined from the completion of the monthly IBRR (Attachment A) assessed from the computation of gross revenue as depicted. The transference of said funds will be accomplished as a disbursement payable to the DOC program account and forwarded to the department liaison as designated by the Director of Administrative Services. Said transaction should be accomplished upon completion of the IBRR. Payment should be submitted to the Department liaison by the 15th of the month following the reporting period.
3. The Deputy Commissioner, Classification, Programs and Reentry Division shall be responsible for the control and management of the DOC program account. All financial transactions will be in accordance with sound business practices and supporting documentation shall be appropriately filed and

retained for audit purposes. Requests for funding for existing or new programs from the DOC program account shall be made in writing from the respective Superintendent to the Deputy Commissioner of Classification, Programs and Reentry Division. All requests should be in letter form outlining the reason(s) for the request, justification, group(s) of inmates affected, suggested vendor, and the amount of the proposed expenditure. All disbursements from said account will be accomplished in a centralized manner pursuant to the acquisition of appropriate receiving evidence from the institutional recipient. All goods and services procured from this account are subject to the provisions of department policies 103 DOC 343, Fixed Assets Inventory and Control and 103 DOC 340, Departmental Purchasing Procedures.

4. The Director of Administrative Services shall designate the Department liaison to be responsible for the fiscal bookkeeping functions of the DOC Program Account.

476.11 Law Library Account

1. The Law Library Fund account will generate its funding by a 35 percent stipend of all gross profits from canteen sales and vending machines with the exception of those profits/commissions that are designated in accordance with an approved charter as employee benefit funds, which are exempt from this assessment. The amount of this stipend will be determined from the completion of the monthly IBRR (Attachment A) assessed from the computation of gross revenue as depicted. The transference of said funds will be accomplished as a disbursement payable to the Law Library Fund and forwarded to the Department liaison as designated by the Director of Administrative Services. Said transaction should be accomplished upon completion of the IBRR. Payment should be submitted to the Department liaison by the 15th of the month following the reporting period.
2. The Manager of Library Services shall be responsible for the control and management of the

Law Library Fund. All financial transactions will be accomplished in accordance with sound business practices with supporting documentation appropriately filed and retained for audit purposes.

3. The Director of Administrative Services shall designate the Department liaison to be responsible for the fiscal bookkeeping functions of the Law Library Fund.

476.12 Guidelines for Expenditures of Inmate Benefit Revenue

1. Superintendents shall retain 55 percent of profits generated from the Secured Delivery System, vending machine commissions, and other sources of inmate benefit revenue. The retained profits are subject to annual review in accordance with section 476.06 of this policy.
2. Expenditures of such funds shall benefit the general inmate population or be for any goods or services determined by the Commissioner to be necessary to maintain and/or enhance the delivery of services to inmates. Awarding funds to special inmate interest groups, clubs, and associations shall normally not be permitted unless justification can be substantiated by the Superintendent.
3. All purchases will be made in accordance with sound business practices pursuant to the Operational Services Division and the department policy 103 DOC 340 Departmental Purchasing Procedures. All equipment purchased from Inmate Benefit Funds shall become the property of the Department of Correction and is subject to the provisions of department policy 103 DOC 343, Fixed Assets Inventory and Control.
4. Institution staff shall utilize Attachment B to request expenditures from inmate benefit revenue. The institution Treasurer shall review all institution requests to ensure that funds are available. All such requests must be approved by the respective Superintendent or designee in

writing as documented.

5. Inmate benefit expenditures exceeding one thousand dollars (\$1,000.00), including reoccurring expenditures that annually exceed the one thousand dollar threshold require written authorization from the Deputy Commissioner, Administrative Services Division or designee. Superintendents shall submit Attachment C to request such approval. Reoccurring expenditures that exceed the threshold, i.e., library expenses, should be submitted in cumulative form for the entire fiscal year.
6. All purchases from inmate benefit revenue should utilize state contracts whenever feasible. All such purchases requiring bid proposals, i.e., computer equipment, etc. require prior approval of the Director of Administrative Services. Said approval should be preceding any approval required for exceeding the \$1,000.00 expenditure threshold.
7. All approval evidence shall be collectively attached to expenditure documentation and retained for audit purposes.

476.13 **Employee Benefit Account**

1. An Employee Benefit Fund Account may be maintained for the benefit of all staff. Expenses for such items as flowers, contributions to the DOC Awards Banquet, employee recognition and charitable donations shall be the primary use of these funds. Expenditures shall benefit all employees or be for any goods or services that all employees have an equal opportunity to benefit from.
2. The source of revenue for Employee Benefit Accounts shall be limited to commissions derived from vending contracts as depicted in the institution or division "Vending Machine Charter" and donations.

476.14 **Institutional guidelines for Expenditures of Employee Benefit Revenue**

1. The Superintendent is the authorized approving authority for expenditures of \$1,000.00 or less.
2. Expenditures exceeding \$1,000.00 shall require the approval of the Deputy Commissioner, Administrative Services Division. Superintendents shall utilize attachment D to request such approval. All approved requests shall be maintained on file at the institution for audit purposes.
3. All purchases shall be made in accordance with department policy 103 DOC 340 Departmental Purchasing Procedures and in accordance with sound and ethical business practices. No expenditures shall directly or indirectly benefit the Superintendent. No purchase should be made from this funding source that would not be made from allocated appropriations. For example, purchases of such items as alcoholic beverages or Christmas cards shall not be allowed. Receipts for all expenditures shall be obtained and kept on file.
4. All equipment purchased from the Employee Benefit Fund will become the property of the Department of Correction and is subject to the provisions of department policy 103 DOC 343, Physical Property Inventory and Control.
5. The Director of Administrative Services shall conduct a periodic review of all expenditures of Employee Benefit Funds. To facilitate this review, the following information shall be entered in the trust fund accounting module of IMS while executing the expenditure transaction; detail who was paid, the amount of the payment, and a description of the item(s) or service(s) paid for.

476.15 **Accounting Period**

The fiscal year for canteen and vending machine operations as contained herein will begin July 1st and end on June 30th.

476.16 **Retention of Accounting Records/Source Documents**

The Department (facility/institution) copy of all fiscal documents must be systematically filed to facilitate later retrieval for audit purposes.

476.17 **Access to Records**

The Director of Administrative Services or his designee shall have access to all institutions and their fiscal records for audit purposes and/or to determine compliance with this policy.

476.18 **Responsible Staff**

The Director of Administrative Services, under the supervision of the Deputy Commissioner, Administrative Services Division shall be responsible for implementation and monitoring of this policy throughout the department.

Each Superintendent shall be responsible for implementation of this regulation and for the development of any and all necessary and appropriate institutional policies and procedures.

**Department of Correction
Inmate Benefit Revenue Report**

Institution _____ **Month/Yr** _____

Revenue	Current Month	Fiscal Year to Date
SDS Commissions	_____	_____
Vending Commissions	_____	_____
Lockers	_____	_____
Interest	_____	_____
Other:	_____	_____
_____	_____	_____
_____	_____	_____
_____	_____	_____
_____	_____	_____
Total Revenue	_____	_____

Expenditures

10% Program Assessment	_____	_____
35% Law Library Fund	_____	_____
General Library	_____	_____
Inmate Benefit Expenditures	_____	_____
Other:	_____	_____
_____	_____	_____
_____	_____	_____
_____	_____	_____
_____	_____	_____
Total Revenue	_____	_____
<i>Net Revenue/Loss</i>	_____	_____
	_____	_____

INSTITUTION EXPENDITURE REQUEST FORM

TO: Treasurer/Superintendent

FROM: _____

DATE: _____

Amount Requested: _____

Reason for Request: _____

Inmate Group/Activity Requesting Funds:

Who will benefit from purchase?

Inmate Contact Person: _____ Housing Area: _____

Purchase From: _____

Street: _____

Town, State, Zip Code: _____

Staff Action Only

Recommendation/Program Director: Approved: _____ Denied: _____

Treasurer - Is money available: Yes: _____ No: _____

Superintendent's Action: Approved: _____ Denied: _____

DEPUTY COMMISSIONER OF ADMINISTRATIVE SERVICES
AUTHORIZATION FORM

TO: Deputy Commissioner
Administrative Services Division

FROM: Superintendent

DATE:

RE: Request to Expend in Excess of \$1,000 from Inmate Benefit Fund

(facility name here)_____ is requesting to expend __ (amount requested here)___ for the purpose of: Description here....in example, purchasing 35 Burgundy Modu-Max Stacking Chairs with arms to be used for inmate programs (Chapel, recreation videos, etc.).

I hereby certify that sufficient funds are available in this institution's Inmate Benefit Account for this expenditure.

Superintendent's Signature: _____

Please see attached purchase requisition for further information.

Deputy Commissioner's Action: _____ Approved/Date

_____ Denied/Date

Please return to: ___(address here)_____

Attention: ___(name of contact person here)___

DEPUTY COMMISSIONER OF ADMINISTRATIVE SERVICES
AUTHORIZATION FORM

TO: Deputy Commissioner
Administrative Services Division

FROM: Superintendent

DATE:

RE: Request to Expend in Excess of \$1,000 from Employee Benefit Fund

(facility name here)_____ is requesting to expend _(amount requested here)___ for the purpose of: description here, in example... purchasing 35 Burgundy Modu-Max Stacking Chairs with arms to be used for staff dining.

I hereby certify that sufficient funds are available in this institution's Inmate Benefit Account for this expenditure.

Superintendent's Signature:_____

Please see attached purchase requisition for further information.

Deputy Commissioner's Action: _____ Approved/Date

_____ Denied/Date

Please return to: ___(address here)_____

Attention: ___(name of contact person here)___