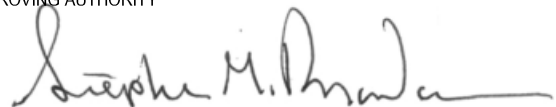
 Corrections and Community Supervision DIRECTIVE	TITLE		NO. 2900
	Functions of the Division of Support Operations		DATE 05/18/2022
SUPERSEDES DIR# 2900 Dtd. 02/14/20	DISTRIBUTION A	PAGES PAGE 1 OF 4	DATE LAST REVISED
REFERENCES (Include but are not limited to) State Finance Law; ACA Expected Practice 4-APPFS-3D-13; Directives 2011, 2604, 2914, 2915, 2916, and 2932; NYS Procurement Guidelines (Office of General Services)	APPROVING AUTHORITY 		

I. DESCRIPTION: The Division of Support Operations is responsible for planning, directing, and coordinating a wide variety of activities and functions that support all areas within the Department. These activities and functions are categorized as follows:

Central Office Services

Building Maintenance & Leases
Space Planning
Central Files
Central Depository
Mail and Supply
Procurement
Contract Procurement
Vehicle/Fleet Management
ITS Equipment Distribution
MWBE/SDVOB

Facility Support Services

Central Quartermaster Operations
Commissary Operations
Housekeeping
Incarcerated Individual Clothing
Laundry Operations
Pest Control
Store House Operations
Purchasing/Contracting
Emergency Purchases

Technical Services

Capital Equipment
- Budgeting
- Fixed Asset
- Procurement
- Specifications
- Transfer
Surplus Property Disposition
AMS (formerly DPAT)
Records Management & Retention Schedules

II. CENTRAL OFFICE SERVICES

- A. **Building Maintenance, Space Planning, & Lease Administration:** in collaboration with Executives, management, and appropriate supervisory staff, and in compliance with applicable laws and codes:
1. Responsible for arranging via service contracts, with landlords, or with the Office of General Services (OGS) cleaning of all offices, minor renovations, routine maintenance and repairs, and parking, etc. for all Central Office locations.
 2. Responsible for monitoring and maintaining building leases.
 3. Responsible for assessing Central Office work locations for appropriate and efficient utilization, identifying new work locations and coordinating logistics for any relocations as deemed necessary.
- B. **Space Planning:** Responsible for working with OGS in developing space requirements, planning layouts, approval of office leases, scheduling and arranging for office moves, and related activities.

- C. Central Files: Responsible for maintenance of the Central Office incarcerated individual/releasee files, records storage, and archives, as well as managing the associated operational activities.
- D. Central Depository: Stores and maintains:
1. Incarcerated individual records for all State correctional facilities located in the New York City area.
 2. Inactive incarcerated individual records from Central Office.
 3. Inactive records for Central Office Division Heads and the Executive Team.
 4. Records from closed facilities.
- E. Mail and Supply: Responsible for the distribution of mail, messenger services, and other miscellaneous activities.
- F. Procurement: Responsible for preparing and processing all purchasing documents in accordance with New York State procurement guidelines, for equipment, supplies, and services for Central Office and Community Supervision Central Office adopt-a-facility locations (Central NY Administration and Northeast Area Office). Available resource for related questions or clarifications from the field can be found at: (SupportOperationsPurchasing@doccs.ny.gov).
- G. Contract Procurement: Responsible for procuring required Central Office contracts (e.g., commodities, services, technology, healthcare, equipment leases, maintenance contracts, cleaning contracts), and related activities. All requests for contracts must be processed by Support Operations, Contract Procurement Unit (CPU) in compliance with State Finance Law and New York State Procurement Guidelines. Available resource for related questions or clarifications from the field can be found at: (DOCCSContracts@doccs.ny.gov).
- NOTE: The Department of Corrections and Community Supervision (DOCCS) MWBE/SDVOB Team within the CPU coordinates and monitors DOCCS efforts to purchase commodities and services from responsible New York State Minority and Women-Owned Business Enterprise firms and certified Service-Disabled Veteran-Owned firms in compliance with NYS Procurement Guidelines and the law.
- H. Vehicle/Fleet Management: Purchase new vehicles as authorized by Executive staff and in accordance with Division of Budget (DOB) and OGS requirements; maintain vehicle inventory records; monitor and maintain properly authorized vehicle assignment and use; determine vehicle replacement requirements; processing of registrations, insurance forms, and accident reports and related insurance claims; fuel card requests; mileage log reviews, monitor repairs, and various related supporting activities.
- I. ITS Equipment Distribution: ITS Equipment such as cell phones, tablet computers, and laptops are shipped to Support Operations - Quartermaster, where they are logged and distributed to Central Office, facilities, and Community Supervision staff.
- J. Inter-Office & Miscellaneous Deliveries: Provide regular and miscellaneous pick-up and delivery services for Central Office and satellite locations, including limited support for correctional facilities.

III. FACILITY SUPPORT SERVICES

- A. Central Quartermaster Operations: Responsible for the purchasing, warehousing, and distribution of all uniform components and accessories for all Departmental uniformed staff and maintaining the inventory and distribution of office supplies for Central Office locations, distribution of approved cell phones, peace officer badge inventory/management, and some larger photocopying services (when properly authorized).
- B. Commissary Operations: Responsible for management oversight and technical support for all facility incarcerated individual commissaries. Functional responsibilities include review of operational procedures, required financial reporting, and Information Technology Services (ITS) liaison for related computer systems. Assist facilities as necessary to resolve operational, procurement, or control problems, including the assessment of physical layout and staff utilization.

The [Commissary Operation Procedures Manual](#) is a resource to provide guidance and clarity for staff relative to commissary operations, controls, accounting, and reporting.

- C. Housekeeping: Assists facilities in developing equipment and supply requirements, training staff and incarcerated individual in proper cleaning and sanitation techniques and conducting housekeeping inspections. Also assists facilities in determining most effective and efficient methods for waste disposal.
- Training is conducted with the facility Environmental Services Committee during the annual Sanitation and Hygiene Audit.
- D. Incarcerated Individual Clothing: Develops contracts for Departmental incarcerated individual clothing requirements; assists correctional facilities with managing State Shops, determining inventory requirements, assess appropriate procedures and controls, and assist with resolution of operational challenges.
- E. Laundry Operations: Assists facilities in determining best method for laundry operations; developing functional layouts and staffing requirements, developing equipment requirements, establishing operating procedures, and resolving operational challenges.
- F. Pest Control: Assists facilities in establishing safe and effective Integrated Pest Management (IPM) Programs which stress non-chemical methods of pest control.
- G. Store House: Assists facilities in determining adequate square footage requirements, determining equipment and shelving required to maximize efficiency, developing staff requirements, and establishing operating procedures.
- H. Centralized Purchasing/Contracting: Develops Statewide contracts for various maintenance contracts (e.g., Civilian Personal Alarm, Taut Wire, CCTV, Lab Testing, etc.). Responsible for Statewide purchasing (e.g., vehicles, copiers, security equipment, etc.)
- I. Emergency Procedures: Assists facilities in procuring emergency equipment and services.

IV. TECHNICAL SERVICES

A. Capital Equipment

1. *Budgeting*: Review facility requests for major equipment items and formalize the Department's annual budget request for Capital Equipment funding.
2. *Fixed Asset*: Liaison with OGS for perpetual inventory requirements for fixed asset equipment.
3. *Procurement*: Prepare and process purchasing documents for equipment items.
4. *Specifications*: Assist facilities in developing both equipment requirements and specifications based on intended use.
5. *Transfers*: Review equipment utilization and arrange for the transfer, relocation of operable equipment, or disposition of unused and/or inoperable equipment.

B. Surplus Property Disposition: Coordinate and process surplus and disposal of all surplus State property.

C. AMS (formerly (DPAT)): As part of Vehicle/Fleet Management, oversees administration of DOCCS utilization of the Asset Management System (AMS) for the management of rolling assets that could be called into use in the event of a statewide emergency. This includes preparing a Business Case for OGS and DOB approval to procure new assets, ensuring that information for each asset is accurate, such as location and status.

NOTE: This was previously managed through Disaster Preparedness Asset Tracking Program (DPAT). Support Operations staff have and continue to work closely with representatives of the Department of Transportation (DOT) and DOB to ensure compliance with all applicable AMS requirements and expectations.

The DOCCS [Asset Management System Manual](#) enhances overall Departmental compliance and to provide appropriate clarity and guidance for end users.

D. Records Management – Retention Schedules (See also Directive #2011, “Disposition of Departmental Records”): The Records Management Officer (within Support Operations) works with the various DOCCS Departments on developing retention schedules for those records that are unique to this Agency (and are not covered in the General Schedule).

Assistance is also provided in those instances where records in storage pending disposition have become contaminated (i.e. flooding, mold, etc.).

DOCCS USER MANUAL
FOR THE
ASSET MANAGEMENT
SYSTEM
(AMS)

01/30/2020

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Introduction

The Asset Management System (AMS) is the result of a collaboration among the Division of the Budget (DOB), the Department of Transportation (DOT), and other state agencies, including DOCCS. AMS has replaced the Disaster Preparedness Asset Tracking program, or DPAT, as the means to accurately track the Department's assets that are in good working order and can be deployed in an emergency.

This manual has been prepared to provide a hands-on, user-friendly reference and guide to assist all users with maintaining this critically important system.

During normal workday hours, Plant Superintendents, or equivalent, will be responsible for keeping AMS up-to-date with any changes to the status of the listed equipment. If there are status changes to the equipment at night or during the weekend, then the Command Center will be responsible for making those updates in AMS.

If you have any questions regarding this guide or AMS, please contact the Division of Support Operations contacts as listed and mentioned in the guide.

FIELD DEFINITIONS

- **Equipment ID** (“Asset ID”) is the unique ID number in AMS that is associated to that specific asset for its entire life and after for historical data tracking.
- **“Deployment Status”**. The available choices are Deployed, Available, and Unavailable. Assets should only be listed as Deployed when they have been deployed by the NYS Office of Emergency Management (OEM). **An asset that is moved around by the Department is not considered Deployed.** If an asset is being used by another facility and is not available to OEM, it should be listed as Unavailable.
- **“Serial Number”** is the VIN number (17-digit)
 - or if a VIN is not available, the manufacturer serial number
- **“Internal Agency Number”** represents the number which an agency assigns and colloquially knows an asset by. For example, ADK-32.
- **“Meter Class”** is the designation of meter configuration for a type of equipment. This is what drives the number of meters available for update.
 - e.g. Large Dump Truck – Meter Class: Miles and Hours (Meter 1: Miles and Meter 2: Hours)
 - e.g. Bulldozer – Meter Class: Hours only (Meter 1: Hours)
- **“NYR Event ID”** is the New York Responds event of which an asset is assigned to.
 - This is supplied by DHSES and made available via dropdown.
- **“Reporting Class”** identifies if the asset is either
 - Readiness Reportable or
 - Paired, Institutional, Subordinate, or Stored
- **“Home Location”** is the location where the asset normally resides during normal operations
 - i.e. where the asset “sleeps at night”
- **“Current Location”** is where the asset is deployed to, staged, or temporarily assigned to away from its Home Location
- **“Current County”** is auto populated based off the Current Location

- “Department ID” identifies the agency that is responsible for that asset.

ACCESSING THE AMS HOME PAGE

Go to the AMS webpage at <https://ams.ny.gov/NYS/>

The screenshot shows the AMS home page with a central message: "Welcome to the Asset Management System (AMS) - with Readiness Reporting! ***This is NOT the test system!***". Below this is a yellow highlighted section: "Updated information regarding deployment status:". The text explains that resources must be updated if they move from their home location to support an NYR event. An example is provided: "20 plow trucks deployed to the Long Island Region from the Mid-Hudson region. (These would be marked as deployed to an NYR event in AMS)". On the left, a login form is visible with a green arrow pointing to the "User ID:" field. The right sidebar lists various "Agency Web Sites" including the Office for the Aging, Department of Agriculture and Markets, American Red Cross, etc.

Enter your log-in information in the fields next to the Green Arrow. Log-in Information will be provided to AMS users from the NYS Division of the Budget.

If a DOCCS employee needs AMS access or if a current user has forgotten their user ID or password, please send an email to Debra Bogins in Support Operations, at

debra.bogins@doccs.ny.gov

REVIEWING AND UPDATING ASSET INFORMATION IN AMS

To review current DOCCS assets in AMS, click on the Field User tab next to the green arrow.

The screenshot shows the AssetWORKS AMS interface. At the top, there is a navigation bar with 'Home', 'Field User', and 'SmartApp' tabs. A green arrow points to the 'Field User' tab. The main content area displays a welcome message: 'Welcome to the Asset Management System (AMS) - with Readiness Reporting! This is NOT the test system!' followed by updated information regarding deployment status. The interface also includes a 'Quick Links' sidebar on the left and an 'Agency Web Sites' sidebar on the right.

AssetWORKS

Home Field User SmartApp

Welcome

Welcome to the Asset Management System (AMS)
- with Readiness Reporting!
This is NOT the test system!

Updated information regarding deployment status:

It is only necessary to update resources in AMS as deployed to an NYR event if they are moving from outside of their home location.

When agencies are reporting total assets supporting an NYR event they need to include those normally assigned to those locations.

Example:

20 plow trucks deployed to the Long Island Region from the Mid-Hudson region. (These would be marked as deployed to an NYR event in AMS)

100 plow trucks normally assigned to the Long Island Region (These would not be marked deployed to and NYR event in AMS)

Agency Web Sites

- Aging, Office For the
- Agriculture and Markets, Department of
- American Red Cross
- Children and Family Services, Office of
- Corrections and Community Supervision, Department of
- Criminal Justice Services, Division of
- Education Department
- Empire State Development Corporation
- Energy Research and Development Authority
- Environmental Conservation, Department of
- Financial Services, Department of
- Fire Prevention and Control,

You will then have access to the Asset search engine. To review all DOCCS assets, type in DOC and click Go. To limit your search to just the assets located at a particular facility, you will need to type in DOC and then the facility's 5-digit agency code. For instance, users interested in looking up the assets at Adirondack CF would do a search for "DOC10230"

Asset Search

DOC10230

After clicking on the Go button on the Search button, the assets at that particular facility will be listed.

The screenshot shows the 'Choose an Asset' dialog box. On the left, there are filters for Asset Type, Deployment Status, Manufacturer, Model, and Lifecycle Status Code. The main area displays a list of 28 assets, showing 1-28 of 28. The list includes asset IDs, years, and descriptions. At the bottom, there are navigation buttons: Cancel, Previous, Next, and a page indicator 'Showing page 1 of 1'.

Asset ID	Year	Description
171420	2017	VAN-LARGE PASSENGER-8-10 PASSENGERS
081151	1900	VAN-LARGE PASSENGER-8-10 PASSENGERS
061229	2006	VAN-LARGE PASSENGER-8-10 PASSENGERS
161065	2016	VAN-LARGE PASSENGER-8-10 PASSENGERS
171473	2017	VAN-LARGE PASSENGER-8-10 PASSENGERS
161101	2016	VAN-LARGE PASSENGER-8-10 PASSENGERS
141369	2014	VAN-LARGE PASSENGER-8-10 PASSENGERS
085479	2008	TRUCK-SINGLE REAR AXLE DUMP-8.1 TO 10 CY

The list of assets has filters on the left-hand side. By clicking on the boxes, you can create filters to identify and list equipment by their specific asset type, deployment status, etc.

Choose an Asset

Clear DOC10230 Search

Showing 1-28 of 28

List Table

Asset Type

- AERIAL LIFT: 1
- FORK LIFT: 1
- GENERATOR: 2
- LOADER: 5
- LOADER - BACKHOE: 1
- TRUCK: 10
- VAN: 7

Deployment Status

- AVAILABLE: 18
- UNAVAILABLE: 10

Manufacturer

- : 27
- ADD TO COMMENTS: 1

Model

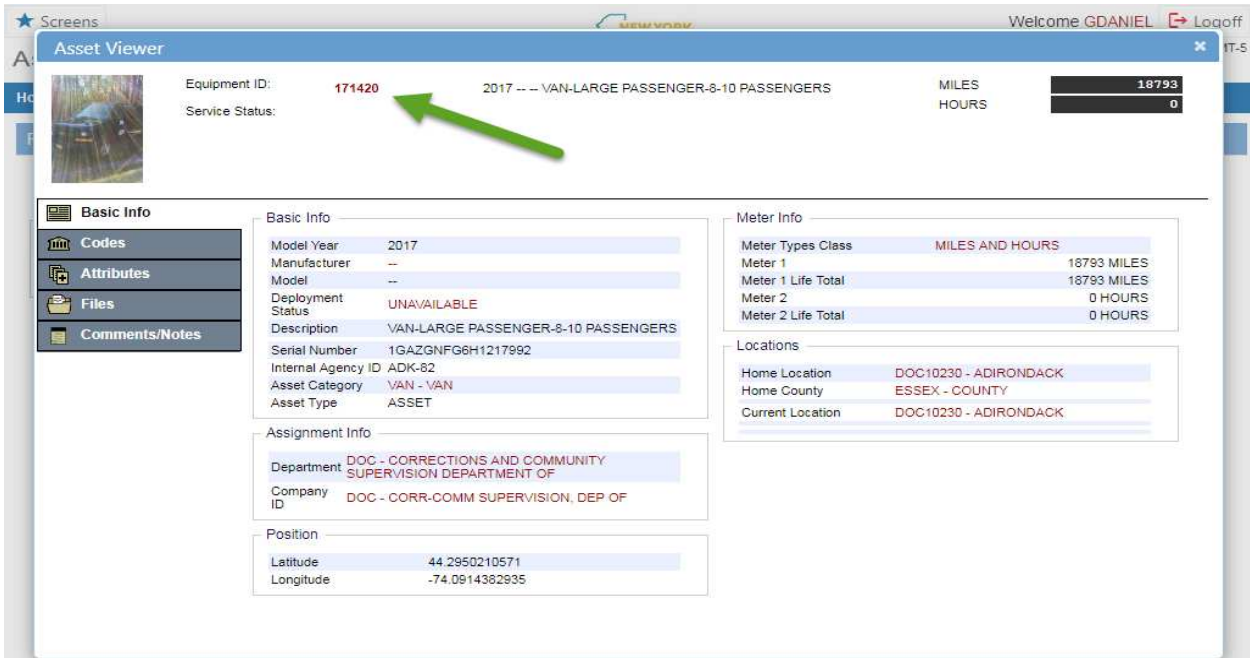
- : 27
- ADD TO COMMENTS: 1

Lifecycle Status Code

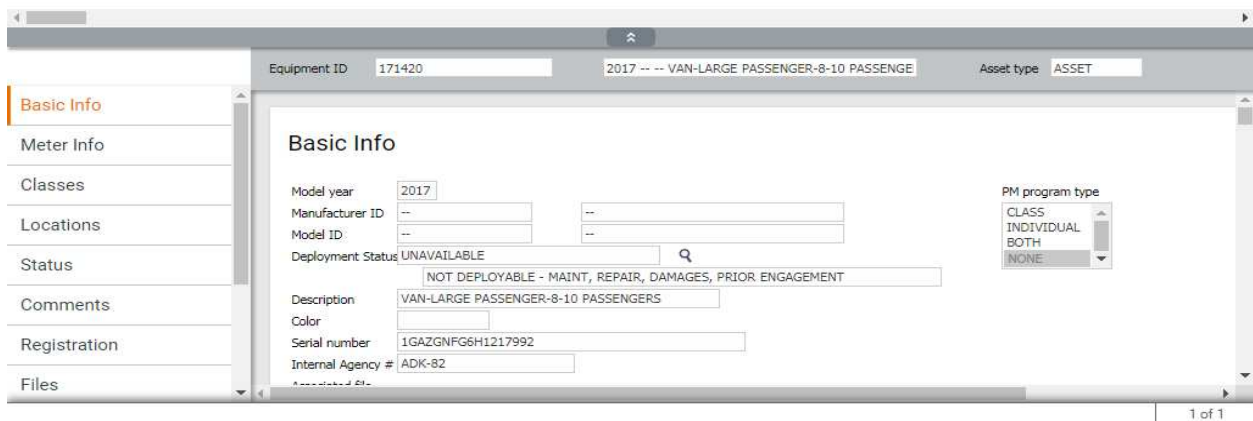
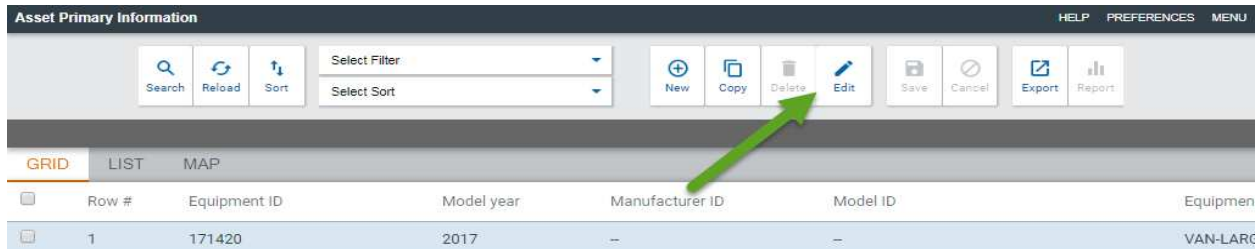
	171420 ASSET	2017 --	VAN-LARGE PASSENGER-8-10 PASSENGERS		
	081151 ASSET	1900 --	VAN-LARGE PASSENGER-8-10 PASSENGERS		
	061229 ASSET	2006 --	VAN-LARGE PASSENGER-8-10 PASSENGERS		
	161065 ASSET	2016 --	VAN-LARGE PASSENGER-8-10 PASSENGERS		
	171473 ASSET	2017 --	VAN-LARGE PASSENGER-8-10 PASSENGERS		
	161101 ASSET	2016 --	VAN-LARGE PASSENGER-8-10 PASSENGERS		
	141369 ASSET	2014 --	VAN-LARGE PASSENGER-8-10 PASSENGERS		
	085479 ASSET	2008 --	TRUCK-SINGLE REAR AXLE DUMP-8.1 TO 10 CY		

Cancel Previous Next Showing page 1 of 1

To review additional information for a specific piece of equipment, simply click on the asset in the list. This will bring you to the Asset Viewer page. To update information on the asset, click on the Equipment ID at the top of the screen, which is in red.

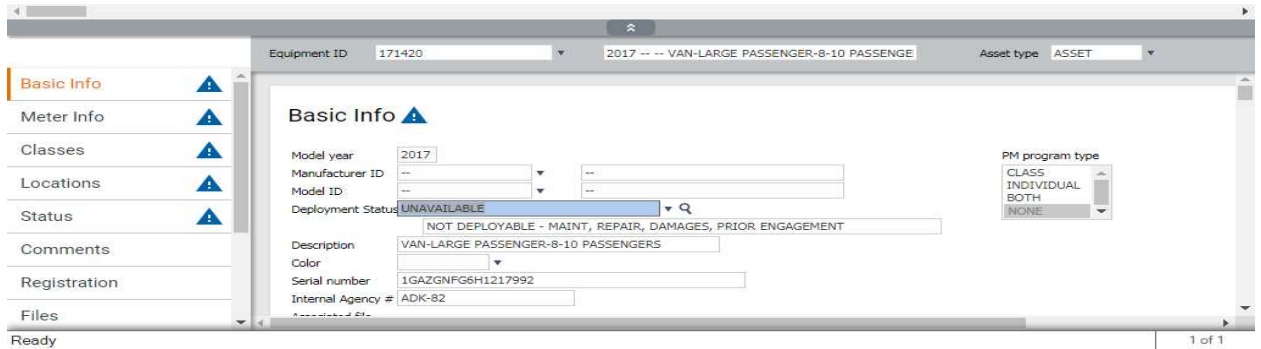
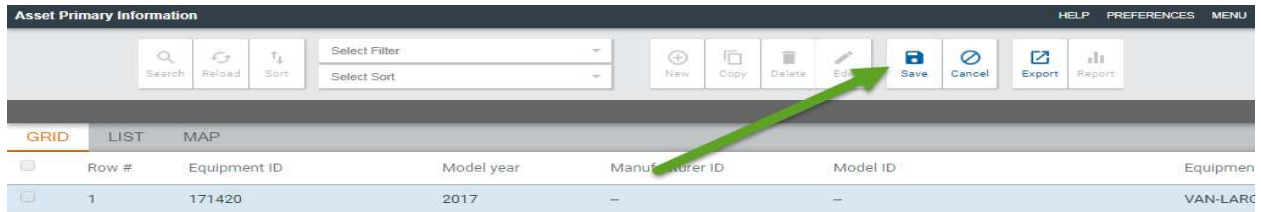


The Asset Primary Information Page will open. On this page, asset information can be updated by the facility. To make updates, click on the Edit button on the top right-hand side.



Once the Edit button is clicked, certain fields will turn blue. Scroll down to see all the fields. Only the fields in blue can be updated by DOCCS staff. Once the fields are in blue, staff can update an asset's mileage, deployment status, and location. Once edits are completed, click on

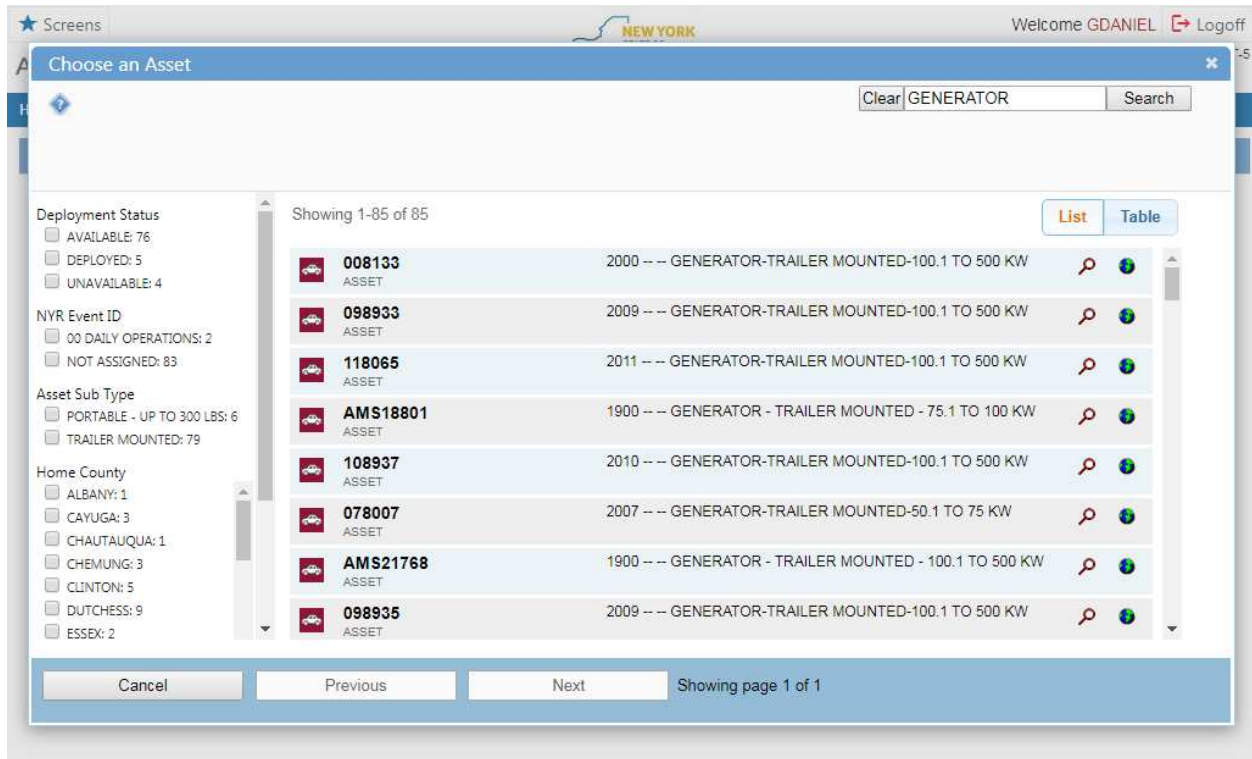
the Save button at the top.



When updating certain fields which have drop-down menus, it is usually helpful to completely delete the current information in the field. After this is done, the user can click on the drop-down menu next to the field to view the options for updating the field.

SEARCHING FOR A SPECIFIC ASSET

To search for a specific asset and determine where it is located, click on the Field User Tab and type in the asset you are looking for. For example, you can do a search for GENERATOR and click Go and all of the Department's generators will be listed.



Using the filters on the left-hand side, you can click on the boxes to specify the exact assets, in this case generators, that are located in specific counties and facilities.

ADDING ASSETS TO AMS

If your facility or unit has emergency equipment that has yet to be added to the AMS system, you will need to fill out the Adding Asset(s) form and submit to Debra Bogins in Support Operations at debra.bogins@doocs.ny.gov. To access the form, please click on the button next to the green arrow.

Asset Management System (AMS) homepage. The page displays a navigation menu on the left, a central banner with the text "Welcome to the Asset Management System (AMS) - with Readiness Reporting!" and "This is **NOT** the test system!" (with a green arrow pointing to the "Adding Asset(s) Form" link), and a section titled "Updated information regarding deployment status:" containing instructions and an example. The example states: "20 plow trucks deployed to the Long Island Region from the Mid-Hudson region. (These would be marked as deployed to an NYR event in AMS)". A right-hand sidebar lists "Agency Web Sites" for various departments.

Once you click on the Adding Asset(s) Form, you will notice an Excel spreadsheet will pop up at the bottom of the screen. Click on the spreadsheet.

Asset Management System (AMS) homepage. The page displays a navigation menu on the left, a central banner with the text "Welcome to the Asset Management System (AMS) - with Readiness Reporting!" and "This is **NOT** the test system!" (with a green arrow pointing to the "Adding Asset(s) Form" link), and a section titled "Updated information regarding deployment status:" containing instructions and an example. The example states: "20 plow trucks deployed to the Long Island Region from the Mid-Hudson region. (These would be marked as deployed to an NYR event in AMS)". A right-hand sidebar lists "Agency Web Sites" for various departments. An Excel spreadsheet titled "New Asset Template...xlsx" is open at the bottom of the screen. The Windows taskbar at the bottom shows several open applications, including "Inbox", "RE: hel...", "FW: A...", "AMS", "2019 V...", "DOCS V...", "Asset ...", and "Docum...".

When filling out the spreadsheet with the requested information, please make sure to also type in the State Vehicle ID number for each asset in column AD. If the asset doesn't have a State ID number, it can be left blank.

Year	Make	Model	Asset Type	Sub Type	Capacity	Description	Color	VIN/
2010	Mack	GU712	Truck	Single Rear Axle Dump		Truck - Single Rear Axle Dump -	yellow	1M2AX02
						--		

Once all of the requested information in the spreadsheet is filled out, please submit the spreadsheet to Debra Bogins in Support Operations at debra.bogins@doocs.ny.gov.

REPORTING AMS UPDATES TO SUPPORT OPERATIONS

- Every Tuesday of each week, facilities are required to send an email to SupportOps@doocs.ny.gov, advising if any of their vehicles are currently non-deployable or located at another facility.
- By the last Tuesday of every month, facilities are also required to enter the current odometer reading for each of their vehicles in to AMS. This information must be entered in the Latest Meter reading field (see green arrow below). Once this task is completed, a notification must be sent via email to SupportOps@doocs.ny.gov.

Asset Primary Information HELP PREFERENCES MENU

GRID
 LIST
 MAP

Row #	Equipment ID	Model year	Manufacturer ID	Model ID	Equipment
1	171420	2017	--	--	VAN-LARC

Equipment ID: 171420 2017 -- -- VAN-LARGE PASSENGER-8-10 PASSENGE Asset type: ASSET

Equipment class for meter types: MILES AND HOURS

Meter information		Meter 1	Meter 2
		MILES	HOURS
Meter at delivery		0	0
Latest meter reading		18793	0
Latest meter source		EQUIPMENT MASTER	EQUIPMENT MASTER
Latest meter date		12/06/2019 09:00	06/27/2019 00:27
Maximum meter value		999999 99999 9999	999999 99999 9999
Life total		18793	0
Electric charge			

Row #	Delete	Date	Meter number	Reason
	<input type="checkbox"/>	__/__/__		

Ready 1 of 1

If you have any questions regarding AMS, please feel free to contact Matt Devane (matthew.devane@doccs.ny.gov) or Debra Bogins (debra.bogins@doccs.ny.gov) in Support Operations.



Corrections and
Community Supervision

COMMISSARY OPERATING PROCEDURES MANUAL

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I. INTRODUCTION

This manual was created to assist the Business Offices in managing the Commissary activities by outlining the general procedures necessary, identifying the controls and internal procedures, and providing the forms and documents required to monitor and control a facility commissary.

The Facility Commissary is operated as an Enterprise Fund (any activity for which a fee is charged to external users for goods or services) which sells food, non-food, tobacco, stamps, and personal hygiene items to incarcerated individuals. An incarcerated individual has the privilege of a Commissary buy every two weeks if he has available funds and is not otherwise restricted by disciplinary dispositions.

Even those incarcerated individuals who are temporarily housed at another facility have the privilege of a Commissary buy. Upon the incarcerated individual's request, special arrangements may be made to provide the "buy" through both facilities' Incarcerated individuals Accounts offices. In these instances, the incarcerated individual is permitted to make the buy up to the maximum of his/her spendable funds equal to the scheduled commissary buy amount, as determined by ICAS. The incarcerated individual's signed "buy" sheet should be sent to the "assigned" facility, and, in return, a check to reimburse the commissary should be drawn from the incarcerated individual's account. The check is then sent to the "temporary" facility for submission on an AC909 to pay for the commissary buy.

The current buy limit per incarcerated individual is \$75.00 with an additional allowance for the purchase of 50 postage stamps, tobacco, and permit items. Since the sales revenues must cover the cost of goods sold, incarcerated individuals may not be "advanced" monies to buy commissary goods (except in rare cases as outlined in Directive #2788). The facility administration is not permitted to file special charge vouchers for reimbursement to Incarcerated individuals Funds for incarcerated individuals who have been released prior to collection for their commissary purchases. All Commissary buy amounts should be immediately collected from the incarcerated individual's funds. If funds are not available in the event an incarcerated individual is released prior to posting of the Commissary buy, the Commissary must bear the loss. Efficient operational procedures should be in place to make certain this does not happen.

Food, cigarettes, tobacco and stamps are sold at cost. Personal hygiene items and other non-food items are sold at a 5% sales mark-up. With these guidelines, only a small profit should be generated each month to enable the commissaries to be self-sustaining to cover incidental expenses.

Funds are appropriated through the Certificate of Approval process. When the Division of Budget approves the certificate, the Office of the State Comptroller posts the funds to the segregation. This is considered a joint custody account; therefore, Commissary operations must adhere to appropriate guidelines related to purchasing, cash receipts and disbursements, certificate of Approval process, special charge voucher procedures, journal voucher procedures, and timely monthly reporting of Income statements and Balance Sheets.

In response to the Laws of 1984, OSC established a "NYGL0428" Sub fund Account for each Commissary. The NYGL0428 sub-fund is the actual cash balance available to cover disbursements. It is mandated that all receipts and disbursements for Commissary activities should be processed through this account. Your monthly Commissary reports should account for each transaction posted to the NYGL0428. (See page 10 for specific instructions on reconciling.)

The business office shall have the responsibility for accounting for the commissary operations including the purchasing and receiving aspects, and the internal control procedures. All activities shall comply with applicable finance laws, Departmental policies and Directives.

Bids shall be required every 5 years for all items listed on the most recent Commissary Buy Sheet.

All records must be centrally located in the business office for review by outside regulatory agencies and the Department of Corrections and Community Supervision personnel responsible for overseeing the Commissary operations.

Prompt Payment Legislation was introduced into Law in 1984 for purchases from NYS operating funds. Since commissary activities are paid through the comptroller's accounts, they are subject to the Prompt Payment legislation which requires that vendors be paid interest for invoices remaining unpaid for over 30 days. Each facility is funded so that payment can be made within 30 days. Every effort should be made to maintain favorable relationships and make timely payments to vendors.

In order to process payments to vendors, there must be sufficient funds in the 326 sub-fund balance to cover the expenditures. AC909's must be processed in a timely manner to ensure that revenues are posted to the sub-fund in time to allow for prompt vendor payments. **Per Section 121 of the State Finance Law, all receipts must be forwarded to the State Treasury the first and fifteenth of every month**, however, AC909's can be processed more frequently if needed.

There is no Central Office pool from which monies can be taken to offset Commissary losses. Commissaries are to be self-sustaining. If a major loss occurs from a break-in or through uncontrollable damages, the only recourse is to secure Division of Budget approval to address those losses. This DOB approval is not available to cover losses from poor management or operational practices. It is the business office responsibility, under the direction of the Superintendent, to ensure that the commissary functions on a sound fiscal basis. This can only be ensured by constant review and evaluation of the statements each month. Each facility superintendent is to ensure that his/her administration has full knowledge about, and control over all phases of commissary operations.

II. INTERNAL CONTROLS

In July 1987 the New York State Governmental Accountability, Audit and Internal Control Act (Chapter 814, Laws of 1987) was enacted. This act requires state agencies to establish a system of internal controls to, among other things, safeguard their assets, promote operational efficiency and to deter and detect fraud.

The commissary operations at a facility, with incarcerated individual workers, are especially vulnerable to losses of inventory. Therefore, it is necessary to constantly review procedures and controls.

The GUIDES, such as: Self-Assessment Analysis and Commissary Audit Guide were developed to assist facility management in reviewing their commissary operations and should be used regularly to identify vulnerable areas and correct weaknesses in controls or procedures.

On page 19 is a SELF ASSESSMENT ANALYSIS, check off sheet to be used each month after completion of your statements to determine if your account levels are acceptable

On page 22 is the AUDIT GUIDE used by Central Office to review your entire commissary operations when an audit is conducted.

In each of these guides, a "No" answer indicates a weakness or deficiency in your commissary operations. The corrective action taken which allows the answer to be "Yes" must be documented and provided with your monthly report. It is imperative that business office supervisor reviews the daily POS report to certify that the commissary is making a small profit every day. If the report indicates a loss, the items displaying the negative amounts should be reviewed against the invoices and contract and price adjustments should be made.

The key to effective internal controls depends on how diligently and consistently the principles and approaches outlined herein are applied. The Steward, on behalf of the Superintendent and DSA, along with the business office and commissary staff must personally get involved in the never-ending task of ensuring that the commissaries are efficiently run.

III. BIDS

The business office shall have the responsibility of complying with purchasing guidelines, advertising in the Contract Reporter and establishing standards. The following shall apply:

- 1) In order to comply with State purchasing guidelines, each facility is required to solicit formal bids for Commissary merchandise for 5 years for all items listed on their most recent Commissary buy sheet.
- 2) Awards are to be made for a 5-year period. Purchase Authorization contracts must be approved by the Office of the State Comptroller before any reimbursement voucher can be processed.
- 3) A boilerplate Invitation for Bid (IFB) is available on the SFS Resources page; [Contract Procurement Unit, Commissary IFB and Appendix A, B and C.]

IV. PURCHASING

The Office of the State Comptroller has established a contracting mechanism referred to as a purchase authorization (see Procurement and Disbursement Guidelines Bulletin G-191). An authorization is similar in both form and function to an OGS "P" contract in that, once approved, agencies can issue purchase orders without OSC prior approval.

One of the primary benefits of purchase authorizations is that agencies are not required to encumber and provide a purchase order for anticipated fiscal year purchases with submission of the contract. Instead, purchase orders are encumbered and issued directly to the vendor on an as needed basis.

V. INVENTORY

A perpetual inventory must be maintained for all items sold in the commissary. A perpetual inventory is defined as "an ongoing record containing the amount of a specific supply or material currently on hand that is continuously maintained by adding quantities to the inventory as they are received and subtracting quantities as they are depleted". This inventory record should not be maintained by staff directly in charge of or assigned to the commissary. The facility business office should maintain the inventory records.

In Accordance with Directive # 2945, Inventory Control, a monthly physical count of all items in inventory shall be conducted by an employee(s) who are not assigned to the commissary. The employee(s) designated to conduct the inventory shall prepare and sign a written report of findings.

Prior to the physical count, the Business Office ensures that all receiving and any adjustments for breakage/spoilage are posted to the inventory. The Business Office then prints a current inventory report. A comparison of the physical counts is made with the quantities listed in the perpetual inventory immediately after the count is completed.

If there are count differences, an immediate attempt should be made to resolve the differences through recount. If, after recount, differences remain between the count and the record balance, the physical count figure is the factual one and the inventory record must be amended. Any adjustment to the record balance must be supported by a document explaining the adjustment, signed by a business office supervisor and provided to Support Operations with the monthly commissary report.

When significant discrepancies between the inventory records are detected, an investigation must occur resulting in a written explanation of overages or "underages" (reconciliation). The written investigation report must be forwarded to the Deputy Superintendent of Administration. Remedial action should be taken to correct the cause of the differences identified by the investigation. See also Directive # 2794, "Reporting Losses."

If warranted, spot checks should be initiated prior to the next monthly count by staff independent of commissary operations. **This has traditionally been accomplished via spot check by documentation audit (See Directive #2945, "Inventory Control") of five randomly selected items from the inventory by members of the Internal Control Committee.**

VI. COMMISSARY BUYS

- Commissary sales are conducted on regularly scheduled buy days. Each facility establishes buy days at their discretion (by name, DIN, location, etc.). The buy days are scheduled to allow each incarcerated individual the privilege of a commissary buy once every two-week period.
- Commissary buy sheets are printed the day before the scheduled buy. Prices must be checked for accuracy and any price changes accomplished prior to distribution to the incarcerated individual population. The buy sheets are picked up the morning of the buy and commissary staff fills the orders.
- Incarcerated individuals are escorted by a Correction Officer to pick up their buys at a pre-determined time. Incarcerated individuals are called, a few at a time, to the buy window. The order is scanned and once the buy reaches the \$ 75.00 limit; no further items are allowed. The incarcerated individual signs the register receipt and is given a copy of the receipt with the commissary buy.

VII. COMMISSARY REVENUES

In order to comply with Section 121 of the State Finance Law, **it is imperative that revenues (909s) be submitted on a weekly basis due to the length of processing time. Funds need to be available in the sub fund cash balance in order to process vendor payments promptly and accrue interest.**

VIII. COMMISSARY CHART OF ACCOUNTS

The below listed accounts are established to be utilized to record all transactions conducted on behalf of the Commissary. No other accounts are necessary.

Each month, accounting transactions are to be reported for each of these accounts which pertain exclusively to the current accounting period.

- A. ASSETS** - The NYGL0428 SUB FUND ACCOUNT - (Normal Balance = Debit) (Appears on the Balance Sheet). This account is maintained by OSC to process revenues (Sales transmitted on AC909's), disbursements, journal vouchers (funds transferred from or to state

appropriations) and interest paid from the OSC's investment of these funds. SFS (Statewide Financial System) provides a monthly ledger report (NYGL0428).

THE SUB FUND ACCOUNT BALANCE ON THE NYGL0428 MUST EQUAL THE SUB FUND ACCOUNT BALANCE AS REPORTED ON THE BALANCE SHEET.

- B. INVENTORY** - (Normal Balance = Debit) (Appears on the Balance Sheet). The value of the total merchandise on hand calculated at cost (the number of items times cost price of each item) at the time of the physical count (period closing date) after the perpetual count and the physical count have been reconciled. Internal Control Procedures require that physical counts be performed by staff (usually Business Office staff) not associated with Commissary Operations; however, Commissary staff should be available to answer questions. The level in the Inventory account should reflect an amount close to one month's sales or less, which allows for normal deliveries and a sufficient level of merchandise available.
- C. ACCOUNTS RECEIVABLE-INCARCERATED INDIVIDUAL FUNDS** - (Normal Balance = Debit) (Appears on the Balance Sheet). At the end of the accounting period, this account total represents the sales revenues which are owed to the Commissary operation (to be posted to the sub fund via an Incarcerated individual Funds check and an AC909) for individual incarcerated individual buys. This amount is determined by comparing the total Sales for the period with AC909 deposits on the NYGL0428.

******THIS AMOUNT MUST BE VERIFIED MONTHLY by comparing 909s to your report******

- D. ACCOUNTS RECEIVABLE-OTHER** - (Normal Balance = Debit) (Appears on the Balance Sheet). The outstanding amount of funds owed for commissary purchases at the end of the accounting period for sales of merchandise for reasons other than incarcerated individual buys. This amount is determined by comparing the Sales revenues with AC909 deposits into the Sub fund account. For example:
- 1) An A/R>Returns is the total amount of empty cans (computed at \$.05 each) returned to the vendor for which no credit or check has yet been received or deposited into the 326 Sub fund Account.
 - 2) An A/R-Other is the total sales revenues owed to the Commissary for Incarcerated individual organizations, other facilities, etc. which have not yet been deposited into the Sub fund Account by the period closing date.

E. LIABILITIES:

1. ACCOUNTS PAYABLE - (Normal Balance = Credit) (Appears on the Balance Sheet). This controlling account balance should equal all the vendor amounts owed for merchandise received for resale through the end of the accounting period.

*****THIS AMOUNT MUST BE VERIFIED MONTHLY by comparing voucher payments*****

2. CAPITAL - (Normal Balance = Credit) (Appears on the Balance Sheet and Income Statement). The balance in this account is equal to the total of assets less the total of liabilities. At all times, the account balance should be at a level consistent with at least the amount of one month's inventory. An account balance less than the calculated amount indicates insolvent commissary operations and an inability to pay vendor amounts owed. The Capital account balance on the

balance sheet is adjusted monthly by the net income or loss as calculated on the Income Statement.

3. **TEMPORARY ACCOUNTS:** The accounts below are opened and closed in each accounting period. Together, they represent the income statement accounts:
4. **PURCHASES:** (Normal Balance = Debit). The total amount of merchandise received for resale (operating expenses are not to be included in this amount). Total vendor invoices and verify receipt of merchandise by receiving sheets. Include amounts paid to taxing authorities for which costs are passed onto incarcerated individuals and reimbursements will be processed (Floor taxes, etc.)
5. **PURCHASES RETURNS AND ALLOWANCES:** (Normal Balance = Credit). The amounts recorded in this account represent merchandise originally included in purchases but has been returned to the vendor for credit or payment, such as: concealed damages or empty cans taken from inventory (at \$.05 each).
6. **PURCHASE DISCOUNTS:** (Normal Balance=Credit). The amounts recorded in this account represent the discounts received for payments made within a vendor's prompt payment period.
7. **SALES:** (Normal Balance = Credit). The amounts recorded in this account represent all merchandise resold to all sources within the current accounting period, such as: incarcerated individuals, incarcerated individual organizations or NY State appropriations.
8. **SALES RETURNS:** (Normal Balance = Debit). This amount represents the amount of merchandise returned to the commissary and refunded to the original buyer, such as: refunds to incarcerated individuals.
9. **BEGINNING INVENTORY:** (Normal Balance = Debit). This is the amount recorded to begin a new accounting cycle which represents the ending inventory amount at cost from last accounting cycle carried forward.
10. **ENDING INVENTORY:** (Normal Balance = Debit). This is the amount recorded at the end of the accounting cycle (same as INVENTORY, listed above under Assets) at cost and represents the physical count on the Balance Sheet (INVENTORY) on the closing date.

F. OTHER INCOME ACCOUNTS:

1. **INTEREST INCOME** -The balance in this Income Statement account represents the amount of funds which were credited to your SUB FUND ACCOUNT by the period closing date from OSC investments of the sub fund balance. This amount is extra income which is added into your capital account on top of the profit generated by the facility commissary operations. (see 02000 amounts posted on the (NYGL0428 monthly).

Two entries are required for each payment of interest. They are: Debit the Sub fund Account and Credit the Interest Income Account. Then, to close it into the Capital Account: Debit Interest Income and Credit the Capital Account.

2. **CAN HANDLING INCOME** -The balance reported in this Income Statement account represents the amount of funds received as a revenue from a vendor which has been deposited (AC909) into the NYGL0428 SUB FUND ACCOUNT in this accounting cycle. It should only represent payment for empty cans returned times \$.015 each. The amount of Can Handling Income received is added

into the Capital Account each month it is paid on NYGL0428 (see AC909s generated by the facility).

Two entries are required for each payment received for can handling income. The NYGL0428 Sub Fund Account is debited for the AC909 which is posted in the current period and Can Handling Income is credited. Since this amount must also be "closed" into the capital account, debit Can Handling Income and credit the Capital Account.

IX. REPORT REQUIREMENTS

Each facility is responsible for accounting for the operations of its Commissary for each accounting period (usually a one-month period). All transactions for the specific period must be documented, either manually or by computer. The activities must be recorded chronologically in books of entry from original documents and be available for review.

***A Double Entry bookkeeping system is required which includes a general journal (to record summary entries and adjustments), a purchases journal (to record purchases, Accounts Payable, payments and credits), and a general ledger (chart of accounts - see page 9).

After each accounting period, the facility must prepare an Income Statement, page 15 (which reflects the sales activities), a Balance sheet, page 16, (which reflects the balances in each account on the accounting period closing date), a Check Profit Sheet, page 17, (which calculates the "expected profit from operations") and the Breakage/Spoilage Form, page 18). In addition, the facility is required to maintain for facility files separate daily inventory counts for cigarettes, tobacco and stamps and may also produce a "Schedule of Accounts Payable" for review. To assist in the accounting process, a list of accounting entries for cans is provided on page 25. In the process of preparing the statements, the NYGL0428 must be reconciled each month.

The statements produced at the end of the accounting period will reflect all activities for that specific accounting period up to the point of the monthly inventory only. Balance sheet accounts will carry a balance over to the current period from the prior period. If adjustments to a prior period's statements are needed to correct errors, the corrections must be recorded in the current period and identified as a correction to a prior period with the appropriate reason noted. In recording the Purchases used to prepare the Income Statement, you must insure that Purchases are equal to the cost of merchandise received, as verified by receiving sheets up to the point of the inventory.

All commissary statements are to be submitted on the computerized bookkeeping system in the same format as the forms on pages 15 through 18.

SUBMISSIONS MUST BE MADE USING THESE FORMS (OR EXACT REPLICATIONS) OR THEY WILL BE RETURNED TO THE FACILITY FOR APPROPRIATE RESUBMISSION.

Monthly reports are to be submitted to Support Operations by the fifteenth of the month following the report period. In any instance, wherein a loss occurs, or the level of profit substantially differs from the computed profit level, you are to provide an explanation for the loss or excess profit. See Directive 2794, (Reporting Losses), for specific instructions.

X. GENERAL PROCEDURES FOR COMPLETION OF COMMISSARY STATEMENTS

The following steps MUST be completed monthly prior to sending your Commissary reports to Central Office:

1. Conduct physical inventory.
2. Reconcile the NYGL0428. See below for specific instructions.
3. Reconcile Accounts Receivable and Accounts Receivable Other-Confirm the amount shown is equal to Sales that have not been submitted on an AC909 to the NYGL0428 Sub fund Account.
4. Reconcile your subsidiary accounts payable ledgers to vendor invoices.
 - a) Gather all unpaid invoices to date, including the amounts recently received on receiving sheets.
 - b) Confirm the amounts owed with vendors and resolve all discrepancies.
 - c) Add all reconciled outstanding amounts owed together and insure this amount agrees with the amount entered as the "Accounts Payable" on the balance sheet

After the above steps have been completed:

1. Prepare a check(s) from the Incarcerated individual Fund Account and file all AC909's for Sales of commissary merchandise from all sources. (Check consecutive dates on AC909's to make certain all sales revenues have been sent to OSC). Include checks for Can Handling Income, State checks for purchases of Commissary inventory, and checks from other facilities for inventory transfers.
2. Prepare and file journal vouchers or revenue transfers for any amounts erroneously deducted or added to your sub fund account. (You will identify these amounts when you reconcile your NYGL0428.)
3. Identify the appropriate reductions in future payments to vendors for credits or overpayments due the commissary, and ensure that they are made, as identified after your Accounts Payable has been verified.

XI. RECONCILIATION OF NYGL0428

For the current accounting period:

1. Write the corresponding Revenue Document No. next to the AC909 amounts (under Revenues) added to the NYGL0428 Sub fund Account Balance. Insure that all AC909's for Commissary sales during the accounting period appear on the statement or are recorded as an Accounts Receivable.
2. Draw a line under the entry on the NYGL0428 on the date in which you close your accounting period (usually at the end of the month). The Sub fund Account balance on your NYGL0428

is equal to the Sub fund Account Balance reported on your balance sheet on the corresponding date. If these don't agree, correct the error prior to sending the report to Central Office.

Some frequently overlooked accounting entries which must be recorded correctly:

- a) Record AC909's processed by OSC as a debit (increase) to the Sub fund balance and credit the Sales (from various sources to the Sub fund in the current period) or credit an Accounts Receivable account (Amounts owed from Incarcerated individual Funds from the prior period). Often, amounts owed to commissary are overlooked.
 - b) Interest posted from (OSC) is Interest Income and is reported as a debit to the Sub fund Account and a credit to Interest Income Account, which is recorded and then closed into the Capital account in the period in which it is paid.
 - c) Interest payments to vendors are reported as an operating expense.
3. If you cannot determine what an entry on the NYGL0428 represents, check the SFS accounting system to locate the transaction (under Transaction Inquiry). If you are still unable to identify, you may call Support Operations at (518) 436-7886, x3015, for assistance. If it is an error, ask how to correct it and follow through by preparing a journal voucher or revenue transfer, whichever is required.

XII. INCOME – PROFIT/(LOSS) STATEMENT

- The facility is required to generate an Income Statement, to report the activities for the current sales period. At the end of the period, the physical inventory on hand (valued at cost) is counted. The Income Statement is the calculated result of the profit produced or loss sustained as a result of selling merchandise held for resale for the specific accounting period. (see form, page 15)
- The sales amount is the total receipts realized from selling merchandise to all sources during the specific accounting period. It may include sales to Incarcerated individuals, Incarcerated individual Organizations and Transfers of inventory to other facility commissaries or to your own facility for use by NYS (Journal Transfer). Sales to incarcerated individuals and incarcerated individual organizations may include the price markup; however, transfers of inventory are to be sold at cost.
- Sales Returns are the number of items sold which are returned through the commissary window and which result in a credit to the incarcerated individuals account, such as can returns. Do not record the value of items returned which have been replaced from stock.
- The opening inventory is the closing inventory value from the prior accounting period which is transferred into the current accounting period. It must always agree. The value of inventory is determined by extending the numbers of items physically counted times the cost price of each item. The total of all items on hand reflects the value of the inventory for that day. Facilities should take care to ensure that the value of the ending inventory each month includes the 5-cent deposit on all cans -those full ones waiting to be sold and those empty ones waiting to be returned to vendors for credit or payment. Adjustments, such as miscounted items which are discovered in the subsequent accounting period, should be recorded in the period in which they were discovered with an appropriate notation as to the error.

- The value of Purchases is the total value of vendor invoices for merchandise received up to the point of the physical inventory as verified on receiving sheets.
- Purchases returns records the actual value of merchandise returned to vendors after acceptance by the Commissary for which credit or payment is provided by the vendor. (Empty cans returned to the vendor are recorded here).
- Purchases Discounts are the total of the actual discounts received from a vendor during the current accounting cycle for prompt payment of bills for which the selling price was not reduced to reflect these discounts.
- Can Handling Income is the \$.015 income per can realized from vendors for processing and returning soda cans. This can be recorded when received (deposited) into the Sub fund Account. See "Accounting for Cans", p.25 OR the attachment to the electronic commissary accounting books.
- Interest Income is the interest paid by OSC on the investment of monies on deposit in the NYGL0428 Sub fund. Record this amount in the accounting cycle in which it is posted to the Sub fund Account (on the NYGL0428).
- Operating expenses (such as labels, paper bags, printer ribbons, repairs, etc.) must be expended from the Commissary Operating Account. These expenses are NOT to be included in the purchases for re-sale but must be accounted for separately on the Statement of Commissary Income (pg.15)
- Spoilage and Breakage is the value of merchandise destroyed or damaged by the Commissary during the current accounting cycle and must be documented. This amount should not exceed 1/2 of 1% of Sales. The Spoilage and Breakage reported on the Income Statement is a reporting figure only and may explain part of the loss or reduced profit indicated on the income statement and check profit sheet.

XIII. BALANCE SHEET

- The balance sheet is prepared to indicate the account balances on a given day (the last day of the accounting period). Account balances for Assets, Liabilities or Capital are the only accounts which should appear on the balance sheet. (see Chart of Accounts, Page 8 and form, Page 19).
- During an accounting period, the activities performed to generate a profit may change the balances in each account. At the end of the period, the facility must determine and report each accounts balance after it has changed from the income producing activities during the month.

A. ASSETS:

- The Sub fund balance is reported on the NYGL0428. The NYGL0428 amount must agree with the amount reported on the balance sheet. The balance in this account represents the total sum of the beginning balance and all revenues and expenditures processed after the prior accounting period.
- Inventory total equals the physical counts multiplied by the cost of the item added together. It is always to be valued at cost.
- The Accounts Receivable accounts (Incarcerated individual Funds, and other) are the amount of revenues which remain "owed" to the Commissary sub fund at the end of the accounting period. The amount can be determined by comparison of the AC909's and

Journal Vouchers, sub fund Account, and facility records, i.e. sales from all sources, and sub fund deposits. For example: Accounts Receivable-Incarcerated individual Funds is the amount of sales from incarcerated individuals which have not yet been posted to the Sub fund Account. AC909's in process is the amount of revenue submitted to OSC but not yet posted to the Sub fund Account.

- Accounts Receivable-Other includes amounts owed to Commissary from sales to NY State (your facility or other facilities, or from Occupational Therapy activities) and revenues owed for can returns (or other purchase returns) which are expected to be paid for by check, but not yet deposited into the NYGL0428 sub fund.

B. LIABILITIES:

- Accounts Payable is the collective total of all funds owed to vendors for merchandise received prior to the physical inventory. The individual balances owed to each vendor should be confirmed with the vendor monthly. If you are not receiving monthly statements, please request them. All corrections or adjustments to account balances should be recorded in the current accounting period by a general journal entry.

C. CAPITAL:

- Capital Forward is the amount carried over from the last month's balance sheet. If this amount is later determined to be incorrect, an adjustment in the current accounting period is necessary to reflect the correction. Documentation to support the adjustment is necessary. As such, all Capital Forward amounts are to be carried forward exactly as they appear as "Total Capital" in the prior period. To calculate the "Total Capital" for the current period, add to the Capital Forward amount listed on the balance sheet, the amount of Profit or Loss as reported on the Income Statement.

ON THE BALANCE SHEET, IN ALL CASES, THE TOTAL OF ASSETS MUST EQUAL THE TOTAL OF LIABILITIES PLUS CAPITAL.

PRIOR TO SENDING THE REPORTS TO CENTRAL OFFICE, THE REPORTS MUST BE IN BALANCE, REVIEWED, SIGNED BY THE PREPARER AND SIGNED BY THE STEWARD OR EQUIVALENT.

XIV. CHECK PROFIT SHEET

The Check Profit sheet (see form, page 17) is used at the facility to calculate the "Expected Profit" for operations for a given accounting cycle. Food sales and all other items sold at cost are subtracted from GROSS SALES to determine the value of leftover merchandise which was sold at a 5% price markup. Multiply by 5% to determine the "expected profit from operations".

The expected profit is also calculated on the POS system. Keep in mind that the POS system calculates totals based upon unlimited decimal points. If an item is a large seller, this could result in inflated profits or losses.

Added to the total profit from operations are two revenues which result in an increase to the overall profit for the period. One is can handling income (at \$.015 per can) received from a vendor who removes the empty cans from the Commissary. The other is the interest income which OSC posts to your Sub fund Account balance each month. The total of the profit from operations and the profit from these two revenues less any operating expense equals the "Final Expected Profit" for the period.

The "expected" profit from operations, as calculated on the check profit sheet should be compared to the profit reported on your income statement. The difference will include the documented damage or breakage amounts. However, a great difference is an indication of an accounting error, inaccurate inventory costs, inaccurate prices, or a loss of inventory.

Example 1: Difference indicates a large profit:

Purchase items (not received on receiving sheets in the current period) are sold and might not be included in the physical inventory count at the end of the accounting period. Therefore your "purchases" and "cost of goods sold" figures don't reflect the cost of these items.

Example 2: Difference indicates a large loss:

Price changes may have not been made in a timely manner.

In case of a loss of inventory, make sure price changes have been appropriately made and review the complete operations of the commissary to detect and correct all with the Associated Controls (see Page 3). When a loss is indicated, review Directive #2794, "Reporting Losses," for appropriate reporting instructions.

Commissary Profit / (Loss) Statement

Facility: 0

From: January 0, 1900

To: January 0, 1900

Income

Sales		
Sales to Incarcerated individuals	\$	-
Sales to Groups / Orgs	\$	-
Total Gross Sales:	\$	-
Returns		
Returns from Incarcerated individuals	\$	-
Returns from Groups / Orgs	\$	-
Total Returns:	\$	-
Total Income:	\$	-

Expenses

Cost of Goods Sold		
Opening Inventory Amount	\$	-
Purchases of Goods from Vendors	\$	-
Postage Check to Stamp	\$	-
Purchase Returns to Vendors	\$	-
Closing Inventory Amount	\$	-
Total Cost of Goods Sold:	\$	-
Total Expenses:	\$	-

Gross Profit / Loss:	\$	-
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Other Income / Expenses

Other Income		
Misc Income	\$	-
Can Handling Income		\$0.00
Interest Earned (STIP)		\$0.00
Total Other Income:	\$	-
Other Expenses		
Operating Expenses / Taxes		\$0.00
Interest Paid to Vendors		\$0.00
Total Other Expenses:	\$	-
Total Other Income / Expenses:	\$	-

Actual Profit / Loss:	\$	-
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Commissary Balance Sheet

Facility: 0

From: January 0, 1900

To: January 0, 1900

Balance Status

No Data Inputted

Assets

		Cash	
Prepaid Postage	\$		-
326 Sub-Fund Balance	\$		-
Total Cash:	\$		-
		Inventory	
Closing Inventory			
Amount	\$		-
Total Inventory:	\$		-
		Accounts Receivable	
Closing Accounts			
Receivable	\$		-
Total Accounts			
Receivables:	\$		-
		Total Assets:	\$ -

Capital & Liabilities

		Liabilities	
Closing Accounts			
Payable	\$		-
Total Liabilities:	\$		-
		Capital	
Opening Capital /			
Capital Forward	\$		-
Current Income / (Loss)	\$		-
Total Capital:	\$		-
		Total Capital & Liabilities:	\$ -

Commissary Check Profit Worksheet

Facility: 0

From: January 0, 1900

To: January 0, 1900

Difference

		Expected Profits	
Non-food Item Total			
Profit	\$	-	
Can Handling	\$	-	
Interest Earned (STIP)	\$	-	
Expected Profits:	\$	-	
		Expected Losses	
Operating Expenses /			
Taxes	\$	-	
Interest Paid to Vendors	\$	-	
Spoilage & Breakage	\$	-	
Expected Losses:	\$	-	
Total Expected Profit / Loss:		\$	-
Total Actual Profit / Loss:		\$	-
Total Difference:		\$	-

Commissary Spoilage & Breakage Report

Facility: 0

From: January 0, 1900

To: January 0, 1900

Stock Number from POS	Description of Item	Units Lost	Cost Per Unit	Price Sold At	Total Loss	Total Sold At Loss	Reason
Total Sold At Loss:					\$0.00		
					Total Loss: \$0.00		

SELF-ASSESSMENT ANALYSIS/AUDIT

FROM 1/0/1900 TO 1/0/1900

YES NO

1.	<p>Is the balance in Accounts Receivable Incarcerated individual Funds less than the sales for one buy period?</p> <p>Is \$0.00 < #DIV/0! (A/R) (Sales)</p>	<table border="1" style="width: 100%; height: 40px;"> <tr> <td style="width: 50%;"></td> <td style="width: 50%;"></td> </tr> <tr> <td style="text-align: center;">#DIV/0!</td> <td style="text-align: center;">#DIV/0!</td> </tr> </table>			#DIV/0!	#DIV/0!
#DIV/0!	#DIV/0!					
2.	<p>Is the balance in Accounts Payable less than one month's sales?</p> <p>Is \$0.00 < \$0.00 (A/P) (Sales)</p>	<table border="1" style="width: 100%; height: 30px;"> <tr> <td style="width: 50%;"></td> <td style="width: 50%;"></td> </tr> </table>				
3.	<p>Is the inventory account balance at least 75% but not greater than 125% of one month's sales?</p> <p>Is \$0.00 between 75% 125% of \$0.00 (Inventory) = #DIV/0! (Sales)</p>	<table border="1" style="width: 100%; height: 40px;"> <tr> <td style="width: 50%;"></td> <td style="width: 50%; text-align: center;">X</td> </tr> </table>		X		
	X					
4.	<p>Is the total breakage/damages reported less than .5% of sales?</p> <p>Is \$0.00 #DIV/0!</p>	<table border="1" style="width: 100%; height: 30px;"> <tr> <td style="width: 50%; text-align: center;">#DIV/0!</td> <td style="width: 50%; text-align: center;">#DIV/0!</td> </tr> </table>	#DIV/0!	#DIV/0!		
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5.	<p>Is the combined total of the sub fund acct balance and Accounts Receivable greater than the combined total of Accounts Payable?</p> <p>Is \$0.00 > \$0.00</p>	<table border="1" style="width: 100%; height: 30px;"> <tr> <td style="width: 50%;"></td> <td style="width: 50%; text-align: center;">X</td> </tr> </table>		X		
	X					
6.	<p>Are purchases amounts nearly equal to the monthly sales?</p> <p>Is \$0.00 ≈ \$0.00</p>	<table border="1" style="width: 100%; height: 30px;"> <tr> <td style="width: 50%; text-align: center;">#DIV/0!</td> <td style="width: 50%; text-align: center;">#DIV/0!</td> </tr> </table>	#DIV/0!	#DIV/0!		
#DIV/0!	#DIV/0!					
7.	<p>Do the ending balances last month of Capital and Inventory equal the beginning account balances on the balance sheet this month?</p> <p>eom eom Cap Inventory beg beg Cap \$0.00 Inventory \$0.00</p>	<table border="1" style="width: 100%; height: 30px;"> <tr> <td style="width: 50%; text-align: center;">X</td> <td style="width: 50%;"></td> </tr> </table>	X			
X						
8.	<p>Does the Sub Fund Account balance agree with the OSC NYSG L0428 report?</p> <p>report on your period closing date? (Input from NYGL0428)</p> <p>326= \$0.00 NYGL0428=</p>	<table border="1" style="width: 100%; height: 30px;"> <tr> <td style="width: 50%; text-align: center;">X</td> <td style="width: 50%;"></td> </tr> </table>	X			
X						

9. Are withdrawals/transfers of inventories to State Accounts recorded as Sales at cost?

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10. Are Revenues received for Can Handling Income transmitted to the Sub Fund Account via a 909 - report of monies received?

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11. Is the value of empty can (pending vendor pick-up) and full cans (merchandise to be sold) included in the physical inventory at five (5) cents each?

--	--

12. Are Interest Income and Can Handling Income added to total operating income (net Profit) on the Income Statement?

--	--

13. Is the reported profit and the expected profit about the same?

#DIV/0!	#DIV/0!

Is \$ \$
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Notes:

Commissary Self-Assessment Analysis “No” Answers & Corrective Measures

<u>Question</u>	<u>Corrective Measures/Actions</u>
1.	Write an Incarcerated individual Funds check for sales, send to NYS Treasury on an AC909 to reimburse the Commissary Revenue Account.
2.	Reduce Accounts Payable by expediting payments to vendors.
3.	The value of the ending inventory should be maintained at a level of 75% to 124% x one month's sales to ensure that the appropriate stock level is on hand. Reexamine your reorder points and adjust.
4.	Breakage/damages are excessive. Submit an explanation with your report on the circumstances contributing to the damage excess and your specific actions to be taken to reduce them. Do not give breakages or damages to incarcerated individuals.
5.	A negative answer indicates an inability to pay amounts owed (working capital deficiency). This develops from an accumulation of losses or an increased need to increase your 326 Sub fund which has not been addressed. Strengthen security measures to protect inventory from thefts and other losses. Reduce damages and review price change procedures to insure profit from sales is equal to the profit expected.
6.	Purchase amounts should not exceed the sales for one month. If circumstances require a larger than usual inventory, submit an explanation justifying the increased inventory level needs with your Commissary Statement.
7.	All balance sheet accounts must end one accounting period and start the next accounting period with the same values. Any adjustments necessary must be recorded in the current month's entries with appropriate explanations.
8.	On date of period closing, review the NYGL0428 and Sub fund Account to ascertain the amount reported on the balance sheet equals the OSC amount. Reimbursement vouchers paid from the sub fund account not yet posted to the NYGL0428 must be reported as Accounts Receivable/Other. Interest must be reported on your income statement in the same accounting period as it is posted on the NYGL0428.
9.	Record transfers of inventories for State Purchases as Sales (at cost) with appropriate debits to Cash and/or Accounts Receivable/Other. Transmit all sales receipts to State Treasury via AC909 for deposit into Sub fund Account.
10.	As required by OSC, all Revenues received on behalf of Commissary activities must be transmitted to the Sub fund Account via an AC909. (See Accounting for Cans , pg. 25).
11.	Include in physical inventory the value of full cans to be sold and empty cans to be returned to vendors at five (5) cents apiece.
12.	Interest Income from OSC is earned and posted on the NYGL0428 for the balance of the Revenue Account. Can Handling Receipts of 1.5 cents per can are earned from vendors and are also posted to the NYGL0428 via an AC909. On the Income Statement, add both items of Other Income after Net Profit from operations to obtain the total income, then transfer the total profit (loss) to the Current Income (Loss) on the balance sheet.
13.	Net Profit from operations should be close to the amount of the expected profit as computed on the Check Profit Sheet. If excess profit or loss exists, review overall operations and correct inadequate security measures in place to protect inventories and/or improper pricing procedures. An explanation for a significant difference must be submitted with your monthly report to Central Office.

SAMPLE COMMISSARY AUDIT GUIDE

State of New York Department of Corrections and Community Supervision FACILITY ANNUAL COMMISSARY FINANCIAL PEER AUDIT PROCESS	A. COMMISSARY	Document Page 1 of 2
		2019

FACILITY:		
REVIEWER NAME:	DATE:	
REVIEWER TITLE:		
I. BUY PROCESS	Compliance	Comments
1. Is the procedure for submitting buy requests in writing?	Select One	
2. Are inmate account funds verified at the Commissary?	Select One	
3. Is there a procedure followed if item requested is out of stock?	Select One	
II. SECURITY OF COMMISSARY AREA	Compliance	Comments
1. Is access to the Commissary restricted?	Select One	
2. Who has access to the Commissary keys?	N/A	
3. Are inmates who work in the Commissary frisked?	Select One	
4. Is garbage checked for stolen items? (Who checks)	Select One	
5. Is there security system used to prevent unauthorized access?	Select One	
III. INVENTORY	Compliance	Comments
1. Is perpetual inventory maintained? If yes, who maintains it?	Select One	
2. Is a physical inventory completed by a non-commissary employee? Who does it and how often?	Select One	
3. Perpetual and Physical Inventory (Compliance as a whole) a. Is there a written special buy procedure? b. Are discrepancies investigated? c. Are there established reorder points? d. Are records of spoilage and losses maintained? e. Are cigarettes and postage counted and reconciled daily? f. Are random spot checks completed and reconciled with business office records?	Select One	
4. Is the area kept clean and setup in such a way that items can be easily inventoried?	Select One	
IV. PURCHASING/RECEIVING	Compliance	Comments
1. Are Commissary invoices compared to bids before vendors are paid?	Select One	
2. How are damaged inventory items disposed of?	Select One	
3. Is receipt of damaged merchandise refused at time of receipt?	Select One	
4. Are credits received for merchandise discovered to be damaged after receipt?	Select One	

State of New York Department of Corrections and Community Supervision FACILITY ANNUAL COMMISSARY FINANCIAL PEER AUDIT PROCESS	A. COMMISSARY	Document Page 2 of 2
		2019

5. Are purchase requests approved prior to order placement?	Select One	
6. Are receiving records completed at time of delivery and forwarded to the Business Office daily?	Select One	
7. Is purchasing done by someone other than Commissary personnel?	Select One	
V. COMMISSARY ACCOUNTING	Compliance	Comments (In your response, please note the date(s) of the monthly report being reviewed.)
1. Is the balance in accounts receivable inmate funds less than the sales for one buy period?	Select One	
2. Is the balance in accounts payable less than one month sales?	Select One	
3. Is the inventory account balance at least 75% but not greater than 125% of one month's sales?	Select One	
4. Is the total breakage/damages reported less than .5% of sales?	Select One	
5. Is the combined total of cash and accounts receivable greater than the combined total of accounts payable?	Select One	
6. Are purchase amounts nearly equal to the monthly sales?	Select One	
7. Do the ending balances for last month's capital and inventory equal the beginning account balances on the balance sheet this month?	Select One	
8. Does the 326 subfund account balance agree with the OSC NYGL0428 report on your period closing date?	Select One	
9. Are withdrawals/transfers of inventories to State accounts recorded as sales at cost?	Select One	
10. Are revenues received for can handling income transmitted to the subfund account via an AC909-S - Report of Monies Received?	Select One	
11. Are deposits/credits received from the vendor for all bottles and cans?	Select One	
12. Is the value of empty cans (pending vendor pick up) and full cans (merchandise to be sold) included in the physical inventory at five cents each?	Select One	
13. Are interest income and can handling income added to total operating income (net profit) on the income statement?	Select One	
14. Is the reported profit and the expected profit about the same? • Please provide the date of the last completed monthly report sent to Support Operations.	Select One	
15. Is a Balance Sheet and Income Statement completed for each reporting period and submitted to Support Operations as required? • When was the last submission? • What is the date of the last 909 processed for sales?	Select One	
16. Does the facility use a computerized bookkeeping system? Please describe and is the data routinely backed up and saved to another format or media?	Select One	

INVENTORY SAFEGUARDS/PROTECTIVE MEASURES

- 1) **At no time shall incarcerated individual workers be allowed to pass any product or items through the sales window(s).**
- 2) Excessive damages result when incarcerated individuals receive benefit from damaged goods. Do not allow incarcerated individuals to receive damages or breakage items of inventory.
- 3) Commissary merchandise must be inspected and counted upon receipt. Damaged merchandise must not be accepted.
- 4) Any damages found inside a vendor's packaging must immediately be reported to the Steward and vendor. Arrangements for a credit and vendor pickup must be made as soon as possible. Commissary personnel must insure proper credits are received.
- 5) Pastries should be refrigerated whenever possible and rotated to insure a timely sale. Guaranteed sales must be pursued through vendors wherever possible, for all pastry products. The Commissary must include a procedure to control rodents.
- 6) Frozen items must be rotated to insure first in -first out sale of merchandise.
- 7) Incarcerated individual workers must be frisked at all times when leaving the Commissary. **Additionally, local protocol must ensure that any allowed personal items being brought into the Commissary by incarcerated individual workers are properly secured and accounted for.**
- 8) To safeguard commissary inventory and assets, it is preferred for the Silent Watchmen or other similar type of security system to be installed on all doors used for access to the Commissary. For these systems, there must be direct wiring of all security systems to prevent unauthorized entry and localized power shut offs. Otherwise, there must be **restricted and controlled** access to the Commissary **for properly authorized staff only**. (i.e.; restricted keys documented when issued-to whom and why).
- 9) No one should be allowed in the Commissary when it is closed. To maintain absolute control over the Commissary entrances and inventories, Silent Watchman tapes or other security system records must be checked by Commissary personnel upon arriving at work. Once checked, notify the steward's office immediately of any entries--then forward the tape to the business office every day. A business office staff member must review the tapes, investigate unauthorized entries and maintain the file.
- 10) Garbage must be checked each time it is removed to make certain Commissary merchandise is not leaving the Commissary area.
- 11) Business office personnel must reconcile perpetual inventory by periodic spot checks against physical inventory. The spot check and reconciliation must be documented and retained in the file for audit purposes.
- 12) Reorder points must be established to ensure the maintenance of an acceptable inventory level for all items
- 13) Stamps and cigarettes must be counted and reconciled every business day. Any variances must be immediately reported to the Steward. Storage of stamps and cigarettes must be secured.
- 14) Any high theft item, (e.g.; candy, batteries, tobacco) must be located close to the register and locked up at all times when the commissary windows are not open. During a buy, such items must be kept under close watch.

ACCOUNTING FOR CANS

TO BUY A CAN FROM A VENDOR**:

Debit:	Purchased	The cost of the soda
	Deposit Cost	.05 can deposit
Credit:	Accounts Payable	The cost of the soda + .05 can deposit

TO SELL A CAN TO AN INCARCERATED INDIVIDUAL**:

Debit:	Accounts Receivable-Incarcerated individual	The cost of the soda + .05 can deposit
Credit:	Sales	The cost of the soda
	Deposit Costs (Incarcerated individual)	.05 can deposit

TO RETURN A CAN FROM AN INCARCERATED INDIVIDUAL**:

Debit	Deposit Return-Incarcerated individual	.05 can deposit
Credit:	Accounts Receivable-Incarcerated individual	.05 can deposit

	If you receive	If you do not
	.015 Can	receive .015
	<u>Handling Fee:</u>	<u>Can Handling:</u>

EMPTY CAN RELEASED TO VENDOR:

Debit	Accounts Receivable-Other	.065 per can	.05 per can
Credit	Purchase Returns	.05 per can	.05 per can
	Can Handling	.015 per can	

VENDOR PAYS WITH A CREDIT MEMO:

Debit	Accounts Payable	.065 per can	.05 per can
Credit	Accounts Receivable-Other	.065 per can	.05 per can

VENDOR PAYS BY CASH:

Debit	Revenue Account	.065 per can	.05 per can
Credit	Accounts Receivable-Other	.065 per can	.05 per can