

 <p style="text-align: center;"><b>DIVISION OF ADULT INSTITUTIONS</b></p> <p style="text-align: center;"><b>POLICY AND PROCEDURES</b></p>	<b>DAI Policy #:</b> 300.00.08	<b>Page</b> 1 of 6
	<b>Original Effective Date:</b> 05/16/08	<b>New Effective Date:</b> 03/13/23
	<b>Supersedes:</b> 300.00.08	<b>Dated:</b> 03/22/21
	<b>Administrator's Approval:</b> Sarah Cooper, Administrator – 2/23/23	
<b>Required Posting or Restricted:</b>		
<input type="checkbox"/> PIOC <input checked="" type="checkbox"/> All Staff <input type="checkbox"/> Restricted		
<b>Chapter:</b> 300 Administrative		
<b>Subject:</b> Sale of Products Produced or Services Provided by PIOC in Vocational and Non-Vocational Programs		

**POLICY**

Division of Adult Institution facilities may offer products produced or services provided by PIOC as projects in vocational and non-vocational programs for sale to staff, the open market (with Prison Industries Board approval), tax supported facilities, non-profit agencies and other governmental agencies.

**REFERENCES**

Wisconsin Statutes s. 20.410(1)(kc) – Correctional institution enterprises; Inmate activities and employment

Wisconsin Statutes s. 303.015 – Prison Industries Board

Wisconsin Statutes s. 303.06 – Prison products; sale

Wisconsin Statutes s. 303.069 – Correctional institution enterprises; activities of Inmates

DOC ASM 202 – Receipts and Direct Deposits to the State Controller's Office

DOC ASM 305 – Request for Correctional Institution Enterprises; Inmate Activities Budget Authority

Ashurst Sumners Act 18 U.S.C. 1761

Attachment – PIB Approved Product Types – Open Market

**DEFINITIONS, ACRONYMS AND FORMS**

ASM – Administrative Services Manual

BCE – Bureau of Correctional Enterprises

Community Service – Products or services donated to state or local governments, public or non-profit agencies, or schools by PIOC or staff.

DAI – Division of Adult Institutions

DOC – Department of Corrections

DOC-500 – Receipt

DOC-2750 – DAI Vocational/Non-Vocational Products Establishment of Fair Market Value

Fair Market Value – The sale price of a product or service sold to DOC staff and the public as determined by the process established in this policy.

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Non-Vocational Products – Products produced or services provided by PIOC in non-vocational programs.

PIOC – Persons in Our Care

Prison Industries Board (PIB) – A nine-member Board appointed by the Governor to oversee operations of the DOC prison industry program. Board responsibilities include review and approval of the sale of products made by the PIOC in vocational and non-vocational programs.

Product – A tangible item produced by PIOC labor.

Service – Duties or work for another; supplying maintenance and repair (service electrical appliances); to make fit for use, repair or restore (service an automobile).

Vocational Products – Products produced or services provided by PIOC in facility vocational school programs.

Vocational School Programs – DOC or WTCS certified programs that provide education/training toward a certificate or diploma.

WTCS – Wisconsin Technical College System

## **PROCEDURE**

### **I. General**

- A. DAI vocational and non-vocational projects that include the sale of products produced or services provided by PIOC shall comply with State and Federal Regulations.
- B. All products produced by PIOC in vocational and non-vocational programs offered for sale in the open market shall be approved by the PIB prior to sale.
- C. Facilities shall keep records on all vocational and non-vocational products and services sold.
- D. Vocational and non-vocational products and services may be sold to DOC staff, in the open market (with PIB approval), tax supported facilities, non-profit agencies, and other governmental agencies.
- E. If offered to the public, vocational and non-vocational products and services shall be at the same price as offered to DOC staff.
- F. DOC staff shall not obtain items or services for free or for less than fair market value as defined by this policy.
- G. The DOC does not provide a warranty of workmanship or materials and assumes no liability for any damage to personal property. All sales are final.

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H. Items and services not covered by this policy include:

1. The sale of hobby craft items.
2. Donations of items produced by vocational and non-vocational programs.
3. Donations of items through community service programs.
4. The sale of BCE industry/farm products.
5. The products and services provided to community organizations by minimum security project crews.

I. Interstate sales of PIOC-produced products are prohibited.

## II. **PIB Approval**

A. All products produced by PIOC in vocational and non-vocational programs offered for sale in the open market shall be approved by the PIB prior to sale.

B. Services do not require PIB approval.

C. The PIB has previously approved a broad range of products for sale. The approvals are not specific to individual products or facilities, but instead are for broad categories of products.

D. When a facility anticipates the sale of a new product, the Warden shall contact the Director of BCE to review whether that product is or is not included in the categories of products previously approved by the PIB.

E. If the product has not previously been approved, the facility shall apply for PIB approval prior to the sale of any such products.

## III. **Establishment of Fair Market Value**

A. If the PIOC-produced product or service is also produced in the local market by private sector vendors, the facility shall survey three of these vendors to determine the price of the product in the private sector. The price charged shall then be set at no lower than the lowest price of this survey.

1. If three vendors are not available, the survey shall include as many vendors as possible.
2. If the product or service is also provided by another vocational program in the area, setting the price at the same level as the other program would be appropriate.

B. If the PIOC-produced product or service does not have local private sector competition, the price of the product shall be set at cost of the product or service plus 20 to 30 percent. The cost of the product shall be determined by the facility vocational teacher or program manager of the area producing the goods and approved by the facility Education Director/designee.

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- C. For PIOC-produced services, if the price set under III. A or B results in insufficient work for the PIOC to demonstrate and practice their skills, the facility may adjust pricing downward in order to obtain a sufficient number of customers to maintain program skills.
- D. When establishing the fair market value for a vocational/non-vocational product or service, facilities shall complete DOC-2750.

#### **IV. Facilities Shall:**

- A. Ensure all products made by PIOC in vocational and non-vocational programs that are or shall be offered for sale in the open market are approved by the PIB.
- B. Direct a memorandum to the BCE Director and the PIB providing the following information about the proposed product:
  - 1. Description of the new product.
  - 2. Anticipated market.
  - 3. Estimated sales (quantity).
  - 4. Fair market value of the product.
  - 5. A listing of the student competencies used during completion of the project.
- C. Establish procedures for review and approval of requests to purchase such products or services.
- D. Ensure that all vocational products and services sold satisfy approved curriculum competencies.
- E. Collect payment, including any applicable sales tax, for all products and services prior to the product or serviced item leaving the facility. Receipt all payments using DOC-500.
- F. Deposit all revenues from the sale of products or services provided by vocational school programs in Appropriation 166 in compliance with DOC ASM 202.
- G. Ensure the proceeds from vocational product sales are primarily used to purchase materials, supplies and equipment for vocational school programs.
- H. Monitor cash balances in Appropriation 166 and request budget authority in compliance with DOC ASM 305.
- I. Inspect any owner provided items or parts brought into the facility for use in a PIOC provided product or service.
- J. Inspect products and serviced items leaving the facility.

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**V. BCE Shall:**

- A. Maintain records of all products approved for sale by the PIB.
- B. Compile periodic reports for the PIB on vocational and non-vocational PIOC products sold.
- C. Coordinate the presentation of applications for new products to the PIB.
- D. Inform facilities of PIB decisions and/or requests for additional information.

**DIVISION OF ADULT INSTITUTIONS FACILITY IMPLEMENTATION PROCEDURES**

<b>Facility:</b> Name		
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<b>Chapter:</b> 300 Administrative		
<b>Subject:</b> Sale of Products Produced or Services Provided by PIOC in Vocational and Non-Vocational Programs		
<b>Will Implement</b> <input type="checkbox"/> As written <input type="checkbox"/> With below procedures for facility implementation		
<b>Warden's/Center Superintendent's Approval:</b>		

**REFERENCES****DEFINITIONS, ACRONYMS AND FORMS****FACILITY PROCEDURE**

- I.
  - A.
  - B.
    - 1.
    - 2.
      - a.
      - b.
      - c.
    - 3.
  - C.

II.

III.

**RESPONSIBILITY**

- I. Staff
- II. PIOC
- III. Other