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|  <p style="text-align: center;">DIVISION OF ADULT INSTITUTIONS</p> <p style="text-align: center;">POLICY AND PROCEDURES</p> | DAI Policy #: 300.00.08 | Page 1 of 8 |
| | Original Effective Date: 05/16/08 | New Effective Date: 03/22/21 |
| | Supersedes: 300.00.08 | Dated: 08/01/15 |
| | Administrator's Approval: Sarah Cooper, Administrator | |
| Required Posting or Restricted: | | |
| <input type="checkbox"/> Inmate <input checked="" type="checkbox"/> All Staff <input type="checkbox"/> Restricted | | |
| Chapter: 300 Administrative | | |
| Subject: Sale of Products Produced or Services Provided by Inmates in Vocational and Non-Vocational Programs | | |

POLICY

Division of Adult Institution facilities may offer products produced or services provided by inmates 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 inmates or staff.

DAI – Division of Adult Institutions

DOC – Department of Corrections

DOC-500 – Receipt

DOC-2750 – Division of Adult Institutions Vocational/Non-Vocational Products Establishment of Fair Market Value

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|--|-------------------------------------|--------------------|
| DAI Policy #: 300.00.08 | New Effective Date: 03/22/21 | Page 2 of 8 |
| Chapter: 300 Administrative | | |
| Subject: Sale of Products Produced and Services Provided by Inmates in Vocational and Non-Vocational Programs | | |

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.

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

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 inmates in vocational and non-vocational programs.

Product – A tangible item produced by inmate 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 inmates 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 inmates shall comply with State and Federal Regulations.
- B. All products produced by inmates 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 may not obtain items or services for free or for less than fair market value as defined by this policy.

| | | |
|--|-------------------------------------|--------------------|
| DAI Policy #: 300.00.08 | New Effective Date: 03/22/21 | Page 3 of 8 |
| Chapter: 300 Administrative | | |
| Subject: Sale of Products Produced and Services Provided by Inmates in Vocational and Non-Vocational Programs | | |

- G. All sales are final. The DOC does not provide a warranty of workmanship or materials and assumes no liability for any damage to personal property.

- 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 inmate-produced products are prohibited.

II. PIB Approval

- A. All products produced by inmates 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 inmate-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 inmate-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

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|--|-------------------------------------|--------------------|
| DAI Policy #: 300.00.08 | New Effective Date: 03/22/21 | Page 4 of 8 |
| Chapter: 300 Administrative | | |
| Subject: Sale of Products Produced and Services Provided by Inmates in Vocational and Non-Vocational Programs | | |

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.

- C. For inmate-produced services, if the price set under III.A or B results in insufficient work for the inmates 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 inmates 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.

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|--|-------------------------------------|--------------------|
| DAI Policy #: 300.00.08 | New Effective Date: 03/22/21 | Page 5 of 8 |
| Chapter: 300 Administrative | | |
| Subject: Sale of Products Produced and Services Provided by Inmates in Vocational and Non-Vocational Programs | | |

- I. Inspect any owner provided items or parts brought into the facility for use in an inmate provided product or service.
 - J. Inspect products and serviced items leaving the facility.
- 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 inmate 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.

Administrator's Approval: _____ **Date Signed:** _____
Sarah Cooper, Administrator

DIVISION OF ADULT INSTITUTIONS FACILITY IMPLEMENTATION PROCEDURES

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|---|-------------------------------------|------------------------|
| Facility: Kettle Moraine Correctional Institution | | |
| Original Effective Date: 12/1/09 | DAI Policy Number: 300.00.08 | Page 6 of 8 |
| New Effective Date: 04/14/21 | Supersedes Number: 300.00.08 | Dated: 10/14/18 |
| Chapter: 300 Administrative | | |
| Subject: Sale of Products Produced and Services Provided by Inmates in Vocational and Non-Vocational Programs | | |
| Will Implement <input type="checkbox"/> As written <input checked="" type="checkbox"/> With below procedures for facility implementation | | |
| Warden's/Center Superintendent's Approval: Warden Jon Noble | | |

DEFINITIONS, ACRONYMS, AND FORMS

DOC-2389 – Staff Personal Property Authorization

DOC-2759 – Project/Service Request Career and Technical Education (CTE) Schools

KMCI – Kettle Moraine Correctional Institution

FACILITY PROCEDURE

- I. No product or service shall be removed or performed without a completed DOC-2759 on file.

RESPONSIBILITIES

- I. Staff and Public Shall:
 - A. Obtain and complete requester section of DOC-2759 and return to Education Director to initiate request for an item to be produced or a service provided.
 - B. Obtain, complete, and deliver to the Education Director a DOC-2389 for any items or materials needed for completion of the project.
 - C. Pay fee directly to the Business Office prior to the service being provided or the item being removed from the facility.
 - D. Accept that no warranties, quality of workmanship or timeline of completion is implied or stated.
 - E. Show proof of payment to Education Director/designee and obtain signature for Authorization of Removal.
 - F. Provide form to the Gatehouse officer at the time the item is removed from KMCI.
- II. Gatehouse Officer Shall:
 - A. Review DOC-2759 form to determine if there is a signature approving the removal of the item.
 - B. Inspect any owner provided items or parts brought into KMCI for use in an inmate provided product or service.

DIVISION OF ADULT INSTITUTIONS FACILITY IMPLEMENTATION PROCEDURES

| | | |
|--|-------------------------------------|--------------------|
| Facility: Name | | |
| New Effective Date: 00/00/00 | DAI Policy Number: 300.00.08 | Page 7 of 8 |
| Chapter: 300 Administrative 300 Administrative | | |
| Subject: Sale of Products Produced and Services Provided by Inmates in Vocational School Programs | | |

- C. Inspect products and serviced items leaving KMCI.
- III. Vocational Teacher Shall:
- A. Coordinate with the Education Director to make/provide inmate products ordered by KMCI staff, the general public, non-profit organizations, state facilities and KMCI departments.
 - B. Ensure all products/services satisfy the competencies set forth in Moraine Park Technical College curriculum.
 - C. Determine if a product or service is available in the local market by private sector vendors, and if so, survey up to three vendors to determine the price of the product or service in the private sector. Then ensure verification via establishment of fair market value documentation is completed.
 - D. Coordinate with Education Director to determine a price based on private sector prices. If none are available, base the price on materials plus 25% and provide written documentation for price establishment.
 - E. Maintain a database of all products/services made including the type of product made or service provided, the date of sale, the customer's name and the price paid.
- IV. Education Director/Designee Shall:
- A. Obtain PIB approval for new products/services per Section II.E of this DAI policy.
 - B. Coordinate with vocational teacher to ensure all products/services satisfy the curriculum set forth.
 - C. Coordinate with vocational teacher to establish pricing.
 - D. Retain establishment of fair market value documentation.
 - E. Approve/Deny DOC-2759 and provide a copy of it to the vocational teacher pending completion of the product/service.
- IV. Business Office Shall:
- A. Collect payment, including any applicable sales tax, for all products and services prior to the product or serviced item leaving KMCI.

DIVISION OF ADULT INSTITUTIONS FACILITY IMPLEMENTATION PROCEDURES

| | | |
|--|-------------------------------------|--------------------|
| Facility: Name | | |
| New Effective Date: 00/00/00 | DAI Policy Number: 300.00.08 | Page 8 of 8 |
| Chapter: 300 Administrative 300 Administrative | | |
| Subject: Sale of Products Produced and Services Provided by Inmates in Vocational School Programs | | |

- B. Deposit all revenue from the sale of products or services provided by the vocational school programs in Appropriation 166 in compliance with DOC ASM 202.
- C. Ensure the proceeds from vocational product sales are primarily used to purchase materials, supplies, and equipment for vocational school programs.
- E. Monitor cash balances in Appropriation 166 and request budget authority in compliance with DOC ASM 305
- F. Maintain database of vocational products and services sold for KMCI reports.
- G. Ask for invoice of completed item to verify purchase price. Accept payment in the form of check or cash and sign receipt.