 <p>CD-113000</p>	<p>NEW MEXICO CORRECTIONS DEPARTMENT</p> <p><i>"We commit to the safety and well-being of the people of New Mexico by doing the right thing, always."</i> Courage Responsibility Ethics Dedication - CREDibly serving the public safety of New Mexico</p>	
	<p>ISSUE DATE: 07/01/85</p> <p>EFFECTIVE DATE: 07/01/85</p>	<p>REVIEWED: 11/28/16</p> <p>REVISED: 03/27/15</p>
	<p>TITLE: Corrections Industries Financial Management</p>	

AUTHORITY:

Corrections Industries Act, NMSA 1978, Section 33-8-1 as amended.

REFERENCE:

- A. ACA Standard 4-4460, *Standards for Adult Correctional Institutions*, 4th Edition.
- B. ACA Standards 2-CI-6A-5, 2-CI-6E-1, 2-CI-6E-2, 2-CI-6E-4, 2-CI-6E-5, 2-CI-6E-7 and 2-CI-6E-8, *Standards for Correctional Industries*, 2nd Edition.

PURPOSE:

To ensure that the financial aspects of the Corrections Industries Division are managed in the most efficient and cost effective way possible.

APPLICABILITY:

The Corrections Industries Division Director and staff, most particularly to the Finance Manager, Facility Managers and the Sales and Marketing Manager.

FORMS:

None

ATTACHMENTS:

None

DEFINITIONS:

None

POLICY:


- A. Corrections Department shall ensure that the Corrections Industries Division uses a cost accounting system in each operating unit: **[4-4460] [2-CI-6E-1]**
 - There shall be an effective system for monitoring and collecting accounts receivable;

- Annual sales and expense projections shall be developed for the Division's operating units as part of the annual Industries budget process;
 - There shall be at least an annual review of the status of operating units which do not generate enough revenue to offset costs and there shall be written procedures governing the pricing of products made for sale.
- B. The actual performance of each new cost accounting center shall be analyzed at the end of the first year of operation and annually thereafter. [2-CI-6A-5]
- C. There shall be a clearly established fiscal plan for the operation of Industries. Annual revenue and expense projections shall be developed for Industries, including individual operating units. [2-CI-6E-2]
- D. There shall be an independent financial audit conducted annually, or at a time period stipulated by applicable statute or regulations, not to exceed three year. [2-CI-6E-4]
- E. Industries shall produce monthly financial reports. These reports will include, at a minimum, income statements for each operating unit and a balance sheet for all the operations of the facility Industries. Monthly financial reports on Industries operations shall be available within at least thirty days after the close of the month they cover and distributed to those persons with responsibilities for industries. [2-CI-6E-5]
- F. A materials management system shall be established to support the order and control of materials. [2-CI-6E-7]
- G. Inventory management practices shall include provision for at least annual physical inventories of raw materials, work-in-progress and finished goods. [2-CI-6E-8]



David Jablonski, Acting Secretary of Corrections
New Mexico Corrections Department

11/28/16
Date

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	<p>TITLE: Cost Accounting System and Financial Reporting</p>	

AUTHORITY:
Policy *CD-113000*

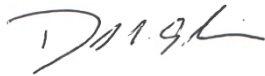
PROCEDURE:

A. Cost Accounting System: [4-4460] [2-CI-6E-1]

1. Corrections Industries Division will have a cost accounting system in operation in each Industries shop. This system will:
 - a. Be maintained in accordance with generally accepted accounting principles (GAAP).
 - b. Be based on the chart of accounts and the general ledger.
 - c. Provide a basis for recording and allocating direct and indirect costs.
 - d. Provide a basis for recording and allocating administrative overhead for each operating unit.
 - e. Provide a method of costing and pricing goods produced.
 - f. Industries shall produce monthly financial reports. These reports will include, at a minimum, income statements for each operating unit and a balance sheet for all the operations of the facility industries. Monthly financial reports on Industries operations shall be available within at least thirty days after the close of the month they cover and distributed to those persons with responsibilities for industries. **[2-CI-6E-5]**
2. The actual performance of each new cost accounting center shall be analyzed at the end of the first year of operation and annually thereafter. **[2-CI-6A-5]**
3. There shall be a clearly established fiscal plan for the operation of Industries. Annual revenue and expense projections shall be developed for Industries, including individual operating units. **[2-CI-6E-2]**

B. Financial Reporting:

1. Corrections Industries will produce monthly and annual financial reports in accordance with generally accepted accounting principles (GAAP). At a minimum they shall include a Profit and Loss Statement for each operating unit.
2. These financial reports will be distributed within thirty (30) days of the close of the accounting period to the following individuals:
 - a. Corrections Industries Commission;
 - b. Secretary;
 - c. Deputy Secretary of Administration;
 - d. Director;
 - e. Industries Managers; and
 - f. Shop Supervisor (for specific shop only).
3. A materials management system shall be established to support the order and control of materials. [2-CI-6E-7]



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