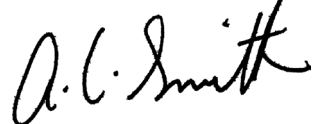




Department of
Rehabilitation & Correction

SUBJECT: Enterprise Resource Planning	PAGE <u> 1 </u> OF <u> 5 </u>
	NUMBER: 25-OPI-08
ORC/OAC REFERENCE: ORC 5120.01	SUPERSEDES: 25-OPI-08 dated 06/10/2019
RELATED ACA STANDARDS: 2-CI-6E-7	EFFECTIVE DATE: September 26, 2022
	APPROVED: 

I. AUTHORITY

Ohio Revised Code 5120.01 authorizes the Director of the Department of Rehabilitation and Correction, as the executive head of the department, to direct the total operations and management of the department by establishing procedures as set forth in this policy.

II. PURPOSE

The purpose of this policy is to provide uniformed procedures for the daily operation of the industrial programs.

III. APPLICABILITY

This policy applies to all Ohio Department of Rehabilitation and Correction (ODRC) employees and those under contract as full and/or part-time employees with Ohio Penal Industries (OPI), as well as incarcerated individuals working in the industry operation.

IV. DEFINITIONS

The definitions for the below listed terms can be found at the top of the policies page on the ODRC Intranet at the following:

[Definitions Link](#)

- **Global Shop Solutions (GSS)**
- **Graphic User Interface (GUI)**
- **Intercompany Sales Order**
- **Material Pick List**
- **Work Order Router**

V. POLICY

It is the policy of the ODRC to ensure Ohio Penal Industries (OPI) establishes and maintains a system to ensure all industries programs operate under the same scheduling, productivity standards and inventory processes.

VI. PROCEDURES**A. ENTERPRISE RESOURCE PLANNING (ERP) OPERATIONS**

1. Order Entry
 - a. Requirements are communicated to the shops through GSS. As orders are entered in GSS by sales staff, they are then relayed to the specific shop as a requirement to be processed.
 - b. Each customer order shall be reviewed by the OPI inside sales representatives for accuracy, special requirements, and due dates. Special orders will be handled by the OPI sales manager.
 - c. For orders shipped from the Central Distribution Center (CDC), the CDC PIM 1/designee shall generate an inter-company purchase order to purchase the items from the assigned OPI production shop. This will generate an inter-company sales order at the OPI production shop location.
2. Planning
 - a. A router must be generated for any finished good or sub assembly part prior to production.
 - b. The production shop will run Automated Work Order Generation process in GSS to generate work order router for open sales orders if production is necessary.
 - c. The shop manager/designee shall schedule production starting with the oldest due dates whenever possible.
 - d. Any special production requirements will need to be determined (i.e., tools, equipment, personnel, and special material).
3. Production Implementation/Scheduling
 - a. Work orders shall be generated.
 - b. The material pick list shall be generated once the work order is generated.
 - c. The designated production superintendent and/or specialist is responsible for verifying the work order and the material pick list for accuracy and that materials and supplies to be issued are correct.
 - d. The storeroom shall prepare materials and supplies needed for the order.
 - e. Proper prints, drawing, formulas, specifications, etc. must be available for production implementation/scheduling.
4. Production Control
 - a. The work order router must follow through all phases of the operation.
 - b. Product inspections must be performed and approved before moving to the next operation. Inspectors shall complete daily inspection reports.

- c. Material control shall be recorded through production, material pick lists, and the work order router.
- d. The superintendent and/or specialist are responsible for spot-checking all items in production to include the status of production and adherence to product specifications. The superintendent and/or specialist and/or incarcerated worker shall issue material and any component parts into GSS to maintain current inventory records.
- e. Incarcerated workers shall post labor time on each work order by clocking into the work order routers at the GSS timeclock GUI workstations.
- f. The shop manager shall review all material and labor posted to the work order. Any discrepancies in material or labor must be corrected before the work order is work-in-processed (WIP'd) to finished goods. Once all transactions are posted to the work order accurately, the shop manager/designee will run the work-in-process (WIP) to finished goods process to complete/close the work order.
- g. The product manager shall run reports routinely to verify costs, schedules, and adherence to due dates.

5. Shipping

- a. The product shall be packaged properly using designated boxes or cartons. The appropriate label shall be attached to at least two (2) sides of the outside of the box or carton.
- b. Products should be placed together in designated finished goods staging area according to the order that it is being shipped by.
- c. The shop manager/designee shall enter the shipment transaction in GSS. This will generate a packing slip for each sales order.
- d. The product should be loaded according to the driver's instructions, ensuring the load is secured. Drivers and/or the shop manager's designee shall confirm ordered items and totals against the packing slip.
- e. The shop manager/designee shall run the select order to invoice process to release a shipment for the invoicing process.
- f. Invoices are generated by the Operations Support Center McKinley Accounts Receivable Section.
- g. Closed orders shall be changed to history status after one (1) year and purged from the database after five (5) years.

6. Receiving

- a. The shop manager/designee shall compare items to be received to the purchase order to ensure it meets specifications, requirements, and amounts.
- b. During unloading, items shall be counted and thoroughly inspected for damage and proper specifications per shop manager/designee.
- c. Material that does not meet the above criteria shall be refused. Refused shipments shall be noted on the driver's bill of lading.

- d. The shop manager/designee shall contact the vendor within two (2) working days on damaged or improper specification items for disposition (i.e., credit and replacement). If the vendor fails to commit to resolve the problem within five (5) working days, a complaint to vendor shall be issued. If the vendor fails to deliver on their commitment, another complaint to vendor shall be issued.
- e. Once the shipment is verified for accuracy against the appropriate purchase order, parts shall be placed in a designated bin location and received in GSS within one (1) business day.
- f. The purchase order audit trail shall be printed, attached to purchase order, and independently verified for quantity, bin, and cost by the shop manager/designee.

7. Storeroom/Warehouse

- a. All storerooms and warehouses shall be kept neat, clean, and organized. Aisles, parts, and bin locations should be clearly marked.
- b. Raw materials and finished goods are to be stored in a manner that will protect them from damage or deterioration. Use pallets and storage racks when necessary.
- c. Material handling shall be conducted in a manner that will provide maximum protection to the material and/or product.
- d. All raw materials and finished goods shall be identified as to the date received or made and shall be rotated so that the oldest items are used first.

8. Inventory Management

- a. A cycle count inventory shall be scheduled for each shop by the assigned manager to ensure all inventory parts are counted at least once every month.
- b. An annual physical inventory shall be conducted covering raw materials, WIP, and finished goods during the year-end inventory. This inventory shall be completed by the shop manager, staff, and verified by an observer team from OPI Central Office.
- c. No shipments shall be made to CDC past the allotted time for pickup prior to the assigned inventory date. Any finished goods completed or WIP shall remain in the OPI manufacturer's inventory count. Packing slips shall not be created for any product or finished good until the area supervisor has been approved to continue the shipping process.
- d. Work orders are not to be created in GSS that the shop is unable to complete entirely before the assigned inventory date. Work orders shall not be created until the inventory process is completed and the OPI shop manager has been approved to issue material.
- e. All purchase orders are to be entered by the close of business the day prior to the assigned inventory date. Any purchase order receipts that a shop has but not received in GSS must be quarantined and marked accordingly until the shop's inventory assignment is completed and the OPI shop manager has been approved to receive purchased material.

- f. Work areas shall remain clean throughout each workday and workstation. All inventory must be stacked in a manner that makes easy access for counting.
- g. Items shall be combined by like items to make full skids, use applicable machinery to pull items to lower level making sure the labeling is clearly visible for the inventory.
- h. PIM 1/superintendent shall print two (2) reports from Global Shop:
 - i. Report 1 will show on hand material count,
 - ii. Report 2 will NOT show on hand material count.
- i. Incarcerated workers, except those responsible for daily product being counted, shall be assigned with a staff member as a team to count inventory items listed on Report 2 and utilizing Report 2. Having an incarcerated worker outside of that inventory will provide a separation of duties as to not influence the count of material. All physical counts will be supervised by the shop manager/designee.
- j. The product counts shall be given to the PIM 1/superintendent to compare to Report 1. If there is a variance, a different team shall conduct a recount. If the number mimics the prior count, then there is a legitimate variance that needs to be addressed.
- k. The PIM 1/superintendent shall identify the reason for the discrepancy (i.e., orders entered improperly, order missing, etc.).
- l. If the variance is less than \$1000, the PIM 2 shall make the necessary changes to Global Shop to balance the inventory and the process is complete.
- m. If the variance is more than \$1000, the PIM 2/designee shall work with the PIM 1/superintendent/PWS to identify the reasons for the discrepancy and create a plan of action to prevent the problem for the future.
- n. The plan of action shall be forwarded to the chief fiscal officer who shall review with the OPI chief and approve or return to the PIM 2 for revisions. Once approved, ERP shall adjust in Global Shop to ensure the inventory is balanced.