


May 2, 2024

TO: Michael Hunter  
Chairman - Store & Finance Committee

FR: Gordon Haas   
Member

RE: MCIN's Z-1 Account

As the Store & Finance Committee has been pointing out for months, beginning July 1, 2024, the DOC will no longer receive commissions from vendors. This will have seismic changes in the income received into MCIN's Z-1 Account and expenses will be equally drastically affected unless the DOC Central Office acts to make-up the inevitable shortfalls. See the attached sheet for a more detailed presentation of expenses from MCIN's Account for the period from July 1, 2023 through April 1, 2024.

The expenses from MCIN's Z-1 Account presented in the attached sheet by categories from July 1, 2023 through April 1, 2024 do not include monthly stipends and payroll expenses. The source for the other expenses from July 1, 2023 through December 31, 2023 was the Transaction Reports which do not include either stipends or payroll. The expense for stipends paid for December 2023 through March 2024, averaged \$3,514 per month with the lowest being \$3,210 and the highest being \$3,895. The payroll expense for Canteen workers was \$121.50 per week or \$486.00 for each four week period.

For FY 2023, the total amount of commissions paid by Keefe Commissary Network to MCIN's Z-1 Account was \$286,707.11 or 94% of the total income into MCIN's Z-1 Account for that fiscal year. In FY 2022, the total amount of commissions paid by Keefe Commissary Network to MCIN's Z-1 Account was \$265,176.98 or 97% of the total income into MCIN's Z-1 Account for that fiscal year.

From July 1, 2023 through April 1, 2024, there were 128 transactions for expenses from MCIN's Z-1 Account, excluding stipend and payroll entries. Of the 128, 60 (47%) were initiated by the Treasurer's Office (K bills), 31 (24%) by Store & Finance (Council Bills), 18 (14%) by Maintenance, 17 (13%) by Cable and 2 (2%) by Deputy Commissioners. Thus, transactions are generated from various sources and economies need to be addressed not just by Store & Finance.

There were expenses which could have been paid from one of the three DOC Central Accounts. For instance, a Deputy Commissioner ordered that \$35,514.00 be paid from MCIN's Z-1 Account for replacing weight equipment. That expense could have been paid out of either the Central Office Program Account or the Central Office Inmate Z-1 Account. Other examples are the \$26,152.00 paid for tablets, the \$9,698.94

paid for Law Library expenses which could have been paid from the Central Law Library Fund which has consistently maintained a balance of over \$1,000,000, particularly because \$16,766.87 was paid to that fund from MCIN's own Z-1 Account for the period under study. In addition, during that period \$18,384.43 was paid from MCIN's Z-1 Account to the Central Program Account from which MCIN saw little or no return.

It is obvious that the Central Office is going to have to fund various MCIN's expenses if the programs now in place are to continue. For example, for the period under study, if the expenses for weight equipment, tablets, law library, Law Library and Program Assessments are deducted from the total spent on the attached sheet, what remains is \$97,141.79. Given that Keefe Commissary Network commissions and vending machine commissions account on average for 97% of all income into MCIN's Z-1 Account, the shortfall after July 1, 2024, assuming all commissions are eliminated, will be substantial. Annual income, excluding commissions, after July 1, 2024 is estimated at slightly over \$5,000 as interest payments of \$5,708.73 received for FY 2023 cannot be expected to continue as the balance in MCIN's Z-1 Account dwindles. The same can be said for the \$1,956.91 earned in interest from January 1, 2024 through April 1, 2024.

STORE & FINANCE COMMITTEE

April 29, 2024

An Accounting of the MCIN's Z-1 Account's  
Expenses from July 1, 2023 through April 1, 2024

Payroll Below find a breakdown of expenses, excluding Stipends and  
Paroles for Canteen workers. Major expense categories, excluding  
Law Library and Program assessments are also included. Lastly,  
expenses are listed based on the origins of the disbursements.

Recreation Equipment	-	43,306.53	-	19.4%
Miscellaneous	-	42,056.35	-	18.8%
Law Library Assess.	-	36,766.87	-	16.5%
Maintenance	-	23,651.37	-	10.6%
Program Assess.	-	18,384.43	-	8.3%
Cable	-	16,116.44	-	7.3%
Law Library	-	9,698.94	-	4.3%
Copier	-	8,948.88	-	4.0%
Units	-	8,190.68	-	3.7%
Garden	-	4,125.15	-	1.8%
Office Supplies	-	3,749.47	-	1.6%
Religious Programs	-	2,974.28	-	1.3%
Barber Shop	-	2,584.73	=	1.1%
Programs	-	1,493.22	-	.6%
Coffee	-	1,138.34	-	.5%
General Library	-	472.35	-	.2%
Total		223,658.03		

Major expenses categories other than Law Library and Program  
Assessments and copier rentals.

Weight Equipment	-	35,514.00	
Tablets	-	26,152.00	(72% of Miscal Exp.)
Freezers	-	13,640.40	
Freezer Boxes	-	7,369.00	
Copy Paper	-	5,837.00	
Misc. - No Descrip.	-	4,200.00	
Law Library Books	-	3,861.94	
Seeds	-	3,440.59	
Shavers	-	3,134.50	

Expenses were generated from the following:

Treasurer's Office	-	60
Store & Finance	-	31
Maintenance	-	18
Cable	-	17
Deputy Com.	-	2