



SOUTH DAKOTA  DEPARTMENT OF CORRECTIONS POLICY AND PROCEDURE		POLICY NUMBER 800-05	PAGE NUMBER 1 OF 4
		DISTRIBUTION:	Public
		SUBJECT:	Pheasantland Industries Customer Sales Procedures
RELATED STANDARDS:	None	EFFECTIVE DATE:	May 01, 2026
		SUPERSESSION:	04/01/2025
DESCRIPTION: Correctional Industries and Vocational Programs	REVIEW MONTH: April	 NICK LAMB SECRETARY OF CORRECTIONS	

I. POLICY

It is the policy of the South Dakota Department of Corrections (DOC) to regulate payment and pricing procedures for goods and services provided by Pheasantland Industries for sale to state and federal governmental agencies, non-profit organizations, and state employees.

II. PURPOSE

The purpose of this policy is to provide guidelines for the purchase and payment of Pheasantland Industries goods and services.

III. DEFINITIONS

Custom Item:

Any product or service that is custom made or offered by a Pheasantland Industries shop or does not have a previously established published price.

Global Shop Solutions:

The enterprise resource software used by Pheasantland Industries for financial management.

Goods:

Any product manufactured by Pheasantland Industries.

List Price:

The amount to be charged to a customer for a standard item that is published by Pheasantland Industries.

Market Price:

The price of similar products that can be purchased through private sector vendors to include applicable state and local sales taxes.

Packing Slip:

A packing slip is created in the enterprise resource planning (ERP) system by the shop supervisor once the order is complete and ready to be shipped. The packing slip is sent by the shop supervisor to the Pheasantland Industries business office to show the means of delivery to the customer.

Sales Order:

A sales order is created in the enterprise resource planning (ERP) system by either the shop supervisor or Pheasantland Industries business office once an order is received by a customer. A sales order provides the details and terms of an order including billing name, address, phone number, email, description of product, quantity, and unit price.

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Shop Rate:

A predetermined hourly rate that includes direct labor and shop overhead rates as determined by the accountant and approved by the Pheasantland Industries manager.

Shop Supervisor/Foreman:

The foreman of the respective shop where Pheasantland Industries products are produced and/or services offered.

Standard Item:

Any product that is listed in a Pheasantland Industries publication with a designated list price (e.g., newsletter, website, etc.).

Work Order:

Created in the enterprise resource planning (ERP) system to route the sequencing and operations of an order to track time and cost for each job.

IV. PROCEDURES

1. Sales of Standard Goods and Services:

- A. The procedure for sales of standard goods and services at the list price to state, county, and federal governmental agencies, non-profit organizations, school districts, and state employees are as follows:
 1. Within three business days of a request for a standard good or service, the shop supervisor will create a sales order in Global Shop Solutions and send it to the customer for signed approval.
 2. Once the sales order is signed by the customer and sent back to the shop supervisor or PI business office, the shop supervisor can authorize the production on the order.
 3. A packing slip is created by the shop supervisor once the order is complete and ready to be delivered to the customer.
 4. Once the item is ready for customer delivery, a copy of the packing slip, documenting date and quantities of the product shipment will be forwarded to the PI business office. The PI business office will create an invoice to send to the customer for payment.
 5. The PI business office will match the packing slip to the order for verification before the order is shipped or picked up by the customer.
 6. Orders can be picked up from the PI business office, delivered by a DOC employee, or sent by outside carrier.
 7. Customers will be required to sign the packing slip to acknowledge the receipt of the product. A copy of the packing slip will be left with the customer, and all other copies will be forwarded directly to the PI business office.

2. Sale of Custom Goods and Services:

- A. In order for PI customers, to include DOC employees, to purchase custom items from PI, the subsequent steps will be followed:
 1. Upon customer request to order a custom item, the shop supervisor will create a work order to include a custom item quote. The work order will include:
 - a. A full description of the scope of work to be performed to include all items to be repaired or modified.
 - b. An itemized list of materials/parts to be included with unit pricing which designates the items as either stock items or specific purchases.
 2. An estimate of the direct labor required. The labor cost will be determined by multiplying the estimated labor time with the preapproved shop rate for the cost center.
 - a. A pre-approved markup percentage to be added to the total cost of materials and labor.
 - b. Freight or delivery required in the scope of work.
 - c. Payment terms.

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3. All personal items provided to the shop by the customer, to be used on the project will be tagged using the unique ID number assigned to the project. Multiple items can be tagged with the same ID number provided they are all part of the same project and cataloged with submission into the job file.
4. The PI manager or associate director of PI will review the work order and approve the quote before it is sent to the customer for their signed approval.
5. Upon completion of the review, the custom item work order will be presented to the customer for review and acceptance. At no time will work begin on a project prior to receipt of the customer's signed acceptance of the custom item work order.
6. Upon customer acceptance, the signed custom work order will be forwarded to the PI business office, and the shop supervisor may authorize the production of the custom order.
7. Stock items/materials used in the project will be documented at the time of removal from inventory including description, quantity, and price and will be added to the total cost of the order.
8. Any modifications or additions to the scope of work or materials required for the project will be accomplished using a revised work order created with the same information, process, review, and customer acknowledgement as required for the original work order.

3. Payment Arrangements:

- A. Payment arrangements for state employees must be made at the time of the sale, through the PI business office and prior to removal from state property. State and federal governmental agencies, non-profit organizations, and state employees, in accordance with SDCL, will be invoiced and payment terms are net 30.
 1. State employee purchases or custom items require full payment in the form of a check, credit card, or money order to the PI business office simultaneously with the delivery/completion of the project and will include the project number on any receipt provided.

4. Delivery:

- A. Upon delivery of the item, PI will:
 1. Have the purchaser sign the packing slip.
 2. Ensure that the purchaser has paid the full invoiced amount by check, money order, or credit/debit card if the order is for a state employee or for a custom item. No cash will be accepted.
 3. Forward the receipt and check to the attention of the designated PI business office.
- B. Orders may not leave a PI shop without the packing slip accompanying the product.

5. Prices:

- A. Standard items will have the list price set and published. Prices may be adjusted annually to serve the business need of each shop. Only the PI associate director may change or set the price list for standard items to ensure consistent pricing. The PI associate director has the authority to apply purchasing discounts to remain competitive, reward valuable clients, and secure business that might not otherwise be attainable.
- B. The sales price of PI products and services will be as close as possible to the prevailing retail market price of similar products and services in the private sector.
- C. Prices for custom items are determined based on the factors outlined in this policy, are approved by the PI manager, and vary by order.

6. Returns:

- A. No returns on custom made items will be allowed unless approved by the PI manager.

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V. RESPONSIBILITY

It is the responsibility of the director of Finance and Administration to conduct annual review of this policy and make revisions as necessary.

VI. AUTHORITY

A. SDCL § [24-7 State Prison Industries](#)

VII. HISTORY

May 2026
April 2025
August 2024
July 2023
April 2022 – New policy

ATTACHMENTS

None.