

SCHOOL BOARD OF BROWARD COUNTY, FL
BUSINESS SUPPORT CENTER

STANDARD PRACTICE BULLETIN

I - 309
Page 1 of 6

VENDING MACHINES/SNACK BARS

TOPICS IN BULLETIN:

- I. GENERAL INFORMATION
- II. VENDING MACHINE ARRANGEMENTS
- III. SNACK BARS/CONCESSION STANDS

EXHIBITS REFERENCED:

- 1 YEAR END INVENTORY FORM
- 2 STATEMENT OF REVENUE AND EXPENDITURES
- 3 SALES TAX WORKSHEET
- 4 REMITTANCE TRANSMITTAL

I. GENERAL INFORMATION

- A. The sale of food or beverages to students by direct sale or through vending machines shall be in accordance with State Board of Education Rule 6A-7.042 which states in part:

"To prohibit the sale of food and beverage items in competition with the district approved food service program, including those classified as 'foods of minimum nutritional value,' listed in Code of Federal Regulations 210 Appendix B. These items may be sold in secondary schools only, with the approval of the School Board, one (1) hour following the close of the last lunch period. . ."

- B. All vending machine operations and contracts must be approved by the Purchasing Department.
- C. All vending machines must be operated by and monies deposited into a class, club, department, or staff appreciation trust internal account #6997-0000.

SCHOOL BOARD OF BROWARD COUNTY, FL
BUSINESS SUPPORT CENTER

STANDARD PRACTICE BULLETIN

I - 309
Page 2 of 6

II. VENDING MACHINE ARRANGEMENTS

Vending machines operated by and for the location (school/department) will be one of two general plans;

A. Full Service by Vendor (Commission Basis)*

1. Requires an annual contract which must be signed by the Principal and approved by Purchasing.
2. Upon the removal of collections, the Vendor is responsible for issuing a receipt to the location for the amount of collections removed.
3. The Vendor pays the location a share of collections in accordance with the contract agreement.
4. When commission checks are received, the checks are to be receipted directly into the applicable internal account to receive the commission.

***VENDOR OPERATED MACHINES ARE STRONGLY RECOMMENDED.**

B. Location Operated Machines (Location purchases products and fills machines.)

1. IF machine is leased, an annual vending contract must be signed by the Principal and approved by Purchasing.
2. Vending receipts must be removed at least once a week and deposited with the bookkeeper.
3. Coins are to be rolled and reconciled by the class, club, department or sponsor in charge of the organization/group profiting.

SCHOOL BOARD OF BROWARD COUNTY, FL
BUSINESS SUPPORT CENTER

STANDARD PRACTICE BULLETIN

I - 309
Page 3 of 6

II. VENDING MACHINE ARRANGEMENTS (Continued)

4. A physical inventory is to be conducted at least twice a year. **ONE INVENTORY MUST BE CONDUCTED AT YEAR END.** Written documentation of the inventory (Exhibit 1) and any adjustments (free items, returns, etc.) must be retained for audit purposes.
5. Statement of Revenue and Expenditures (Exhibit 2) must be completed at year end by the sponsoring group/organization.

C. All vending machine profits may be used for:

1. Staff appreciation - Up to 25% of vending machine profits may be transferred to the staff appreciation trust account #6997-0000.
2. General school benefit – Monies would be deposited into the General Fund.
3. Class, Club or Department benefit – Decision as to what group benefits must be approved by the Principal. Monies to be deposited in applicable approved class, club or department internal account.
4. Faculty benefit – Vending machines must be located in the faculty planning or lounge areas of the school and should be for faculty and staff use only. Monies are to be deposited in the faculty/sunshine account per the current Teachers Union Contract.

SCHOOL BOARD OF BROWARD COUNTY, FL
BUSINESS SUPPORT CENTER

I - 309

STANDARD PRACTICE BULLETIN

Page 4 of 6

II. VENDING MACHINE ARRANGEMENTS (Continued)

D. TAX OBLIGATIONS

1. Occupational Licenses

- a. Vending machines owned by schools are not liable for an occupational license.
- b. All commission vendors are responsible for securing their own occupational license.

2. Sales Tax

a. FULL SERVICE MACHINES (COMMISSIONS)

(1) GROSS SALES

The contract specifies who is responsible for the payment of sales tax and how the tax is calculated.

(2) VENDING COMMISSIONS

- a. Commissions which are received by schools and departments from the operation of Full Service vending machines, pay phones, or other real property are considered to be income from the leasing of, or license to use real property. Income (commissions) derived from the lease or license to use real property is subject to sales tax.

SCHOOL BOARD OF BROWARD COUNTY, FL
BUSINESS SUPPORT CENTER

STANDARD PRACTICE BULLETIN

I - 309
Page 5 of 6

II. VENDING MACHINE ARRANGEMENTS (Continued)

(2) VENDING COMMISSIONS

*Taxes on commissions are to be paid to the school by the vendor and the school will then remit to the School Board for transmittal to the Department of Revenue.

***EXAMPLE:**

A location (school/department generates \$1000 in gross sales. The location's commission is 10%. The vendor should send the location a check for \$106. \$100 would be the amount of commissions and \$6 would represent the sales tax for the lease or license to use real property. The location at month's end would write a check to the School Board complete a Sales Tax Worksheet Exhibit 3) and Remittance Transmittal (Exhibit 4) and forward to the Treasurer's Office.

b. LOCATION OPERATED MACHINES

(Products purchased by location and loaded)

Sales tax is to be added to the invoice and paid to the company. (Additional information SPB I-312).

SCHOOL BOARD OF BROWARD COUNTY, FL
BUSINESS SUPPORT CENTER

I - 309
Page 6 of 6

STANDARD PRACTICE BULLETIN

III. SNACK BARS/CONCESSION STANDS

Any snack bar/concession stand which is commercially operated will be operated in accordance with School Board Policy 3.2, which includes:

- A. The operation **MUST** be bid by the Purchasing Department.
- B. The commercial firm must maintain auditable records. These records can be reviewed and/or audited by the District's internal audit department.