

SCHOOL BOARD OF BROWARD COUNTY, FL
INTERNAL FUNDS ACCOUNTING

STANDARD PRACTICE BULLETIN

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SALES AND USE TAXES

TOPICS IN BULLETIN:

- I. GENERAL INFORMATION
- II. EXEMPT ACTIVITIES AND ITEMS
- III. TAXABLE ACTIVITIES AND ITEMS
- IV. SALES TAX EXEMPTION CERTIFICATE
- V. SALES TAX COLLECTIONS AND REMITTANCES

EXHIBITS REFERENCED:

1. Sales Tax Exemption Certificate
2. Sales and Use Tax Worksheet
3. Remittance Transmittal
4. List of Taxable/Non-Taxable items

I. GENERAL INFORMATION

Florida Sales and Use Tax Law, Chapter 212 of the Florida Statutes determines the sales tax rate. It is the specific legislative intent that each and every sale, admission, use, storage, consumption or rental be taxable **UNLESS** specifically exempt.

ALL purchases made by a school which are deemed to be for educational purposes are tax exempt **EXCEPT** Faculty-Sunshine Accounts and fundraiser purchases.

Outside support organizations (such as Booster Clubs, PTAs, PTOs, etc.) **ARE PROHIBITED** from using the District's tax exemption number/certificate.

II. EXEMPT ACTIVITIES AND ITEMS

A. STUDENT PUBLICATIONS

Publications such as Yearbooks and Memory Books, literary magazines, newspapers, senior wills, etc. and all items purchased (film, paper, printing) directly related to the production of the publication are exempt. **VIDEO YEARBOOKS produced solely by students are also exempt.**

B. STUDENTS AND/OR FACULTY TALENT/ATHLETIC EVENTS

Admissions to events such as athletic events, plays, band concerts or activities where student and/or faculty talent is used are exempt. In addition, purchases incurred such as costume rentals, set materials, etc. are exempt. Proms/Homecoming preparations (hotel charges, flowers, decorations, etc.) are exempt.

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II. EXEMPT ACTIVITIES AND ITEMS (Continued)

C. TEXTBOOKS/WORKBOOKS

Sales of textbooks/workbooks containing instructional materials are exempt, including sales of GED books/tests, ABE books and ESOL items.

D. SCHOOL LUNCHES

The sale of food and beverages when served as part of a school lunch to students, teachers, school employees or guests.

E. VENDING MACHINES

The sale of goods and beverages from vending machines located in the school cafeteria **ONLY**.

F. PROMOTION/PUBLIC RELATIONS; HOSPITALITY; SACS EXPENDITURES

Purchases for activities related to visiting committees; orientation/work conferences; employee recruitment; official meetings/receptions; awards or other types of recognition for meritorious performance.

G. CAPS AND GOWNS

Purchase or rental for faculty, staff, guests and students.

H. FLOWERS/MEMORIALS FOR STUDENT/STAFF

Purchase of flowers/memorials made on behalf of the student body.

I. INSTRUCTIONAL MATERIALS

Classroom supplies, including sewing kits, craft kits and VTAE supplies.

J. LANDSCAPING/SCHOOL IMPROVEMENT

Purchases made for the improvement or replacement of school property, including locks for student lockers.

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II. EXEMPT ACTIVITIES AND ITEMS (Continued)

K. GRAD NIGHT

Admissions to Disney World or other similar amusement park for Grad Night, as well as purchases of sandwiches, drinks, videos, etc purchased for the trip are exempt.

L. UNIFORMS

Uniforms which are required by the School to be worn by participants in competition or for field trip identification purposes are exempt unless sold at a profit. Some examples are:

1. Athletic Uniforms
2. Band/Orchestra/Chorus Uniforms
3. Cheerleading Uniforms (shoes, socks, etc.)
4. Swimsuits
5. Shorts, shirts, caps for team/club members
6. Shoes (when all members are required to wear the same style/model)

M. PRIZES, AWARDS, GIFTS

Prizes and awards (includes meals and refreshments) given to students; gifts to teachers and students in recognition of excellence in competitions, academics, or incentives.

N. HORTICULTURE

Initial purchase of plants or seeds by school from wholesaler.

O. CARNIVALS/CIRCUSES

The admission charge to traveling shows, exhibitions, circuses, carnivals, rodeos, etc. **when such performances are sponsored by nonprofit organizations.**

P. BANQUETS

All banquets **EXCEPT** Faculty/ Sunshine.

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II. EXEMPT ACTIVITIES AND ITEMS (Continued)

Q. FIELD TRIPS

All admission to and charges for trips deemed to be part of the school's curriculum (including meals which are purchased using monies raised through student collections).

R. OTHER

1. Bake Sales
2. Cookie Dough Sales
3. Cake Sales
4. Car Washes
5. Coupon Books
6. School Discount Cards

III. TAXABLE ACTIVITIES AND ITEMS

A. FACULTY/SUNSHINE ACCOUNTS

EVERY purchase made by the school's Faculty/Sunshine Account is taxable and may be reimbursed. This includes vending machines and water coolers. The **ONLY** purchases made by Faculty/Sunshine which are exempt are purchases of equipment (refrigerator, T.V.'s, etc.) which become part of the school's inventory.

B. DANCE TICKETS AT HOTELS

Tickets sold for a dance (Prom, Homecoming) held at a hotel are taxable.

C. PARKING DECAL SALES

The **FEE** charged students or staff for the lease or rental of parking or storage space is **taxable**. The purchase of the decal is exempt.

D. HORTICULTURE SALES

The sale of ornamental nursery stock is taxable. This includes **ALL** plants grown at the school.

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III. TAXABLE ACTIVITIES AND ITEMS (Continued)

E. FACILITY RENTAL

The leasing of School Board facilities is taxable unless the lessee is tax exempt. Tax is paid on all monies received for rental including utilities, salaries, etc. **SEE** Business Practice Bulletin A-429 for procedures for processing facility rentals.

F. INSTRUMENT RENTAL

Collections from the rental or sale of instruments are taxable.

G. FUNDRAISERS

All items purchased for resale **are taxable** whether making a profit or not. Whenever possible, sales tax is to be paid to the vendor when the items are purchased. If the sales tax is not paid to the vendor at the time of purchase, the sales tax will be calculated on Gross Sales of fundraising activities after the sale.

EXCEPTIONS:

Pepsi/Coke purchases - pay vendor based on purchase price.

Pictures and Book Fairs - pay vendor based on gross sales.

H. CLUB CLOTHING

Classes, clubs and departments who **CHOOSE** to order shirts, jackets, caps or other similar items must pay sales taxes if the items are **NOT REQUIRED**.

I. ADVERTISEMENTS

Placards, billboards or signs which are:

- a. Constructed by the school for a customer (i.e., PTA) are taxable on the full amount collected.
- b. Provided to the school **BY** the customer (i.e., PTA) are **EXEMPT**.

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III. TAXABLE ACTIVITIES AND ITEMS (Continued)

J. PRODUCTION SHOPS

There are certain areas in high schools, community schools and vocational centers where, as an educational tool, services are performed and/or items are repaired.

1. **IF** the school **DOES NOT** purchase or furnish from stock any of the items needed for the repair or service, the charges made by the school for the repair or service are **NOT** taxable.
2. **IF** the school **PURCHASES OR FURNISHES** the items for the repair or service, then **ALL** of the charges made by the school **ARE** Taxable.
3. There are certain Production Shops which do not require the collection of sales tax. These are:

a. Cosmetology

Barber and beauty shops are not required to collect tax on receipts for their services.

b. Medical Arts

Eye glasses and the incidental items (neck chains, carrying cases, etc.) sold **WITH A PRESCRIPTION** are **NOT** taxable. Items (as mentioned above) sold **WITHOUT A PRESCRIPTION ARE** taxable.

c. Commercial Food Programs

Food or beverages are subject to tax when served, prepared or sold, **EXCEPT**:

- (i) programs which bake items to be consumed **OFF** the premises.
- (ii) programs that cater functions for individuals or organizations who qualify as tax exempt (such as another school).

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IV. SALES TAX EXEMPTION CERTIFICATE

ALL Schools are to use the **SCHOOL BOARD OF BROWARD COUNTY's** sales tax exemption number (EXHIBIT 1).

V. SALES TAX COLLECTIONS AND REMITTANCES

A. Schools are to open a **SALES TAX TRUST ACCOUNT**. (Account number may be obtained from the Internal Accounts Office.) Sales tax receipts may be receipted:

1. Directly into the Sales Tax Trust Account as receipts are processed.
2. Into the applicable fund account and total sales tax due may be transferred at the conclusion of the activity from the applicable fund account to the Sales Tax Trust Account.

B. Schools are to submit sales tax collections to the School Board of Broward County on a **MONTHLY** basis.

C. When remitting sales tax collections, a **SALES AND USE TAX WORKSHEET** (EXHIBIT 2) must accompany the remittance.

D. The following items **MUST** accompany a sales tax remittance:

1. School check payable to SBBC for the total amount of sales tax remittance.
2. Sales and Use Tax Worksheet (EXHIBIT 2).
3. Remittance Transmittal (EXHIBIT 3).

E. All sales tax remittances **MUST** be forwarded to the Treasurer's Office.



Consumer's Certificate of Exemption

Issued Pursuant to Chapter 212, Florida Statutes

DR-14
R. 04/05
06/10/09

85-8013140099C-8	07/31/2009	07/31/2014	COUNTY GOVERNMENT
Certificate Number	Effective Date	Expiration Date	Exemption Category

This certifies that

BROWARD COUNTY SCHOOL BOARD
600 SE 3RD AVE
FORT LAUDERDALE FL 33301-3125

is exempt from the payment of Florida sales and use tax on real property rented, transient rental property rented, tangible personal property purchased or rented, or services purchased.



Important Information for Exempt Organizations

DR-14
R. 04/05

1. You must provide all vendors and suppliers with an exemption certificate before making tax-exempt purchases. See Rule 12A-1.038, Florida Administrative Code (FAC).
2. Your *Consumer's Certificate of Exemption* is to be used solely by your organization for your organization's customary nonprofit activities.
3. Purchases made by an individual on behalf of the organization are taxable, even if the individual will be reimbursed by the organization.
4. This exemption applies only to purchases your organization makes. The sale or lease to others by your organization of tangible personal property, sleeping accommodations or other real property is taxable. Your organization must register, and collect and remit sales and use tax on such taxable transactions. Note: Churches are exempt from this requirement except when they are the lessor of real property (Rule 12A-1.070, FAC).
5. It is a criminal offense to fraudulently present this certificate to evade the payment of sales tax. Under no circumstances should this certificate be used for the personal benefit of any individual. Violators will be liable for payment of the sales tax plus a penalty of 200% of the tax, and may be subject to conviction of a third degree felony. Any violation will necessitate the revocation of this certificate.
6. If you have questions regarding your exemption certificate, please contact the Exemption Unit of Central Registration at 850-487-4130. The mailing address is PO BOX 6480, Tallahassee, FL 32314-6480.



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THE SCHOOL BOARD OF BROWARD COUNTY, FLORIDA

SALES TAX WORKSHEET

School Name: _____

Date: _____

Location #: _____

SALES TAX ITEMS

Taxable Sales/ Collections

Sales Tax Due

1. Adult Program Taxable Book Sales
2. School Store Sales
3. Commercial Food Program (CFP)
4. Facility Rental
5. Fund Raising Financial Report
6. Horticulture Sales
7. Parking Decals
8. Production Shops (Auto, Marine, etc.)
9. Ticket Reports (Only When Sales Tax is Due)
10. Concession Sales
11. Other (Specify) _____

(Specify) _____

TOTAL SALES TAX DUE

BOOKKEEPERS PLEASE NOTE:

SUBMIT SALES TAX MONTHLY TO THE INTERNAL ACCOUNTS OFFICE.

(If you have questions, please call 765-6629, 6453, or 6797.)

Did You Remember?:

1. School Check, 2. Remittance Transmittal, 3. Sales Tax Worksheet, 4. Copy of Fund Raising Financial Report, 5. Copy of Ticket Report (Only when Sales Tax is Due), 6. Backup Materials (Invoices, Receipts, Etc.)

The School Board of Broward County, Florida
REMITTANCE TRANSMITTAL

School/Department Name:	Center # (Loc/T/U)	For the Month Ending:
Description	Account	Amount
Facilities Rental - Other (including Custodial Salaries)	4 3425 100	
Facilities Rental - Utilities	4 3425 101	
Payments on School Internal Accounts (ACT 768)		
Note: Attach Copy of Print-out (ACT 768)	1 1142 100	
Internal Accts - Salary	1 1142 101	
Internal Accts - Fringe Benefits	1 1142 102	
Athletics	1 1142 301	
Custodial Overtime (Not Rental of Facility)		
Obj 160 Salary \$ _____		
Obj 201 Fringe \$ _____	4 3490 840	
School Age Child Care Fees	4 3473 100	
Commercial Food Program	4 3490 300	
Sales and Use Tax (enter total from worksheet)	2 2260 100	
Unofficial Telephone Calls	5 7903 372	
Return of Educational Materials & Supplies		
Support Fund (must use functions 5652, 5250 or 5350)	5 5__ 591	
Return of Petty Cash (Departments Only)	1 1112 100	
Industrial Training, Sales & Service Fees	4 3495 101	
After Care Operational Fees	4 3473 106	
Other (specify source and coding line to be increased)		
Fund 492 - District Level Departments Only (Funds received from schools/departments)		
Registration (Indicate Activity Number)	4 3469 600	
Miscellaneous Local Revenue (Indicate Activity Number)	4 3490 840	
Fund 499 - District Level Departments Only (Funds received from outside the School Board)		
Gifts, Grants, Bequests (Indicate Activity Number)	4 3440 100	
Vending Machines (Activity 67701)	4 3490 835	
Miscellaneous Local Revenue (Indicate Activity Number)	4 3490 840	
CHECK TOTAL		

Make check payable to "The School Board of Broward County, Florida"

Send completed form and check to the Financial Reporting Department

Report Prepared by:	Phone #:	Date:	Paid by Check #:
Report Approved by:		Date:	Check Date:
FOR FINANCIAL REPORTING USE ONLY			
Journal Entry # JE _____	Effective Date: _____	Total: _____	
Accounting Rule: <u>PC</u>	Fund: <u>100</u>	Data Type: <u>1</u>	
Fund Account Location T U Activity Amount			
100			CR
100			CR
100			CR
492			CR
499			CR



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Send completed form and check to the Financial Reporting Department

Report Prepared by:	Phone #:	Date:	Paid by Check #:
Report Approved by:		Date:	Check Date:
FOR FINANCIAL REPORTING USE ONLY			
Journal Entry # JE _____	Effective Date: _____	Total: _____	
Accounting Rule: <u>PC</u>	Fund: <u>100</u>	Data Type: <u>1</u>	
Fund Account Location T U Activity Amount			
100			CR
100			CR
100			CR
492			CR
499			CR