

**SCHOOL BOARD OF BROWARD COUNTY, FL  
INTERNAL FUNDS ACCOUNTING**

**STANDARD PRACTICE BULLETIN**

**I - 411**

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**SCHOOL STORE/BOOKSTORE**

**TOPICS IN BULLETIN:**

- I. GENERAL INFORMATION
- II. ESTABLISHING A SCHOOL STORE/BOOKSTORE
- III. SCHOOL STORE/BOOKSTORE OPERATIONS
- IV. DISCONTINUING A SCHOOL STORE/BOOKSTORE

**EXHIBITS REFERENCED:**

- 1. Inventory for Activities
- 2. School Activities Purchase Order
- 3. Expense Reimbursement/Payment Request
- 4. Statement of Revenue and Expenditures

**I. GENERAL INFORMATION**

- A.** Subject to the provisions of Standard Practice Bulletins I-302 and I-303, any school may elect to operate a school-run store or bookstore to sell essential school supplies, books and other miscellaneous merchandise to students. Such items shall not include any curriculum instructional materials and supplies to be provided by budget monies as listed in School Board Policy 6.3, Rule 1.
- B.** A School Board employee (sponsor) **MUST** control and operate a school-run store or bookstore. Students used in operating the store must be properly trained and supervised by the employee (herein referred to as the sponsor) in charge.
- C.** Each time there is a change in sponsors, a physical inventory **MUST** be taken in accordance with section III-A-3 of this bulletin.
- D.** Profits accrued from school store or bookstore operations are to be transferred to the General Fund account, **UNLESS** the operation of the school store or bookstore has been assigned to a specified club, organization or department. In this type of situation, all or a portion of the accrued profits are transferred to the internal fund account of the applicable sponsoring group.

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**II. ESTABLISHING A SCHOOL STORE/BOOKSTORE**

- A.** The Bookkeeper will obtain the internal funds account number for School Store/Bookstore from the Internal Accounts Office. The account number will then be added to the school's existing Internal Funds Chart of Accounts.
- B.** The Sponsor of the school store/bookstore will conduct a physical inventory of all merchandise on hand, if any. A second person other than the Bookkeeper **MUST** verify the sponsor's counts.
- C.** **Total counts for each item to be sold MUST be documented by the sponsor, signed by the sponsor and verified by a second party (not the school bookkeeper). A copy of the verified physical inventory MUST be provided to the bookkeeper for audit. (EXHIBIT 1)**
- D.** A price list **MUST** be created and maintained by the Sponsor for each item purchased for resale. The price list is to include a description of the unit as shown on the inventory and the price at which the unit is to be sold.
- E.** A change fund is to be established and maintained. Procedures for obtaining and issuing a change fund can be located in Bulletin I-310.

**III. SCHOOL STORE/BOOKSTORE OPERATIONS**

- A.** Inventories

  - 1. Beginning of Year Procedures

    - a. Prior to the commencement of school store/ bookstore operations, the Sponsor will perform a physical count of all items on hand for resale in the current school year. A second party other than the bookkeeper **MUST** verify the count.
    - b. The Sponsor will compare the beginning year inventory counts to the prior year's documented ending inventory counts. The reason for any differences **MUST** be identified by the Sponsor and documented in accordance with III-A-4 through III-A-6 of this bulletin.

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**III. SCHOOL STORE/BOOKSTORE OPERATIONS (Continued)**

**THIS WOULD BE THE TIME TO EVALUATE ALL  
INVENTORY ITEMS FOR OBSOLESCENCE, AND NOTE  
IN ACCORDANCE WITH III-A-5.**

2. End of Year Procedures
  - a. The Sponsor of the school store/bookstore will conduct a physical inventory of all merchandise on hand to be resold. A second party other than the bookkeeper **MUST** verify the counts.
  - b. Total counts for each item to be sold will be documented by the Sponsor and signed by the Sponsor and the second party who verifies the counts. A copy **MUST** be provided to the Bookkeeper for audit.
3. Change of Sponsor Procedures
  - a. Prior to leaving, the Outgoing Sponsor will perform a physical count of all items on hand for resale. The Incoming Sponsor shall verify the Outgoing Sponsor's counts. Total counts for each item to be sold will be documented and signed by the Outgoing and Incoming Sponsors. A copy **MUST** be given to the Bookkeeper for audit.
  - b. The Outgoing Sponsor will compare the current inventory count to the last documented inventory count. The reason for all differences **MUST** be identified and documented by the Outgoing Sponsor.
4. Items Removed For Classroom or Office Use
  - a. The Sponsor **MUST** document all items removed from inventory for reasons other than resale. The following information is to be documented:
    - o date removed from inventory
    - o item(s) description(s)

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- o quantity
- o purpose of usage
- o recipient's name

The Sponsor and the recipient **MUST** sign the form and provide a copy to the Bookkeeper for audit.

- b. The Bookkeeper will record the removal of items from inventory (**AT COST**) by means of a transfer **FROM** the Recipient's internal fund account **TO** the School Store/Bookstore account. A copy of the form described in 4a is to be attached to the Transfer Posting Journal.

**5. Items Damaged, Obsolete or Given Away**

The Sponsor **MUST** document all items removed from inventory for reasons other than resale. The documentation must contain the following information:

- o date
- o reason removed from inventory
- o item(s) description
- o quantity
- o disposition
- o Recipient's name if given away
- o Sponsor's signature

Copy of form must be provided to Bookkeeper for audit.

**6. Items Lost, Stolen or Unaccounted For**

The Sponsor **MUST** document all items in accordance with Bulletin I-404. Copies of all documentation must be provided to the Bookkeeper.

**B. Purchases for Resale**

**1. Ordering**

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- a. The Sponsor, **not the Bookkeeper**, is responsible for ordering all school store/bookstore merchandise.
  - b. A School Activity Purchase Order (EXHIBIT 2) is to be used for merchandise ordered from a vendor for shipment to the school. The vendor shall be instructed to **BILL TO** the attention of the Bookkeeper and **SHIP TO** the attention of the Sponsor. Purchase order copies should be distributed as indicated on the purchase order form.
2. Receiving
  - a. The Sponsor will verify actual merchandise and quantities received against their copy of the School Activity Purchase Order (EXHIBIT 2) and the vendor packing slip. Any items backordered, damaged, substituted or exceeding ordered quantities **MUST** be noted on the packing slip.
  - b. The Sponsor should indicate on the invoice/receipt the item description (as shown on the inventory price list) and the quantity should be clearly indicated (i.e. box-how many are in a box?).
3. Disbursing and Recording
  - a. For vendor shipped merchandise that has been billed and received, the bookkeeper will compare the original invoice to the Sponsor signed packing slip. Any discrepancies are to be resolved by the Sponsor prior to payment of the invoice. After discrepancies have been resolved, the Bookkeeper will enter the transaction and print the check in accordance with the procedures set forth in the computerized bookkeeping system manual. The original invoice, copy of the School Activity Purchase Order (EXHIBIT 2) and the packing slip are to be attached to the check voucher.
  - b. The Bookkeeper will verify the amount on the Expense Reimbursement/Payment Request Form (EXHIBIT 3)

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agrees with the invoice. Any discrepancies are to be resolved by the Sponsor prior to payment.

**C. Purchases Not For Resale**

The cost of all equipment or supplies not for resale, that are used or consumed as part of the school store/bookstore operation may be recorded in the appropriate store account. All other purchases not for resale and not related to the school store/bookstore operation must be recorded in the appropriate internal fund account.

**D. Sales**

**1. Unit Selling Price List**

- a. The Sponsor is responsible for maintaining a written price list of all items sold in the school store/bookstore for each year the store is operated.
- b. The list shall reflect the:
  - o current selling price
  - o item description
  - o selling unit, i.e., each, dozen, etc.
- c. For school stores, the Sponsor can set and revise the selling price of each item taking into account which items are "hot" sellers and which slow moving items need to be discontinued. The Sponsor should find out if the Principal wants the store to be operated on a break-even basis or make a profit. The Sponsor can use this information to determine an acceptable markup.

**2. Collecting, Recording, Depositing**

- a. A locking cash box **MUST** be used to hold all collections until remitted to the Bookkeeper. It is strongly recommended a cash register be used when the volume of sales warrants the purchase of a cash register.

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- b. For school stores, collections should be remitted to the Bookkeeper each day the store is opened and collections are received. A Monies Collection Envelope will be used and will indicate the total collections for that day. If a cash register is used, the register tape showing that day's total collections **MUST** be attached to the Monies Collection Envelope. Completion and use of the Monies Collection Envelope must comply with the requirements of Bulletin I-302.
- c. The Bookkeeper will deposit all school store/bookstore remittances as required in Bulletin I-303.

**E. Sales Tax**

Generally, school store/bookstore merchandise for resale is taxable, however, there are exceptions. Please refer to Bulletin I-313 to determine which items are taxable or tax exempt.

**F. Reporting Requirements**

The results of K-12 school store/bookstore operations must be summarized in a Statement of Revenue and Expenditures (EXHIBIT 4) at year end or discontinuation of the operation. Refer to Bulletin I-402 for specific reporting procedures.

**IV. DISCONTINUING A SCHOOL STORE/BOOKSTORE**

- A. The Sponsor will ensure all final collections have been remitted to the Bookkeeper in accordance with section III-D-2 of this bulletin.
- B. The Sponsor will close out the change fund as per Bulletin I-310.
- C. The Sponsor of the school store/bookstore will conduct a physical inventory (EXHIBIT 1) of all unsold merchandise on hand. A second party (not the Bookkeeper) shall verify the Sponsor's actual counts. Total counts for each item will be documented and signed by the Sponsor and the person who verified the counts. A copy **MUST** be given to the

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Bookkeeper for audit.

- D.** The disposition of all remaining items must be documented in accordance with Sections III-A-4 through III-A-6 of this bulletin.
- E.** The Sponsor will complete the reporting requirements as per section III-F of this bulletin.
- F.** Any remaining balance in the school store/bookstore account will be transferred by the Bookkeeper to the **General Fund for all K-12 school stores** and to the **General VTAE Fund account for all Community School Bookstores**. If a school's club, department or organization had been operating the school store, any remaining store balance shall be transferred to the applicable account of that club, department or organization.
- G.** During the next school year, the Bookkeeper may inactivate the school store/bookstore account from the computerized internal accounts Chart of Accounts.