

	State of Hawaii Department of Education Standard Practice (SP) Document	Office of Fiscal Services
Document No. SP 1915	Distribution: CASs, Principals, SASAs, School Office Personnel, CABMs, ASAs	Release Date: 3/14/2017
SUBJECT	Non-Appropriated Student Activity Fund; School Stores and Sale of PE/School Uniforms	

1. Purpose

To provide guidance to the operation of school stores.

2. Effective

Immediately.

3. Applies to

All schools.

4. Schools are authorized to run school stores and sell physical education uniforms or school uniforms with the following conditions

- (a) Written approval from the Complex Area Superintendent is required to operate a school store or to sell merchandise of any kind, per Board of Education (BOE) Policy 303-13 Sale of Merchandise, except as follows:
 - (1) Things made or grown at the school; special school equipment or supplies not regularly carried in stock by local stores; and sanitary napkins.
 - (2) Logo wear, and logo items at the school's cost of purchase. Physical education uniforms and school uniforms are to be sold on a consignment basis only.
 - (3) Logo items sold through internet web-based stores.
- (b) Schools may not sell items that are contrary to the BOE Policy 103-7 Food Sales Policy, which disallows the sale of food items during the school day or before school if the school participates in a federally subsidized breakfast program.
- (c) School stores are not subject to general or income tax liability if proceeds and expenses are recorded through the Non-Appropriated Student Activity Fund.
- (d) School stores are not to be used as a fund raising venue for any school group. Items sold in the school store must be sold at the school's cost of purchase.
- (e) All collection procedures described in SP 1905 Student Activity Funds Collection, Receipt, and Deposit Procedures must be followed for school stores and PE/school uniforms. All expenditure procedures described in SPs 1907 Student Activity Funds

Expenditure of Funds and SP 1917 Student Activity Funds Processing Invoices for Payment must be followed for school stores and PE/school uniforms.

5. Vendor selection of merchandise for resale – Bidding process

- (a) All items to be purchased for resale must follow a competitive bidding process. Schools must document bids from at least three (3) vendors.
- (b) Schools must provide complete specifications, including delivery date and sale period to vendors.
- (c) Schools are not allowed to enter into multi-year sale agreements with any vendor.
- (d) Schools must attach all documentation of the bidding process to the purchase orders for audit purposes.

6. Physical Education and School Uniforms –Consignment Sales Only

- (a) Schools may not purchase and resell PE or school uniforms to students.
- (b) Consignment basis from vendor(s): No mark up on sale price of uniforms will be allowed by the school. Any remaining uniforms shall be returned to the vendor.

7. Advisor or Sponsor Name on Category

The school store's Advisor or Sponsor's name should be input into SAF by using the Modify tab in the Category (Chart of Accounts) menu. This will help ensure good communication with the school store's Advisor or Sponsor regarding the financial status of the store. The Principal may require the school office to print a Detailed Category Summary Report #1 or Report #2 from SAF for the store's Category each quarter for the Advisor or Sponsor to review.

8. SP Maintenance Responsibility

The Accounting Services Branch in the Office of Fiscal Services is responsible for maintenance, administration, and questions regarding this SP.

9. References, Resources, and Forms

The following resources may provide access to statutory, policy, and contractual authorities; and closely related SPs, procedures, and forms.

- (a) BOE Policy 303-13 Sale of Merchandise
<http://boe.hawaii.gov/policies/Board%20Policies/Sale%20of%20Merchandise.pdf>
- (b) BOE Policy 103-7 Food Sales
<http://boe.hawaii.gov/policies/Board%20Policies/Food%20Sales.pdf>