

I. PURPOSE

The purpose of this policy is to establish procedures to govern vending machines installed in the school district.

II. GENERAL STATEMENT OF POLICY

It is the policy of the school district to contract for vending machines located in the school district in a manner that is fair, that supports reasonable use of the machines, and that establishes controls to avoid fraud, theft or the appearance of impropriety.

III. AUTHORIZATION

- A. Automatic vending machines for the dispensing of food, beverages or other approved items are authorized in the school district and/or in any school facility provided that all contracts for such vending machines must be approved by the School Board as provided in this policy.
- B. The items to be dispensed from vending machines located in the school district shall be approved by the Director of Business Affairs. All food, beverages or other items approved shall be appropriate to the school setting. Machines dispensing cigarettes or tobacco products or any other products prohibited to minors are not authorized under any circumstances. In the event a written complaint is filed with the Superintendent regarding the approval or disapproval of any item, the Superintendent, after proper review, shall inform the School Board and make the final determination, unless the School Board chooses to review the matter and issue a decision.
- C. Vending machines may be approved that will dispense items only during certain hours, through the use of timers or otherwise. Vending machines should not be operated in competition with the school cafeteria or food service lunch program.
- D. Vending machines shall be located to meet any applicable building or fire or life/safety codes and to provide convenience of operation, accessibility and ease of maintenance. Vending machines will only be allowed in designated areas of each building.

IV. CONTRACT APPROVAL

- A. [C]ontracts for the purchase or rental of vending machines may be considered by the School Board on a facility-by-facility basis, a districtwide basis, or by groups of facilities.
- B. If it is estimated that the aggregate receipts from all vending machines in any individual contract will be \$25,000 or more in a fiscal year, the contract

must be awarded after the receipt of sealed bids and in compliance with Minnesota Statutes §123B.52.

- C. If it is estimated that the aggregate receipts from all vending machines in any individual contract will be less than \$25,000 in a fiscal year, the contract for any vending machine may be awarded after the receipt of two or more quotations after taking into consideration conformity with the specifications, terms of delivery, other conditions imposed in the call for quotations and compliance with Minnesota Statutes §123B.52.
- D. The contracting process shall be conducted in compliance with Minnesota Statutes §123B.52. A record shall be kept of all bids or quotations received with the names, amounts and successful bidder indicated. All bids and quotations shall be kept on file as a public record for the period of at least one year after their receipt.
- E. Any bid or quotation must specify all commissions to be paid from the machine and any other noncommission amounts to be paid as a result of the award of the contract. The noncommission amounts include, but are not limited to, cash payments, in-kind payments, equipment donations, scholarship contributions, bonus payments, or other payments or contributions of any kind or nature. The noncommission amounts shall be reduced to a cash equivalency and shall be specified on the bid or quotation as an additional amount to be paid for the award of the contract.
- F. If a contract contains a provision allowing exclusivity, (such as all machines carrying only a certain manufacturer's brand of pop, or such as a certain manufacturer requiring only their products to be used in a school building), these provisions must be reviewed by the administration prior to requesting bids or quotations to ensure that it is acceptable and does not conflict with other contracts of the school district.
- G. All contracts for vending machines must be approved by the School Board. Any contract not made in compliance with this policy shall be void. Any district employee signing an unauthorized contract may be subject to personal liability thereon and may be disciplined for said action.
- H. All vending machines are to be installed at the expense of the vendor. All financial responsibility for the maintenance and repair of machines shall remain with the vendor to the extent not addressed in the contract. It is the vendor's responsibility to maintain and replenish the items sold in vending machines on a regular basis.
- I. No teacher, administrator, school district employee or school board member shall be interested, directly or indirectly, in a vending machine contract with the school district or personally benefit financially therefrom.

VI. ACCOUNTING

- A. Proceeds from vending machine sales and contracts shall be under the control of the School Board, shall be accounted for in one of the regular school district funds, and must be accounted for and reported in compliance with UFARS (Uniform Financial Accounting and Reporting Standards).
- B. An amount equal to the amount of the proceeds from the machines in each facility shall be included in the budget of the facility in which the proceeds are generated. That amount may be expended in accordance with established expenditure procedures.
- C. Pursuant to the vending machine contract or otherwise, proper auditing and inventory control procedures shall be established to ensure that commissions are being correctly calculated and paid.

Adopted 4/6/98
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