

720 VENDING MACHINES

I. PURPOSE

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

II. GENERAL STATEMENT OF POLICY

The policy of the school district is to contract for, supervise, maintain and account for the proceeds from vending machines located in school facilities and on school grounds in a manner that is fair, that maximizes the revenues from those machines, that allows those revenues to be included in the budget of the program or facility as determined by the school board, and that establishes controls to avoid fraud, theft or the appearance of impropriety.

III. AUTHORIZATION

Automatic vending machines for the dispensing of food, beverages or other approved items are authorized in any school facility or on school grounds in the school district provided that all contracts for such vending machines must be approved by the school board as provided in this policy.

IV. SUPERVISION; APPROVAL; LOCATION

- A. All vending machines shall be under the supervision of the school principal or designee in charge of the facility/grounds on which the machine is located. That administrator shall be responsible to supervise the machine in compliance with this policy and any applicable laws.
- B. The items to be dispensed from a vending machine located in a school facility or on school grounds shall be approved by the principal or designee in charge of that facility or school grounds. All food, beverages or other items approved shall be appropriate to the school setting. Machines dispensing cigarettes or tobacco products 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 school board, after proper review, shall make the final determination.
- C. Vending machines may be approved that will dispense items only during certain hours, through the use of timers or otherwise. Student accessible vending machines shall not be operated in competition with the school cafeteria or food

service. The principal or other person in charge of the school facility or school grounds may regulate the hours of operation of any vending machine.

- D. Vending machines shall be located to meet any applicable building, fire or life/safety codes and to provide convenience of operation, accessibility and ease of maintenance. The principal or other person in charge of the facility shall review the location of each machine with appropriate maintenance and food service staff.

V. CONTRACT APPROVAL

- A. All contracts for the purchase or rental of vending machine services shall be considered by the school board on a districtwide basis, a program-by-program basis or a facility-by-facility basis as per the recommendation of the administration.
- B. If estimated aggregate receipts from all vending machine services located in a school facility or on school grounds will be \$50,000 or more in a fiscal year, the contract for any vending machine services for the program in that facility or on school grounds must be awarded after the receipt of sealed bids and compliance with Minnesota Statutes 123B.52.
- C. If estimated aggregate receipts from all vending machine services located in a school facility or on school grounds will be less than \$50,000 in a fiscal year, the contract for any vending machine in that facility or on school grounds 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 copy of this policy shall be included in any specifications or request for proposals or quotations. A record shall be kept of all bids or quotations received with names, amounts and successful bidder indicated. All bids and quotations shall be kept on file as a public record for a period of at least one year after their receipt.
- E. Any bid or quotation must specify all commissions to be paid from the vending machine services 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 vending machine services in the building carrying only a certain manufacturer's brand of pop, that provision must be reviewed by the administration prior to requesting bids or quotations to ensure that it does not conflict with other contracts of the school district.
- G. All contracts for vending machine services 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 service provider. All financial responsibility for the maintenance and repair of machines shall remain with the individual program or facility on which located to the extent not addressed in the contract.
- I. No teacher, administrator, school district employee or school board member shall be interested, directly or indirectly, in a vending machine service contract with the school district or personally benefit financially therefrom.

VI. ACCOUNTING

- A. Proceeds from vending machine sales and service 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.
- B. An amount equal to the amount of the proceeds from the vending machine services in each program or facility/school grounds shall be included in the budget of the program or facility in which the proceeds are generated. That amount may be expended in accordance with established expenditure procedures.
- C. Pursuant to the vending machine service contract or otherwise, proper auditing and inventory control procedures shall be established to ensure that commissions are being correctly calculated and paid. These controls must include daily, weekly or other periodic inventories and written reconciliations of variances between inventory and cash. Each time cash is removed from, or inventory is added to a machine, a written reconciliation between cash and inventory must be performed by the person taking the cash from the machine and must be signed by the principal or other person in charge of the facility/grounds. The original written reconciliation reports shall be filed with the business office monthly and a copy shall be retained by the principal's office.

Legal References:

Minn. Stat. 123B.20 (Dealing in Supplies)

Minn. Stat. 123B.52 (Contracts)

Minn. Stat. 471.345 (Uniform Municipal Contracting Law)

Minn. Stat. 471.87 (Public Officers, Interest in Contract; Penalty)

Cross References:

Policy 210 (Conflict of Interest – School Board Members)

Policy 702 (Accounting)

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Alexandria Public Schools - No. 206

Alexandria, Minnesota