

Noninstructional Operations and Business Services

Vending Machines

I. Purpose

This policy establishes procedures to govern vending machines installed in school district facilities.

II. General Statement of Policy

It is the policy of the school district to contract for, supervise, maintain and account for the proceeds from vending machines located in school facilities 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 facility in which they are generated, 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 in the district provided 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 will be under the supervision of the school principal or other person in charge of the facility in which the machine is located. That administrator will be responsible to supervise the operation of the machine so as to be in compliance with this policy and any applicable laws.
- B. The items to be dispensed from a vending machine located in a school facility will be approved by the principal or other person in charge of that facility. All food, beverages or other items approved will be appropriate to the school setting and consistent with Policy 533 Student Wellness. In the event a written complaint is filed with the district regarding the approval or disapproval of any item, the superintendent, after proper review, will make the final determination.
- C. Vending machines may be approved that will dispense items only during certain hours, through the use of timers or other means. Vending machines should not be operated in competition with the school cafeteria or food service. The principal or other person in charge of the school facility may regulate the hours of operation of any machine.
- D. Vending machines will 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 will review the

location of each machine with appropriate maintenance and food service staff.

- E. All vending machines will comply with district advertising guidelines as set forth in Policy 905 - Advertising.

V. Contract Approval

- A. All contracts for the purchase or rental of vending machines will be considered by the school board on a facility-by-facility basis.
- B. If it is estimated that the aggregate receipts from all vending machines located in a school facility will be \$10,000 or more in a fiscal year, the contract for any vending machine in that facility must be awarded after the receipt of sealed bids and compliance with Minn. Stat. § 123B.52.
- C. If it is estimated that the aggregate receipts from all vending machines located in a school facility will be less than \$10,000 in a fiscal year, the contract for any vending machine in that facility 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 Minn. Stat. § 123B.52.
- D. The contracting process will be conducted in compliance with Minn. Stat. § 123B.52. A copy of this policy will be included in any specifications or request for proposals or quotations. A record will be kept of all bids or quotations received with the names, amounts and successful bidder indicated. All bids and quotations will 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 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 will be reduced to a cash equivalency and will 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 in the building carrying only a certain manufacturer's brand of beverage or merchandise, 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 machines must be approved by the school board. Any contract not made in compliance with this policy will 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 facility in which they are located. All financial responsibility for the maintenance and repair of machines will remain with the individual facility in which they are located to the extent not addressed in the contract.
- I. No teacher, administrator, district employee or school board member will be interested, directly or indirectly, in a vending machine contract with the district or personally benefit financially therefrom.

VI. Accounting

- A. Proceeds from vending machine sales and contracts will be under the control of the school board, will 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 machines in each facility will 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 will 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. Every 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. The original written reconciliation reports will be filed with the business office monthly and a copy will 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 (Contracts)
- Minn. Stat. § 471.87 (Conflict of Interest)

Cross References:

- Policy 210 (Conflict of Interest – School Board Members)
- Policy 533 (Student Wellness)
- Policy 703 (Accounting)
- Policy 905 (Advertising)

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INDEPENDENT SCHOOL DISTRICT 273
Edina, Minnesota