

Adopted: July 13, 2009
School Board Revised: September 8, 2014
Contact: Executive Director of Finance and Support Services

POLICY 720 VENDING MACHINES

I. PURPOSE

To establish a Policy to govern vending machines installed in school district facilities.

II. GENERAL STATEMENT OF POLICY

All new and replacement of vending machines require preapproval from the Business Office before installation. The Business Office will establish guidelines for the fiscal control, content dispensed, machine location, hours of operation, and person responsible for each vending machine. The Business Office will ensure existing vending machines comply with these guidelines.

III. AUTHORIZATION

Vending machines for the dispensing of food, beverages or other merchandise are authorized in the District provided that all have contracts approved by the Business Office.

A contract with projected annual first year revenues exceeding \$25,000 per school facility must be approved by the School Board. No District staff, School Board member, or the immediate family of the aforementioned, shall have a personal financial interest in a vending machine contract.

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I. SUPERVISION; APPROVAL; LOCATION

- A. All vending machines shall be under the supervision of the school principal or other person in charge of the facility in 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 shall be approved by the principal or other person in charge of that facility based on established guidelines. All food, beverages or other items approved shall be appropriate to the school setting.
- C. 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 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.

II. CONTRACT APPROVAL PROCESS

- A. The contracting process shall be conducted in compliance with Minnesota Law. 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 the 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.
- B. Any bid or quotation must specify all commissions to be paid from the machine and any other non-commission amounts to be paid as a result of the award of the contract. The non-commission 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 non-commission 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.

- C. If a contract contains a provision allowing exclusivity, such as all machines 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 District.
- D. All contracts exceeding \$25,000 in receipts annually must be approved by the School Board. Any contract not made in compliance with this Policy shall be void. Any District staff signing an unauthorized contract may be subject to personal liability thereon and may be disciplined for said action.
- E. All vending machines are to be installed at the expense of the facility in which located. All financial responsibility for the maintenance and repair of machines shall remain with the individual facility in which located to the extent not addressed in the contract.
- F. All vending machines must be in compliance with FDA labeling requirements regarding nutrition and or caloric notification. Vending machines must meet all local, state and federal requirements.

III. 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 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 shall be included in the budget of the facility in which the proceeds are generated. The 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.