

College Policy 5.15

Resale Accounts

Part 1. Background and Definitions

The following academic programs at MCTC have resale activities: Apparel Design, Automotive Mechanics, Barbering, Cabinetmaking, Culinary Arts, Jewelry, Refrigeration, and Upholstery. Resale activities are components of academic programs in which supplies, materials, or other products or services are sold to students or members of the public. The items sold fall into the following categories.

Subpart A. Classroom Project Supplies

The college program purchases supplies for classroom teaching projects which are in turn resold to students. The finished projects and materials become the property of the student. Examples are:

- Auto Mechanics: auto parts and supplies
- Cabinetmaking: lumber, plastic laminate, solid surfaces
- Upholstery: tools and components, solder
- Refrigeration: refrigerant

Subpart B. Programs Services

The program trains students in a service occupation and requires customers who participate in student training exercises. Customers pay a fee for the service, including parts and supplies and, in some cases, labor.

- Apparel Design: alterations
- Automotive Mechanics: vehicle repairs and service
- Barbering: haircuts, shaves, shampoos, facials, hairpieces
- Cosmetology: haircutting/styling, manicures, pedicures, facials, hair relaxers, hair reformation, permanent waving, hair coloring
- Culinary Arts: meals, food items prepared for sale by Food Service
- Jewelry: repairs

Subpart C. Program-Related Supplies

The program sells consumer products related to the program customers.

- Auto Mechanics: auto parts, supplies
- Barbering: shampoo, conditioners, hairsprays, gels, perms, hair coloring

Subpart D. Program-Related Products

Classroom projects produced by students are sold to the public:

- Jewelry: jewelry products
- Upholstery: completed furniture

Part 2. Policy

It is the policy of MCTC that resale activities are an integral component of certain academic programs. Resale activities are intended to be a service to students, an enhancement to instructional programs, and a service to customers. Revenues from resale activities that exceed the actual costs of supplies, materials and costs will become general operating revenues for the college as a whole. These excess revenues may be allocated back to the resale or academic program. No services or supplies involved in resale activities will be distributed free or at less than established or actual costs to college students, employees or customers, with the exception of certain specified and approved cases considered of promotional benefit to the college. Cashing personal checks is not allowed. All resale activities will adhere to generally accepted accounting standards and meet state auditing requirements.

Part 3. Procedures

All programs with resale activities will follow these procedures:

Subpart A. Statement of Educational Purpose

Each program involved with resale activities will maintain on file with the Dean and the Vice President of Finance and Operations a statement of educational purpose for the resale activities. This statement will describe the relationship of resale to the program's curriculum and the specific types of resale activities.

Subpart B. Budgeting

Each program will establish a revenue and an expenditure budget each year. These budgets may be adjusted as necessary but must remain balanced or maintain a positive fund at years end. Funds may not be transferred in to individual resale activity budgets from outside sources in order to balance budgets without the approval of the Dean and the Vice President of Finance and Operations or designee. Such approval will require a plan to replace transferred/borrowed dollars. Deans and instructors/staff will review accounting reports regularly to insure that expenditures are remaining within revenues.

Subpart C. Shared Purchases

In the event that supplies are to be ordered which are shared with regular instructional program activities, requisitions will identify the portion of the costs to be charges against the resale budget and the program budget.

Subpart D. Inventory

Each program that resells supplies or products will maintain a system for recording and updating their inventory. Inventory records will be reconciled with sales and revenue data on a periodic basis. At the end of each spring term, a complete inventory of all remaining supplies and products will be done.

Subpart E. Pricing

Each program will establish a pricing policy for all goods and services, to be approved by the Dean and the Vice President of Finance and Operations. Pricing policies may include a reasonable mark-up on purchased goods to be resold. The pricing policy and/or rates will be displayed prominently in each program area.

Subpart F. Cash Management

Each program will establish an effective method for collecting and recording cash received. Cash registers are preferred and will be provided by the College. In the absence of cash registers, a manual receipt process must be used. Whenever feasible, cash transactions should be handled in the Business Office rather than the classroom. Instructors and staff should not store cash in classroom and office areas.

Subpart G. Deposits and Cash Reporting

Resale revenue collected will be deposited daily in the Business Office. Daily cash reports reconciled with cash register tapes or other records will accompany the cash.

Subpart H. No Free Services or Products

No supplies or services are to be generally given away free or at less than established or actual costs to staff, students, or other customers of resale activities. Resale programs may develop specific exceptions to the requirement in cases where it is considered to be of promotional or educational benefit to the college (e.g., a free meal to an advisory committee member). Programs that intend to use this option must establish a list of potential exceptions to be approved by the Vice President of Finance and Operations in advance. Any goods or services distributed for free will be noted on daily cash reports, specifically identifying the recipient.

Subpart I. Tips

Tipping of individual students or staff is prohibited. A "No Tipping" statement will be publicly displayed for each program providing services that might lend themselves to tipping by customers. In the event that any tip money is received, it will be identified as such in the daily cash report and deposited in the resale account.

Subpart J. Check Cashing

Cashing personal checks for cash is not allowed. In the case of checks returned for non-sufficient funds, the lost revenue will be deducted from the account and recovery sought through standard revenue collection methods. If the revenue is recovered within the same fiscal year, it will be returned to the same account.

Subpart K. Role of Faculty

Resale activities are an integral part of program curriculum and methods. Consequently, faculty are expected to carry out the provisions of this policy and procedure.

Subpart L. Services to Other College Units

If any unit of the college requires services offered by a program's resale activity (e.g., a cake from Culinary Arts, refrigerator or auto repair), the services must be provided on the same basis as they would be for any other customer and according to the curriculum and syllabus.

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