



The Division of Financial Operations (DFO) is committed to supporting services for schools, central and field offices, and all DOE employees.

As part of this commitment, DFO has created the following list of frequently asked questions regarding the establishment and maintenance of school stores.

School Stores: Frequently Asked Questions



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Establishing Your School Store

Q. My school would like to establish a school store. Is there anything in particular we should be aware of as we begin our planning?

A. There are a number of requirements you should be aware of prior to establishing your store:

- Your school store must charge sales tax on certain items. In order to collect sales tax, your school must first obtain a [Certificate of Authority](#) from the New York State Department of Taxation and Finance. See section 6.2 - Exhibit H, H-1 of the General School Funds and Cash Transactions chapter of the DFO's Standard Operating Procedures manual (GSF SOP) for more information.
- A cash register must be purchased or acquired through an approved vendor prior to opening. The register must be able to manage both inventory and cash, and have the ability to print a receipt of purchase for customers. The cash register's daily register print out is to be used for both cash and inventory reconciliation. (Note: The DOE does not have a contracted vendor for cash registers. Follow the bidding process outlined in section 4.3 of the GSF SOP. (Exhibit I)).
- All food items you plan to sell must adhere to [Chancellor's Regulation A-812 \(Competitive Foods\)](#).
- Initial and on-going inventory cannot be purchased with tax levy or reimbursable funds. Funds for these purchases must come from your school's General School Funds (GSF) account.

Q. What products am I allowed to sell?

A. You may sell both food and non-food items. However, your school must purchase these items from DOE-approved vendors only through the following site: Schoolsnackshop.com. (Note that there are only two DOE-approved food vendors: [CC Vending](#) and [The Answer Group](#).)

All food items you plan to sell must adhere to [Chancellor's Regulation A-812 \(Competitive Foods\)](#).

Q. Do we need to charge sales tax?

A. Yes, some items require the collection of sales tax. These are as follows:

- Non-clothing items (for example, school supplies and personal items such as duffel bags and cell phone cases) are taxable and thus require the collection of sales tax. The [current sales tax rate](#), as well as help identifying [taxable vs. exempt items](#), can be found on the New York State Department of Taxation and Finance website.
- [Clothing](#) costing less than \$110 per article and allowable [food snacks](#) are non-taxable. No tax should be added to the sale of these items.

NOTE: Even though some items are non-taxable, the total sales generated from these items must be reported as gross sales on the sales tax form, and then netted out on the line reflecting taxable sales. Sales data should be recorded and maintained by school officials on a daily basis as taxable or non-taxable as reflected by the cash register tapes. Cash register tapes must be retained.

Operating Your School Store

Q. What form of payment can our store accept from our customers?

A. You may accept either cash or money order (money orders should be made payable to the school). Both forms must be recorded using your cash register. Be sure to record the item as taxable or non-taxable as well.

Q. Do I need to issue receipts of purchase to customers?

A. Yes, you need to issue receipts for all purchases.

Q. Are there any best-practices we should follow concerning the receipt of inventory?

A. Yes. When receiving inventory, you should practice the following:

- A school employee should escort the vendor both to and from the store during delivery and/or pick-up of products.
- Together, two individuals should inspect the inventory upon arrival to ensure that the products and quantities received were as ordered. Both individuals should sign the packing slip to indicate inspection.
- File packing slips for future reference.
- Enter all incoming (purchases, donations, etc.) and outgoing merchandise (sales, spoilage, theft, etc.) by item by date on the inventory records/logs.
- Regularly schedule physical inventory counts and enter the results on the inventory logs. Reconcile inventory logs to physical inventory counts and note any variance. Resolve any discrepancies.
- Maintain log of employee working time.

Q. If I run out of a product and am between shipments, may I purchase the product elsewhere so that we may continue to offer it?

A. No. One-time or emergency purchases from outside vendors cannot be made, regardless of need or price.

Q. How do I fund the cash register at the start of the day in order to provide change to our customers?

- A. The cash register should initially be funded by a one-time infusion of cash from the GSF with a maximum of \$25 consisting of various paper denominations and coins, which should be recorded by the treasurer as petty cash on hand.

Q. What should be done with cash on hand at the end of each day?

- A. Funds, with the exception of the initial start-up monies (\$25), should be turned over to the treasurer on a daily basis along with the register receipt showing the sales totals. The treasurer should reconcile the cash register tape against the funds received prior to issuing a treasurer's receipt. All variances must be explained in the Cash Receipts Journal.

The \$25 remaining in the cash register must be placed in a secure location at the end of each day. These funds will be used on all subsequent days as the start-up funds for the cash register.

Deposit of all cash receipts into your school's bank account should be done daily, or as close to daily as possible (see chapter 5.11 – Internal Controls – and Exhibit N – Sample School Deposit Summary Form – of the GSF SOP for additional guidance). If you cannot get to the bank at the end of a particular day, every effort must be made to maintain the safekeeping of the funds in a secured safe.

Q. Our school is co-located in a building with other schools. Can our store sell to students attending other schools?

- A. Yes.

Accounting

Q. How do I make payments associated with our store (for example, payment to vendors or to pay taxes)?

- A. All payments associated with your school must come from your school's GSF account (See chapter 4.1 – Disbursement of Cash – of the GSF SOP for additional information.); purchases using tax levy or reimbursable dollars are not permitted.

Q. How frequently must we reconcile store receipt disbursements?

- A. You must reconcile your cash register receipts (cash and inventory) on a daily basis. (See chapter 5.10 – Record of Cash Receipts – of the GSF SOP for additional guidance.)

Q. Do I need to maintain a general ledger of all store transactions?

- A. Yes, the school treasurer documents all funds received and disbursed in a cash receipts and cash disbursements journal (general ledger).

Your general ledger must include the following elements:

- List of all cash receipts (e.g., sales of goods sold, deposits) recorded by date (see Exhibit A in the GSF SOP)
- List of all cash disbursements (e.g., vendor and tax payments) recorded by date (see Exhibit B in the GSF SOP)
- Subtotal of cash receipts vs. cash disbursements (including sales tax paid)

- Explanation of any variations between register tape and funds turned over to treasurer.

The general ledger must be updated weekly/biweekly, provided transactions occurred (either a sale or payment). The general ledger must be maintained regardless of whether the school store has a profit or loss.

Q. Will my store need to file a tax return with the New York State Department of Taxation?

- A.** Given that your school store is collecting sales tax on some items, the New York State Department of Taxation and Finance requires the filing of a sales tax return as outlined in chapter 6.2 (How to Collect and Remit Sales Tax) of the GSF SOP. Filing must be done [electronically](#) on a quarterly basis.

The payment of sales tax to the New York State Department of Taxation and Finance must be made using funds from your school's GSF account; the use of tax levy or reimbursable dollars is not permitted. Payments must be made electronically using electronic funds transfer (EFT), however, you must first request permission to make this payment (EFTs from your GSF account are otherwise blocked). To receive temporary permission to make an EFT, please contact the DOE Banking Unit at (718) 935-2654.

Web links referenced in this document:

- NYS Sales Tax Instructions: http://www.tax.ny.gov/pubs_and_bulls/tg_bulletins/st/do_i_need_to_register_for_sales_tax.htm
- Chancellor's Regulation A-812 (Competitive Food): <http://schools.nyc.gov/NR/ronlyres/381F4607-7841-4D28-B7D5-0F30DDB77DFA/78296/A812FINAL.pdf>
- NYC School Snack Shop (approved food vendor purchase portal): <https://www.schoolsnackshop.com/>
- CC Vending: <http://www.ccvend-usa.com/default.asp>
- The Answer Group: <http://www.theanswergroupny.com/index.html>
- NYS List of taxable and tax exempt food: http://www.tax.ny.gov/pubs_and_bulls/tg_bulletins/st/food_sold_by_food_stores.htm
- NYS Sales Tax Rate: http://www.tax.ny.gov/bus/st/sales_tax_rates.htm
- NYS Sales Tax on Clothing: http://www.tax.ny.gov/bus/st/sales_tax_clothing_exemption.htm
- NYS Electronic Sales Tax Payment: <http://www.tax.ny.gov/bus/st/stmp.htm>
- General School Funds & Cash Transactions chapter of DFO's Standard Operating Procedures manual: <http://dfoapps.nycenet.edu/SOP/Default.aspx?c=1024>