

**TO: SECONDARY PRINCIPALS, INDUSTRIAL TECHNOLOGY  
DEPARTMENT CHAIRS, OFFICE PERSONNEL, and DIRECTORS**

**FROM: Dennis Van Horn, Associate Superintendent for Business Affairs  
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**SUBJECT: INDUSTRIAL TECHNOLOGY AND FAMILY AND CONSUMER  
SCIENCES PROCEDURES**

This bulletin is intended to provide guidance to industrial technology staff on appropriate practices concerning activities in Industrial Technology (IT) and Family and Consumer Sciences (FCS) classes. It is important that transactions are properly identified and recorded for state reporting purposes. We need your help in accomplishing these tasks.

Three general activities have been identified in IT and FCS classes:

- 1.) **General Instruction Projects** - (Required class projects.)
- 2.) **Student Projects** - (Projects that students want to do and are not a required part of the class.)
- 3.) **Community Projects** - (Projects include, but are not limited to: contracting with not-for-profit organizations; in-district projects such as printing, foods, sewing, and automobile repairs; and community service projects.)

There are different ways to handle the money and purchases for each type of activity.

#### **I. GENERAL INSTRUCTION PROJECTS**

These are projects that a student must complete to receive a passing grade. The materials to complete the project must be provided to the student at no charge.

All purchases to be used for required class projects must be accounted for in the general fund. Purchases include all materials and supplies used for required projects and equipment necessary to be used in the classroom.

#### **II. STUDENT PROJECTS**

These are projects that students want to do or are above the minimum project standards and not required as part of the class. Students may be charged for the materials for these projects unless the student applies and qualifies for a fee-waiver. If the student qualifies, the District must pay for these materials. Transactions for these projects must be accounted for in a student project resale account. The student projects will have a separate set of accounts to separate student project activity from community project activity (which are also accounted for in a resale account.)

Instructors issue a bill to the student for student project materials. The students should be charged for materials and supplies used. The amount that the District paid for an item should be the amount a student is billed. The student pays for the materials in the school office and a receipt is issued at that time. The student, as proof of payment, shows the receipt to the instructor and receives the materials. Students should pay for the materials before they receive the materials. Projects cannot be released until all lab bills are paid. If materials have to be special ordered, these materials need to be paid for in advance of ordering. No money should be collected or handled by instructors.

Students (and community projects) are not charged sales tax on the materials they purchase from the District because the items are used directly in the course of a student's instruction. **No LPS employee or community member may purchase resale materials from or through LPS for their personal use.**

If students purchase materials for their student project and they make a mistake and need to replace materials the instructor has two options:

- A. If the instructor believes that the student may not have known enough about what he/she was to do, then the instructor can give the student replacement materials at no charge. (Provided from General Instruction Funds.)
- B. If the instructor believes the student should have known not to make that type of an error, the instructor should sell the replacement material and charge the student.

The only expenditures from the student project resale accounts should be materials purchased to sell to the students. No other costs may be paid from the student project resale accounts.

Student project resale accounts should maintain deficit balances that should be equal to inventories on hand. As inventory items are sold, the money is receipted into the student project resale account to be used to purchase inventory. The deficit balance and the student project inventory on hand added together should equal zero. However, accounts within a +\$100 for a middle school and a +\$250 for a high school will be acceptable to allow for pricing approximations and/or waste materials.

### III. COMMUNITY PROJECTS

Currently, these projects are only at the high school level. Where a class or instructor is doing a community project, these transactions must be accounted for in a community project resale account. The accounts for community projects will be separate from the student project accounts.

Any community project exceeding \$5,000 must have a contract in place that is approved by the Industrial Technology Curriculum Specialist and the Associate Superintendent for Business Affairs before work commences. When billing for the project, there should never be any labor added and the instructor should

include an indirect cost charge along with the cost of materials and any waste. The indirect cost charge is a percentage to be charged for the use of the school's equipment. The guidelines for the percentage to be charged will be determined by the curriculum specialist and the accounting staff. The instructor also has the option of having the community entity or individual donate new equipment to the District rather than paying the indirect cost charge.

Once a project is completed, the revenue received should be deposited into the community project resale account. After a project is completed, reconciliation needs to be completed to determine the amount of money remaining from each community project. The remaining amount accumulated can be used to replace worn out equipment.

This money for replacing equipment may accumulate over various community projects and will carry forward from year to year. The replacement equipment purchased needs to relate to the equipment worn out on the various community projects performed. **The money accumulated in this community project resale account is not intended to replace instructional materials and equipment used in the classroom.**

Internal records on the running total of the amount of money remaining from community projects; items to be replaced; the amount and items replaced; and the balance remaining for future replacement of worn out items need to be maintained. The curriculum specialist will work with the individual instructors to determine when and what equipment needs to be replaced.

#### IV. INVENTORIES

Materials for student projects must be identified and/or kept separate from the materials purchased by the general fund for instructional use and also kept separate from community project materials.

At a minimum, it will be the instructor's responsibility to take two separate physical inventory counts at the end of each school year. One inventory will be of the student projects material on hand and the other inventory of community projects material on hand. An LPS IT and FCS inventory form will be supplied to department chairs who will supervise the physical inventory process.

The form will require a description of the item, measure of the item used (ex. - bd. ft. or pounds), the quantity of the measure, the unit cost (guidelines for unit cost to be included with physical inventory instructions), and the extended cost. Inventories should be totaled. It should be determined whether there is any obsolete inventory, with the help of the curriculum specialist. Obsolete inventory should not be included on the inventory forms and should be disposed of through sale or the auction process.

The student project and the community project inventories should not include any donated items in their counts. Donated items cannot be resold to either students or community projects.

The inventory of these items should be kept to a minimum and only essential items stocked in the schools. The student should purchase specialty items directly when possible.

All purchases should adhere to the guidelines established by the LPS Purchasing Department.