

**CLOVER PARK TECHNICAL COLLEGE  
POLICY & PROCEDURE**

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CHAPTER	SECTION	TITLE	HISTORY:	
4	6	REALISTIC TRAINING	Adopted: 1992	Revised: 1997 1999 2000 2001 2004

**POLICY**

If a job account or realistic enterprise is to be conducted by or in a professional-technical program, a procedural plan must be on file and should be jointly approved by the college and the program advisory committee. The plan should describe, at a minimum, hours of operation, the goods and services that will be repaired, produced or sold, what the charges, fees, and taxes will be for each, and who is eligible for services.

**PROCEDURE**

The following procedures are set forth to protect the College, its employees and the public from the loss or misuse of public funds. These procedures are in accordance with OFM Manual, Section 6.2 (available from the Vice President for Finance and Budget). Money is to be collected at cash collection points authorized by the Finance & Budget office. Please refer to sales and cash handling procedures. Questions should be directed to the Controller at Ext. 5602. (For Sales and Cash Handling for Realistic Training Enterprises/Job Account and general transactions, see Administration Chapter 3/Section 5)

**General Information**

**No credit may be extended by any college employee to anyone.** Payments must be received prior to releasing any product or at the completion of any service. Method of payment may be cash, check, money order, or bankcard at authorized cash handling stations or by the Cashier, Building 17. Governmental charges such as purchase orders, state vouchers, or CPTC intracollege requisitions must include the department number and a budget authority signature and will be processed using established Financial Service guidelines.

All forms used in conjunction with job accounts must be forwarded to the Budget Services Coordinator for approval prior to use. No unauthorized forms may be used.

**Receipts / Backup**

All customers must be provided with an approved receipt or a cash register receipt at the time of payment. Service tickets and work orders are not receipts. All cash register receipts must have backup documentation supporting the work done through the job account. The documentation can be in one of the following three forms:

1. Work Orders and Service Tickets – If programs use work order forms, they must use an approved CPTC pre-numbered work order. Generic work orders are available for checkout at the Cashier, Building 17, for departments that do not use a specifically designed form. Creation of customized forms must have the approval of the program’s Dean and the Budget Services Coordinator. No other forms may be used. The work order or service ticket must show:
  - a. College name, address, program name, department number, and phone number.
  - b. Date job accepted.
  - c. Customer’s name and phone number if job/service is completed in one day with single contact.
  - d. Customer’s address and phone number if job/service not complete with single contact.
  - e. (Example: Auto Body would need address and phone number; Cosmetology most likely would not.)
  - f. Description of job/service being provided.
  - g. Description of parts, materials and supplies used, if applicable, with inventory part numbers should also be included.
  - h. Itemized and total costs of services and/or products.
  - i. Sales tax (if applicable) must be separately stated and applied at the required percentage available from the Finance & Budget office.
  - j. Receipt number(s) and date(s) paid. (Including receipt numbers and dates for partial payments.)
  - k. Other specific information required by department.
  
2. Cash Register System – Job accounts that are retail by nature will account for sales through a cash register (point of sale) system. The following are considered backup for these transactions.

Either an abbreviated work order/service ticket or the register receipt that lists the service or product may be used to document the service or products sold to the customer. The service ticket will be the internal document to support the cash register receipt given to the customer. The abbreviated form includes:

- a. College name, address, program name, department number and phone number.
- b. Date service performed or products sold.
- c. Description of services performed or products sold.
- d. Itemized and total costs of services or products sold.
- e. The customer’s name and address (optional).

An inventory system can be used to document the cash register receipts when a system has been established that tracks the products sold to the customer’s receipt.

Voided Transaction – When it is necessary to void a pre-numbered work order/service ticket, it is to be marked “void” with an explanation, signed and dated by the instructor. Enter voided

work order number on log sheet and sign and date the entry. Never throw away a voided work order, service ticket or cash register receipt. If it is determined that any work orders are missing or cannot be accounted for, the Budget Services Coordinator at Ext. 5617 must be contacted immediately. Follow up with a written explanation. Cash register voids need to be processed on the same tape as the initial transaction. Review of voids will be done through a log book review at least annually by the Dean of Instruction or his/her designee.

### Log Book

Log books are to be maintained for all accountable documents. All accountable documents are to be used in numeric sequence. All numbers are to be accounted for in a log book, including voided documents. The log books are to be reviewed annually by the Deans or their designee(s).

1. Work Order/Service Ticket/Cash Register Receipt Log Book – Every work order, service ticket, or register receipt must be logged in numerical order with the following information recorded (if the information is required on the original document):
  - a. Pre-numbered document number
  - b. Date job accepted/service provided/product sold
  - c. Customer name (optional for services and product)
  - d. Description of work to be done, service to be provided, product being sold
  - e. Total cost, including tax
  - f. Amount of any partial payment(s) received including receipt number(s)
  - g. Date, amount, and (if applicable) cash collection point receipt number of final payment
  - h. Cashiering receipt number of final payment
  - i. Other specific information required by department
  
2. Cash Register Log Book – to be used when work order or service tickets are not used by a program:
  - a. Date of transactions
  - b. Beginning and ending day's cash register receipt numbers
  - c. Total sales excluding sales tax
  - d. Amount of sales tax collected
  - e. Total amount deposited, including sales tax
  - f. Over/short amount between total receipts to be deposited and actual deposit
  - g. Number of voided transactions (each transaction number should be listed)

### Procedure for Proper Accounting for Job Account Activities

When accepting Realistic Training activities:

- Complete an approved pre-numbered form for every job/service if not a cash register system transaction.
- List number from pre-numbered form in log book if not using a cash register system.
- Complete activity.

- Obtain copy of receipt from CPTC Cashier, Building 17 (if not an authorized cash collection point) or accept payment and issue receipt (see Sales and Cash Handling section). A work order/service ticket is not to be used as a receipt.
- Record the receipt number on the work order/service ticket and in the log book.
- Complete all forms and post log book information.
- Only when a valid receipt has been issued is merchandise to be released. Provide customer with a copy of a receipt.
- Agency purchase orders and state vouchers require submission of a request for invoice. (See separate section on Request for Invoice.)
- Secure work order forms and service tickets at all times.

All work orders/service tickets, including those marked "void," must be filed and retained for six (6) years from the close of the fiscal year (June 30).

#### Application of Sales Tax to Job Account Activity

This section outlines the application, collection and recording of sales tax as it relates to job account activities as required by RCW 82.

#### General Information:

*Sales tax applies to the total amount of goods and services billed to the customer including:*

- Parts and related mark-up
- Shop Fees
- Services
- Gratuities
- Delivery Charges

#### Sales Tax:

- Advertising (KVTI radio spots)
- Services provided by Cosmetology / Esthetician / Manicuring / Massage Therapy (reference WAC 458-20-138). Products for retail sale is taxable. Products used for performing services (backbar) are taxed when purchased.
- Gasoline purchased for vehicle on automotive work order.
- Goods sold for resale. This requires the customer to complete a resale certificate. A copy of the completed resale certificate must be obtained before completing the transaction. A copy of the certificate should be filed with the work order/service ticket or sales receipt.
- Sales to the federal government. (Federal agencies who sponsor students such as VA are not charged sales tax.)
- Sales to out-of-state customers with no business ties in Washington State. A copy of the customer's exempt certificate must be attached to the program's copy of the transaction. As a matter of policy, students and purchases made for students do not qualify regardless of where the student lives. The law requires that the items be purchased for use outside the state; therefore, books, tools and supplies, etc. would not qualify for this exemption.

**If you have any questions on sales tax exemptions, please contact the Controller at Ext. 5602.**

- Calculate sales tax at current rate (available from Accounting Coordinator) and apply to the total sale to the customer.
- Show tax as a separate line item on the applicable form used and on the transaction receipt.
- Sales tax is paid by the end user. Job Account resale stock will not have been taxed at the time of purchase. Stock for instructional use and backbar product used for job account services will have been taxed at the time of purchase.
- Apply the following for transfer of stocks to other CPTC departments –
- Job account to job account: charge full cost of stock originally paid to vendor and no sales tax is added.
- Job account to instructional/administrative operations: sales tax will be charged.
- Instructional stock to job account: a tax credit will be taken.

#### Transfer of Stock

The process to transfer the cost of services or products transferred between departments will be handled through the Job Account Specialist as indicated on work order or service ticket.

- Submit a completed work order or service ticket containing the amount, account code and budget authority signature.
- There are no shop fees added to materials/services sold to other CPTC departments – except for fees such as EPA charges. A miscellaneous fee for shop supplies can be added, the amount being a conservative estimate of the cost of a product, when a portion of an item that has been purchased as a shop supply is used.
- There is no mark-up on materials/services sold to other CPTC departments.
- Refer to Application of Sales Tax for information pertaining to transfer of stock.

#### Job Account Sales to the Guest of the College

- “Guests” is defined as anyone using the services provided. This includes students, faculty, staff and persons from outside the college. The same fees will be charged to all customers.
- Job account inventory count verification will be required at least annually. The Office of Budget and Finance will dictate when count(s) are taken.

#### Inventories – Job Account

Consumable materials or merchandise that will be sold either directly or as part of a final product/service to a college guest through Realistic Training Enterprises are considered part of the Job Account’s Inventory. A consumable material could be used to perform a job-related task and billed separately on the guest’s work order/service ticket or as part of the shop fee or miscellaneous shop supplies.

The Inventory should reflect the items that are physically on hand as of the date established by Finance & Budget. If additional materials are received after that date, the expense will be properly booked and accrued for cut-off purposes. The Inventory listing must include, but is not limited to:

- Manufacturer code and part number

- Description of item (including size/volume, if applicable)
- Number of items in stock
- Cost price per item
- Total value of item on hand
- Total value of inventory

Work in progress (as well as items completed but not yet paid for is referred to as Accounts Receivable. This inventory must be itemized showing the work order/service ticket and invoice number, date work accepted, and amount.

Inventory forms are totaled and forwarded to the Deans for review. The Deans may designate a party, who is not directly involved with the county of the inventory, to verify inventory on their behalf.

The program will maintain a dated copy of the latest inventory as submitted to the Finance and Budget office.

Fee List items are sold through the Book Store with the exception of uniforms and clothing sold by the Expressions Retail Merchandising Store.