

BUSINESS FINANCE 8.1

OPERATING PROCEDURES :

Textbook Order

1. All textbook requests, including laboratory workbooks and custom manuals produced for the course by the Division Chairs, Coordinators and Instructors at all campuses shall be documented by the Textbook Adoption and Requisition Form (TARF).
2. The TARF must be prepared by instructors and submitted by the Division Chair/Coordinator to the Director of Academic Programs. For State Campuses, the TARF has to be reviewed by State Campus Director. The Director of Academic Programs is responsible in approving and submitting the TARF to the Bookstore Manager (thru e-mail in electronic copy) on or before the following deadlines:

February 15 th -	Summer and Fall Semesters
September 1 st -	Spring Semester

The above schedule will provide enough lead-time to ensure availability of textbooks to students before the 1st day of instruction.

The Director of Academic Programs is responsible in ensuring that textbooks are approved textbook and in accordance with the approved course schedules. Listings of approved course schedule must be provided to Bookstore Manager.

2. Changes in the submitted TARF must be immediately communicated (thru e-mail) to the Bookstore Manager by the Academic Program Director.
3. The Academic Program Director is responsible in disseminating the order status report (as provided by Bookstore Manager) to Division Chairs, Coordinators and Faculty.
4. If for any reason, the Division/Program/State Campus decides not to use the ordered textbooks, all shipping costs for returning the books shall be charged to the requisitioning Division/Campus. In addition, if the textbooks are not returnable, all costs (including shipping cost) shall be charged to the Division/Campus.

5. The Bookstore Manager shall :
 - a. Send reminder to Academic Program Director to submit the TARF;
 - b. Notify Academic Program Director on new editions of the requested textbook or similar packages;
 - c. Consolidate orders from different Divisions and Campuses;
 - d. Advise the Academic Program Director on the placement of orders to vendor;
 - e. Provide monthly update to the Academic Program Director on the status of orders and any delays that may be incurred, if any;
 - f. Comply with copyright regulations and secure copyright permissions prior to reproduction of any publication, etc.
 - g. Email to Academic Program Director on any information received from publisher and/or vendor regarding change of editions, inadequate stock and any other changes for appropriate action.

Determining Quantities

1. Faculty and instructors should closely coordinate with the Bookstore Manager or staff on the textbook inventory when determining the estimated order quantities of each requested course material. One of the primary goals of the Bookstore is to provide the right quantity of textbooks and course material for each class scheduled every term.
2. The Bookstore Manager shall review and analyze the order quantities, taking into consideration the current inventory, projected buybacks, number of enrollees and historical information.

Buyback

1. Book buybacks shall be held at any time. Students shall have a better price during "Buyback Periods" which is usually held during the final examination week of the term. Announcements for the buyback shall be posted in conspicuous places within the campus.
2. The Bookstore shall be provided with a Buyback Fund. The amount of Fund shall be determined and requested by the Bookstore Manager and approved by the Comptroller. The Business Office Manager or Fiscal Officer is the custodian of the Buyback Fund and is responsible in paying students. Bookstore staffs are not allowed to handle Buyback Fund.
3. In general, used books will be purchased at a price of fifty percent (50%) of the selling price. During Buyback period, the purchase price for a textbook can be increased by 10% under the following conditions:

- a. No excessive markings
 - b. Not damaged
 - c. Same book edition as specified in the TAF
 - d. Seller has proper identification
 - e. Book is not a complimentary copy
4. The buyback shall be documented thru a pre-numbered Buyback Receipt (BBR). The Bookstore personnel shall indicate in the book the BBR No. and the date inside the cover page of the book for future reference. Also, the barcode of the book shall be cancelled using a permanent pen, to differentiate it from new ones.
 5. Payment to students by Business Office Manager or Fiscal Officer shall be based on the BBR.
 6. All textbooks from Buyback shall be entered in the Stock Library of the POS System for inventory purposes. However, the code provided by the publisher (bar code) shall not be used. A different Stock Code shall be assigned to textbooks from Buyback.

Receiving of Shipments from Supplier

1. Bookstore personnel shall constantly check with the Post Office/UPS/FedEx/Continental Airlines or any other carriers the arrival of the ordered books.
2. Bookstore personnel shall handle the clearing and receiving of shipments of ordered textbooks from the supplier.
3. Taxes, handling fees and other shipping costs may be paid from the Petty Cash Fund to expedite the clearing process.
4. The books received shall be checked and compared against the Supplier's Delivery Receipt (DR), Invoice and Purchase Order (PO). Actual receipt shall be documented in a Receiving Report (RR). If there are discrepancies between the items received and DR, a notation should be made in the DR and RR. The Bookstore staff should compare the RR with the PO, and all discrepancies must be communicated to the supplier.
5. The RR shall be entered in the Bookstore POS and Inventory System.

Distribution to State Campuses

1. Shipments of textbooks to State Campuses must be done at the earliest possible time. Notice of the shipment shall be e-mailed to State Campus Director, Instructional Coordinator, Fiscal Officer and Bookstore Assistant, with cc to Academic Program Director.
2. The items shipped to each campus shall be recorded as Accounts Receivable by National Campus Bookstore to state campuses bookstores in the B-PIS system. The corresponding Charge Invoice to state campus must be generated. The price indicated in the Invoice will be the National Campus Bookstore's selling price. The selling price at State Campuses shall be the Selling Price from National Campus Bookstore plus the additional shipping/handling costs.
3. The National Campus Bookstore Invoice shall be attached to the Delivery Receipt and shall be shipped on "freight collect".
4. The State Campus Bookstores shall handle the clearing and paying of the freight, local tax, handling and other expenses from the Imprest Fund. The National Campus Bookstore shall reimburse the expenses incurred by the State Campuses when the imprest fund is replenished.
5. The Bookstore Assistant and the Fiscal Officer shall:
 - a. Ensure that shipments of textbooks are cleared and received by the Campus without delay;
 - b. Check the items received against the delivery per DR;
 - c. Send an e-mail attaching a copy of the duly acknowledged DR and Invoice;
 - d. File the DR and all other documents for future reference.

Pricing

1. The following percentages of pricing mark-ups shall be adopted:

• Textbooks and other course materials	-	20%
• School Supplies (local procurement)	-	10%
• School Supplies (off-island procurement)	-	25%
• Apparel and other items	-	30%
• Food and Drinks	-	10%
• Printed Copies	-	10%

2. The mark-up shall be applied to Landed Cost as follows:

$$\text{Landed Cost} = \text{Invoice Price} + \text{Allocated Freight} + \text{Taxes/Other Fees}$$

Markup = Landed Cost times the % of markup (per no. 1 above)

Selling Price = Landed Cost + Mark Up

3. For state campuses, the Selling Price shall be the Selling Price at National Campus plus the Allocated Freight Cost from National campus to state campus.
4. The Price Analysis Form (PAF) shall be used to document the calculation of Selling Prices. The PAF shall be prepared by Bookstore staff and reviewed by the Bookstore Manager for the National Campus and the Fiscal Officer for the State Campus.

Selling Operation

1. All stocks must be inputted in the B-PIS before displaying in the selling area. Likewise, sales transactions must be registered in the B-PIS.
2. The sales transactions shall be entered according to the assigned group codes. The assigned group codes are as follows:

Group Codes	Description
200	Textbooks
211	Social Science Dept.
212	Education Dept.
213	Business/Accounting Dept.
214	Math and Science Dept.
215	English (Language/Lit.) Dept.
216	Vocational Dept.
217	Agriculture Dept.
221	Exercise Sports Science
291	Magazines and Journals
295	Other Reference Materials
300	For Future Use
400	Computer, hardware, software and accessories
411	Flashdrives
500	School Supplies
600	Apparels

700 For Future Use

800 Food Items

3. Cash Receipts from the collection of receivables and other cash receipts shall be documented by an Official Receipt and should not be entered in the B-PIS or the Cash Register.
4. The Bookstore Manager/Fiscal Officer shall generate the Daily Sales Report (by mode of payment). The amount of cash sales per the Daily Sales Report must be reconciled with the actual cash on hand. Any discrepancies must be noted and explained in the Daily Sales Report by the Bookstore staff.
5. All sales must be remitted to the Business Office or the Fiscal Officer together with the Daily Sales Report at the end of the day for deposit to the Bookstore Account.
6. Change Fund shall be provided for each Bookstore at all campuses. The Comptroller based on the need per Campus shall determine the amount of Change Fund. The Change Fund must be counted by the Business Office or Fiscal Officer at the end of the day to ensure that the Change Fund is kept intact.
7. In order to minimize theft and pilferages, the Bookstore must have a baggage counter and no customers will be allowed to enter the bookstore selling area with their bags.
8. Fiscal Officers should see to it that the required reports are submitted to the Bookstore Manager within the scheduled due dates.

Charge Account

1. The Bookstore will only extend credit charges to qualified students. Qualified students are those with certified "Authorization to Charge Textbooks" from the Financial Aid Office and a valid COM-FSM ID. Likewise, students may also be allowed to charge against their refund balance after securing an authorization from the Business Office/Fiscal Officer. Also allowed are students covered under a signed Memorandum of Understanding or Contract duly approved by the College President.
2. COM-FSM Departments/Offices may also withdraw stocks from the Bookstore on charge basis (A/R), provided an approved PO is presented. Served POs are forwarded to the Business Office for recording.

3. All transactions on account shall be documented by a Charge Invoice.

Instructor and Duplicated Materials

1. Due to the confidential contents of the Instructor's materials, Instructors must request the Instructor's editions, manuals, examination copies, desk copies and other supplementary materials directly from the publisher. Most publishers acknowledge e-mail request as long as required information in the Desk Copy Request form are provided. Faculty can secure the publisher's contact information from the Bookstore Manager.
2. Printing of hard to obtain materials, out of print materials, cleared of copyright restrictions, and Instructor-generated materials can be handled by the Bookstore. A ten percent (10%) margin will be applied to the cost of printing, collating and binding.

Physical Inventory of Stocks

1. A physical count of all stocks shall be conducted every end of fiscal year (September 30) to determine the level and value of inventory. The Bookstore Manager shall provide the schedule, guidelines and procedures for conducting the fiscal year-end inventory.
2. During the inventory taking, the Bookstore shall be closed. As far as practicable the inventory shall be finished in a day.
3. The physical count must be performed under the supervision of the Bookstore Manager/Fiscal Officer and witnessed by the Auditor or representative from the Business Office. The actual count shall be compared with the "Stock Balances Report" generated from the B-PIS. Any discrepancy shall be noted in the Inventory Report, for proper disposition.
4. Copy of the physical inventory shall be forwarded to the Business Office within the first week of October.
5. Textbooks that were ordered by Instructors but were not used and became obsolete will be charged and returned to the corresponding department or campus for their use. The return shall be treated as Accounts Receivables –Department in the B-PIS. A copy of the Invoice shall be forwarded to the Business Office for recording.
6. The Bookstore shall provide for an obsolescence allowance based on the listing of obsolete inventory in order to reflect a sound market value of the inventory. The First-In-First-Out method shall be adopted in the valuation of the inventory cost.

7. Inventory of textbooks per BPIS has to be generated a month prior to the order deadlines to determine the level of stocks before placing the new orders. Such Inventory report generated from BPIS need to be checked with actual inventory.

Sales Returns

1. In general, all sales at the COM-FSM Bookstore are final. However, the Bookstore may accommodate sales returns of textbooks, computer accessories (e.g. USB memory) and other non-food items under the following conditions:
 - a. The item is still in the same condition when it was purchased (no markings and unopened package);
 - b. The return is done within three (2) days from the date of purchase; and
 - c. The original receipt is presented.
2. Food items are not returnable.
3. Returns shall be recorded in the B-PIS. If the return is within the day, the Bookstore Assistant shall enter it in the B-PIS. If the return is for purchases made on previous days, the Bookstore Manager shall do the return at the Administrator module.

Bookstore Hours

1. The regular business hours of the COM-FSM Bookstore are from Monday to Friday, from 8:30 to 3:30. The Bookstore shall stay open during lunch hour. At state campuses, Campus Directors in coordination with the Bookstore Manager may opt to implement a different bookstore hours if it can provide better services to students. Extended hours can be provided during the first week of instructions.
2. The Bookstore is closed during weekends and Holidays according to College policy.

DEFINITION OF TERMS :

Buyback – Bookstore buys the used books from students.

Mark – up – percentage of cost added to the landed cost to arrive at the selling price.

Landed Cost – acquisition cost plus other incidental costs such as shipping, taxes, handling, packaging, etc.

Selling Price – the price of the goods that will be charged to the buyer.

Bookstore Point of Sale and Inventory System (BPIS) – a computerized system designed to account and record sales of Bookstore and movements of inventory.

Stock Balance – is the quantity of inventory available on stock.

Change Fund – an amount kept by Bookstore to be used as change for selling operations.

Obsolete Textbooks – these are textbooks that are obsolete and no longer required to be used by the college.

First-in-First-Out – a method of inventory valuation whereby the cost of goods sold is assigned according to the chronological order of the cost of procurement.