

LOS ANGELES UNIFIED SCHOOL DISTRICT
Division of Adult and Career Education

GUIDELINE NO. 37
April 25, 2007

SUBJECT: EDUCATION AND CAREER CENTERS/REGIONAL OCCUPATIONAL AND
SKILLS CENTERS SHOP SALES

- I. Background
- II. Work Orders
- III. Budgets
- IV. Profit/Loss Policy
- V. Education and Career Center Shop Sales Reports
- VI. Guidelines
- VII. Resource Personnel

This revision supersedes Bulletin No. 72 (Rev.) issued March 29, 2004. The content has been updated to reflect changes in Division organization, policy, or procedure.

This guideline supersedes Bulletin No. 81, Skills Center Shop Sales dated August 26, 1988.

I. BACKGROUND

Provision is made in the Education Code, Section 52305 for the establishment of the various business and trade activities as well as the sale of procedures and services to the general public from Regional Occupational Centers and Programs to best serve the aims and purposes of vocational education. The Division of Adult and Career Education in keeping with its mission to educate and train students in skills towards gainful employment, maintains a shop sales program to create and provide a real-life work experience environment for the students in our instructional programs.

Educational Code, Section 52306 sets the various conditions that a District must meet for operation of a sales program: 1) it must be only for the education or training of students enrolled in a Regional Occupational Center or Program; 2) it shall be operated on a nonprofit basis, with all revenues restricted in their uses to cover instructional and operating costs; 3) it shall obtain the approval of the appropriate trade association and the county labor council.

II. WORK ORDERS

A. Accountability

All shop sales activities must provide a clear audit trail through the use of standard work

orders. Each work order shall be prenumbered and accounted for in the perpetual inventory of financial stationery by the financial manager at each center.

Every project shall be assigned a sequentially numbered work order. The assigned work order number shall be recorded on all material invoices, and all invoice numbers shall be recorded on the work order. When ordering materials, the work order number will also serve as the purchase order number. The procedures for attaching invoices to the work order may vary from center to center, but they must provide a cross-reference for audit verification.

If the project or repair item is being used for a class demonstration, a demonstration work permit must be issued. If any materials are necessary, a work order must be written.

Anytime a work order is written for a project of repair, even if it is written only for the purpose of charging the incidental fee, a District Waiver of Liability must be signed and dated by the owner.

B. Mark-up

1. Mark-ups must be sufficient to defray the cost of salaries and fringe benefits related to the operation of shop sales and other necessary expenses for consumable supplies (work orders, purchase orders, stamps, telephone, etc.)
2. The suggested mark-up should be 50 percent of list price, whichever is the lesser. (This may vary from center to center depending on their regional occupational center sales expenses or trade advisory requests.)
3. The established mark-up shall be applied uniformly to all customers.
4. Customers are not permitted to bring their own materials (unless unique, used, or difficult to obtain). Prior approval from the instructor and administrator, or principal's designee must be obtained.

C. Deposits and Payments

1. The District permits the schools to receive and disburse monies from shop sales directly through the Associated Student Body checking account. The principal of the school shall be responsible for all expenditures from this account.
2. A deposit of not less than 75 percent of the total estimated cost must be collected before work begins or materials are ordered.

Deposit and payments are to be made to the finance office responsible for all expenditures from this account.

Instructors are not to accept payments of any kind or handle money from students or other customers

3. Upon receipt, all deposits shall be promptly credited to the appropriate account. If no work is performed, the deposit, minus the incidental fee, shall be returned to the customer.
4. The full amount due on the work order shall be collected before the vehicle or other repair item is released to the customer.

D. Incidental Fees

1. A fee shall be charged to each customer to cover the cost of incidental items that cannot be itemized such as solvent, rags, nuts, washers, blades, and hazardous waste expenses. This fee is not meant to be an income producer, but only to cover the cost of incidental items. In certain circumstances incidental fees may be waived, if approved by the principal or administrator in charge.
2. The maximum incidental fee is \$100.00 per project or item being repaired. This fee must be applied uniformly to all customers.
3. The principal of the center has the responsibility of setting the amount of incidental fees to be charged for projects in each shop or program. These fees shall be determined according to the amount of incidental materials used in a particular shop or program. For example, \$20.00 might be collected on automotive work orders, while \$5.00 might be collected on commercial artwork orders because fewer incidental materials are required in the latter program.
4. Items accepted for demonstration will not be assessed an incidental fee. The incidental fee will be assessed if materials are required to perform any repairs or project.

III. BUDGETS

- A. Each center shall prepare an annual shop sales budget to be submitted no later than April 30, prior to the beginning of the school year. In addition, a revised budget is to be submitted no later than the second Friday in September. These budget forms will be provided by School Fiscal Services.

- B. All expenses for the shop sales program shall be entered in the budget, including proposed and estimated equipment purchases, equipment projects, salaries, and benefits. Please note that the District pays all shop position salaries. Salary and benefit costs for all shop sales positions must be reimbursed to the District. Approval from the appropriate Administrator, School Operations Unit, Division of Adult and Career Education, must be obtained before any sales position is established.
- C. Copies of the budget shall be sent to the following offices:
 - 1. School Operations Unit, DACE
 - 2. Adult Education Fiscal Services
 - 3. School Fiscal Services, Area 1

IV. PROFIT/LOSS POLICY

- A. Every effort should be made to break even. Under no circumstances should the shop sales program operate at a loss.
- B. If the shop sales program makes profit, the state will deduct the amount of the profit from the next allocation. If a loss is sustained, the state does not increase the subsequent allocation; therefore, the Division employment preparation center budget suffers the loss. (This is in accordance with State Education Code Section 52306.)

V. EDUCATION AND CAREER CENTER SHOP SALES REPORTS

- A. A Report of Education and Career Center Sales and Expenditures shall be prepared at the end of each calendar quarter and submitted to the Financial Reporting Section, General Accounting Branch, Beaudry Building, no later than the end of the following month. In addition, a year-end report is due no later than July 25. A copy of this report should also be submitted to Division of Adult and Career Education (DACE), Adult and Career Education Fiscal Services Section.
- B. If the year-end Report of Education and Career Center Sales and Expenditures indicates a profit, a student body check for the amount of the profit should be issued to the Los Angeles Unified School District. Identify the remittance as employment preparation center sales profit for the year ending June 30, and address the remittance to:

Los Angeles Unified School District
Financial Reporting Section, Cash Receipts Unit
Interim Business Services Center, 8th Floor

VI. GUIDELINES

All centers utilizing a shop sales account must provide guidelines for their instructors that incorporate the established procedures to ensure that the centers are consistent in their approach to shop sales activities. See Attachment (A) for automotive department guidelines and subsequent permits.

VII. RESOURCE PERSONNEL

The following persons are available for technical assistance:

1. Sally Cocjin, Fiscal Services Manager, DACE Fiscal Services (213) 241-3812
2. Dominic Shambra, Industrial Adviser, DACE Career and Technical Education (213) 241-3160
3. Roger Solis, Coordinating Financial Manager, pager (310) 298-0834

APPROVED: Santiago Jackson, Assistant Superintendent

DISTRIBUTION: All Schools and Offices, Division of Adult and Career Education

EDUCATION & CAREER CENTERS - AUTOMOTIVE DEPARTMENT GUIDELINES

Policies and Procedures

1. All instructors who are engaged in shop sales activities must receive a copy of Guideline No. 37 (Rev.) Education and Career Centers/Regional Occupational Center and Skills Center Shop Sales, Division of Adult and Career Education, revised April 25, 2007. Each teacher will sign a written acknowledgment indicating receipt of the items mentioned above, and these acknowledgments indicating receipt of the items mentioned above, and these acknowledgments must be maintained in the center's files.
2. It is the responsibility of the instructor to select work for his/her shop and submit to site administrator/or principal's designee for approval. Approval of projects should be based on lesson plans developed from the approved course outlines. There shall be no large or offsite projects accepted for the class unless authorized by the site administrator. In the selection of customer jobs, the instructor is to review the established customer "job bank" or "waiting list" for work that relates to the instructional needs of the course content. He/she is to ensure that each customer receives equity in the selection process and must verify ownership from vehicle registration.

Instructors cannot submit repair orders or demonstration requests within their own subject area or discipline for work on vehicles owned by said instructor. For example, an upholstery instructor should not submit work on his/her personal vehicle in the upholstery class.

All work orders must be completed within a reasonable time period. Storage of customer or personal vehicles beyond a semester requires permission of the site administrator and must be determined to be part of the overall instructional program needs. Vehicles that are towed into the facility must have valid registration and are approved by site administration, or principal's designee before any work is performed or vehicle is accepted by facility.

- 2a. It is the instructor's responsibility to make sure that any vehicle left for repair has a VALID REGISTRATION, and that the person who is signing the repair order is the registered owner or immediate family member with written permission. No other person can legally sign the repair order and/or authorize any repairs.**
3. A work order will be written for all work to be performed at the Education and Career Center. District employees and school site personnel are not exempt from completion of a work order or approved written estimate. Work orders provide the District with an audit trail that will be defensible in the event of an audit or legal action. Fees collected for

work done for customers provide funds for instructional materials and projects that could not otherwise be provided.

A District Waiver of Liability must be signed and dated by the customer before any work is allowed to be started.

4. The instructor/office personnel is to ensure that a properly written estimate is given and that materials are properly ordered and recorded on the work order along with the cost of materials and incidental fees. The instructor is also responsible for the quality of work performed by his/her students and is expected to personally supervise and inspect the work done by students.
- 4a. **It is the instructor's responsibility to make sure that any person driving a vehicle has a VALID driver's license.**
5. In short, the instructor is responsible for the operation of a business-like program including, maintaining a clean, safe environment and practicing good customer relation skills.

Estimates

1. A written estimate shall be provided to each customer for work to be performed. An established estimate form will be used.
2. If the customer accepts the estimate and the work is authorized, the instructor must stay within the cost estimate for the project or call the customer for an estimate upgrade and document the call with time, who he/she spoke with, and price increase agreed to by both parties.

Initiation of Work Orders

1. If the project is accepted and approved by administration or the principal's designee, the customer will present the written estimate form to the finance office. This form must include the estimated cost and instructor's signature or initials.
2. A specified number of sequential work orders will be assigned to each instructor as determined by the site administration. The instructor will complete the work order ensuring that the information is complete and will submit proper documentation to the finance office unless otherwise instructed by the principal. The goldenrod copy will be given to the customer, along with the receipt for his/her deposit and the instructor's estimate form. **On Saturdays and in the evenings; work orders must be approved and initiated by an administrator or principal's designee.**

The finance office will confirm the customer contact information and collect a deposit amount of 75% of the instructor's estimate noting the amount of the instructor's estimate on all copies of the work order.

3. The remaining copies of the work order (white, yellow, pink, and hard copy) will be returned to the instructor.
4. If the customer has to leave parts or items for the instructor, he/she must be reminded of the waiver releasing the District and the center of any liability for the damage or loss of these valuables.
5. The instructor will secure the hard copy of the work order or similar document with the project so it may be viewed by administration at anytime. The repair order (white, yellow, and pink, and hard copy if not used) will be placed in the work order rack that is maintained in a secure location. The instructor will contact the customer if the cost is determined to exceed the authorized estimate. Work will stop until the customer provides written or verbal authorization on the revised estimate. The instructor will note the revised estimate on the work order along with the date and time of the customer's approval.
6. No work order will be voided without the approval of the finance office. If voided, all copies of the work order must be returned to the finance office.

Shop Sales Purchases – Parts and Incidental Fees

1. An incidental or material fee (maximum of \$100) must be charged to all customers.
2. Parts and materials for work orders in progress may be ordered by the instructor or his/her designee from vendors authorized by the center. The instructor will ensure that the suppliers indicate the work order number on all related invoices as the P.O. number.
3. If the finance office is to order parts or materials for shop sales, a Request for Purchase Order will be completed by the instructor and submitted to the finance office. All sales receipts, invoices, and credit memos must be turned in to the finance office. The instructor will ensure that the customer work order number appears on all invoices charged to that particular work order.
4. Customers will be allowed to furnish parts only in unique situations and with the administrator's approval. This approval will be noted on the work order.

Class Demonstrations

1. The principal or designee must approve the acceptance of any project submitted by the instructor to be used for demonstration purposes.

2. A LAUSD approved demonstration work permit, signed by the instructor and administrator, must be placed on the project being authorized.
3. Repairs made on a demonstration project must be related to the appropriate subject matter being taught in the specific class.
4. If parts are required, an appropriate work order must be initiated.

Method of Payment

1. A deposit of not less than 75 percent of the estimate is due on initiating the work order; the entire remaining balance is due before the vehicle is released.
2. Instructors are not to accept payment of any kind or handle money from students or customers.
3. Final payment for completed work orders must be collected by the finance office during the posted business hours.

Distribution of Work Order Copies

1. White: Accounting copy – Serves as a record of work in progress
2. Yellow: Customer's copy – Given to customer after final payment is made.
3. Pink: Instructor's copy – Serves as a file copy after work has been completed.
4. Goldenrod: Customer's copy – Serves as a receipt of deposit and copy of estimate.
5. Hard copy: Work copy – It will be collected and filed by the instructor after the job is completed. This record may be used for student grading purposes.

Completion of Work Order

1. When the repair job is completed, the instructor will include a description of all work performed and ensure that all charges and invoice numbers are recorded on the white, yellow, and pink copies of the work order. The instructor/finance office will total the charges, including sales tax, and the instructor will sign off the work order as completed.
2. Under no circumstances will a vehicle be released to the customer until all outstanding charges have been paid. This provision includes work done for all customers, including staff and students.
3. The instructor or the customer will present the completed work order (white, yellow, and pink copies) to the finance office for final payment and processing.

4. When the customer has paid all charges, the finance office will retain the white copy of the work order, issue the yellow copy to the customer marked "Paid in Full" and return the pink copy to the instructor.
5. The instructor will only release the project when the customer shows him/her the yellow "Paid in Full" copy of the work order.
6. The instructor shall maintain copies of repair orders for a period of five years.
7. Repair problems which require a job to be done, need a new work order to be cross-referenced to the original work order number.
8. No refunds of fees paid by customers will be made from shop sales funds unless approved by the administrator, and the Finance Office. Incidental fees are not refundable.

LAUSD AUTOMOTIVE VEHICLE PERMIT

Repair Order No. _____ Date Received _____ Expected Completion Date _____

Vehicle Year/ Make and Model _____ License No. _____

Customers Name _____
(Registered Owner of Vehicle)

Instructor _____ Class _____

Administrator Approval _____ Date _____

LAUSD AUTOMOTIVE CLASS DEMONSTRATION PERMIT

Student/Customer
Address
Phone

Year _____ Make _____ Model _____ License _____

Registered Owner (if different than above) _____ Address _____

Type of Demonstration _____

I hereby order the above demonstration be made with the understanding that such activity will be done as a class demonstration by the instructor and/or trainees. In consideration whereof, I agree that neither the School's Student Body, nor any trainee or employee of said Student Body, nor the Los Angeles Board of Education, nor the Los Angeles Unified School District, nor any of it's officers, agents or employees shall be held responsible or liable for any loss or damage that may occur to your vehicle, regardless of cause, or for any defective parts and/or repairs, or damage resulting therefrom, whether caused by negligence or otherwise.

When demonstration is complete, the vehicle will be released from the Automotive Department only after the demonstration permit is surrendered to the instructor. No vehicles will be release during lunch periods or after the Automotive Department is closed.

If the vehicle needs parts for a repair, a regular WORK ORDER will be filled out and a 75% cash deposit of the estimated price of parts will be required. THE BILL MUST BE PAID IN FULL WITH CASH ONLY BEFORE THE VEHICLE CAN BE RELEASED.

Customer/Student Signature _____ Date _____

Instructor _____ Date _____

Administrator Approval _____ Date _____

LAUSD AUTOMOTIVE DEPARTMENT ESTIMATE SHEET

Student/Customer _____ **Address** _____
Phone _____ **Year** _____ **Make** _____ **Model** _____
License _____ **Registered Owner (if different than above)** _____

I hereby order the below estimate to be made with the understanding that such activity will be done as a class project by the instructor and/or trainees. In consideration whereof, I agree that neither the Schools Student Body, nor any trainee or employee of said Student Body, nor the Los Angeles Board of Education, nor the Los Angeles Unified School District, nor any of its officers, agents or employees shall be held responsible or liable for any loss or damage that may occur to my vehicle, regardless of cause, or for any defective parts and/or repairs, or damage resulting therefrom, whether caused by negligence or otherwise.

When estimate is complete, the vehicle will be released from the Automotive Department only after the repairs are done and paid for in full or the customer refuses to have any repairs done at this time. No vehicles will be released during lunch periods or after the Automotive Department is closed.

If the vehicle needs parts for a repair, a regular **WORK ORDER** will be filled out and a 75% cash deposit of the estimated price of parts will be required. **THE BILL MUST BE PAID IN FULL WITH CASH ONLY BEFORE THE VEHICLE CAN BE RELEASED.**

Customer/Student _____ **Date** _____
Instructor _____ **Date** _____
Administrator _____ **Date** _____

Parts Description	Price
_____	_____
_____	_____
_____	_____
_____	_____
_____	_____
_____	_____
_____	_____
_____	_____
_____	_____
_____	_____
_____	_____
_____	_____
_____	_____
_____	_____
Total - - - - -	_____

Vehicle Walkaround Worksheet

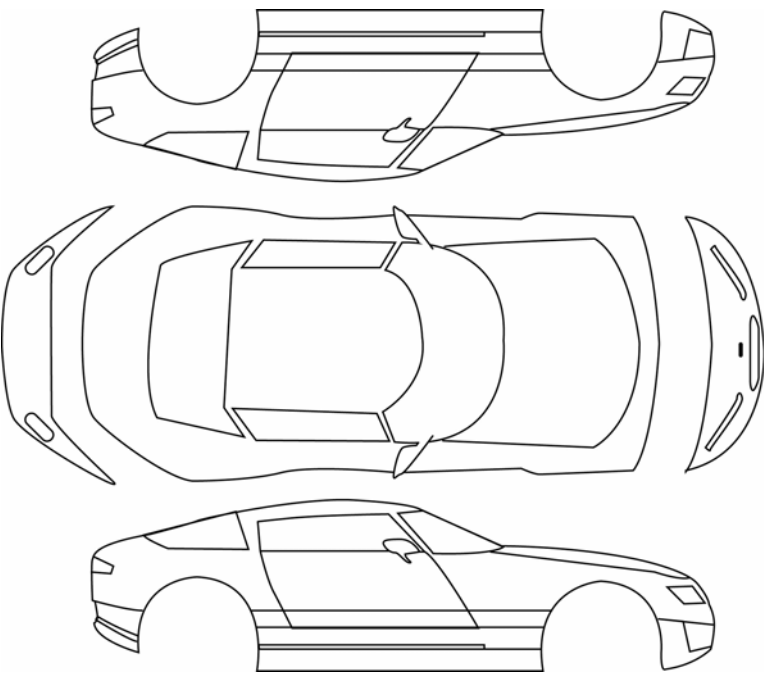
Work Order Number # _____

VIN # _____

Mileage _____

Lic.# _____

Comments



Spare Tire _____

Radio _____

Accessories _____

Date: _____

Customer Signature: _____

AUTOMOTIVE DAMAGE SHEET

Please use the damage sheet below to show any damage
or missing parts on the customer's vehicle.

Remarks:

PRIOR BODY DAMAGE

