

Date of Issue:

Revision date: November 26, 2003



### INTRODUCTION

1. This chapter outlines the controls, procedures, and forms that are unique to Vending Operations. Refer to chapter 41 (CANEX and other Retail Outlet Department Structure) for details on the departmental structure.

### CONTROL OF OPERATIONS

2. All vending and amusement machines located within a Base shall be under the control of CANEX with the exception of BComd approved machines operated by and on behalf of a mess or other activities within the Base.

### TYPE OF OPERATIONS

3. There are two types of Vending Operations:
  - a. **Fully Serviced Contracted Operation** - Under this arrangement the contracted supplying company will provide equipment, product, and service and consequently retain entitlement to all revenues from the sale of the products. The remuneration to an NPP entity (e.g. CANEX) is usually a percentage of monthly sales or a fixed sum per product unit vended. If vending services are provided by this method, revenue is reported as concession revenue under Special Services or if an integral part of an outlet, on the income statement of that outlet; or
  - b. **Entity Operated Vending Service** - Under this method, the NPP entity (e.g. Mess) is responsible for purchasing and stocking merchandise and collecting cash receipts. The vending machines may be owned by the NPP entity or provided by the supplier of the merchandise. If vending is operated under this system, an Income Statement must be prepared under the heading "Vending".

**Note:** All previously CANEX operated vending services, are now managed as concessions and therefore the paragraphs below are only applicable to non-CANEX entities.

### VENDING OPERATIONS OPERATED BY AN NPP ENTITY

#### INVENTORY ACCOUNTABILITY

4. Vending machine inventories shall be maintained and controlled by the Cost Accountability (Cost Multiplier) Method as outlined in Chapter 25 (Inventory Valuation).

#### SALES

5. All sales are on a cash basis and the cash from the machines should be cleared a minimum of once per week and at the end of the month from all machines. Cash shall be counted and recorded for each machine individually. To simplify this procedure, the use of separate cash bags with machine numbers recorded on the outside of the cash bag is recommended.
6. Each time cash is collected, the applicable Vending Cash Collection Sheet - [Annex A](#)

(metered machine) or [Annex B](#) (non metered machine), must be prepared in duplicate and totalled. The accounting for sales and the submission of Daily Sales Reports (DSR's) to the NPPAM shall be as outlined in Chapter 18 (Cash and Other Receipts) with the DSR supported by the original copy of the cash collection sheet, the duplicate receipted copy of the bank deposit slip or the Cash Transmittal Slip (CTS) as applicable. Non Public Fund security and deposit policies and procedures are detailed in Chapter 7 (Security of Non-Public Funds).

7. Wherever possible, the cash should not be sorted and counted by the routeman.

## TRANSFERS

8. Transfers shall be made in the manner outlined in Chapter 22 (Transfers).

## REPORTS AND RETURNS

9. The following schedule of reports and returns represents the minimum frequency of reporting. All month-end paperwork must be submitted to NPPAM within two working days following the month-end date. Where volume of transactions is such that more frequent reporting is necessary, a revised schedule for the following reports, acceptable to Entity Management and the NPPAM may be introduced:
  - A.1 **Daily Sales Reports (DSR's)**. To be completed when a cash collection is taken from the machines and forwarded along with the Cash Collection Sheet and receipted deposit slip or the CTS to the NPPAM as per para 6 above;
  - A.2 **Invoices**. Suppliers' invoices and credit notes are submitted to the NPPAM as per Chapters 6 (Control of Accountable Documents) and 21 (Purchases); and
  - A.3 **Transfers**. Merchandise Requisitions (CF 603) are completed when issued or received and submitted to the NPPAM as per Chapters 6 (Control of Accountable Documents) and 22 (Transfers).

## STOCKTAKING

10. Stocktakings shall be carried out in accordance with Chapter 26 (Stocktaking)

[Annex A – Vending Cash Collection Sheet / Metered Machines](#)

[Annex B – Vending Cash Collection Sheet / Non Metered Machines](#)