P&C Commercial Activities Handover

The main purpose of commercial activities (e.g. bookshops, tuckshops, and uniform shops) is to provide a cost-effective service to parents and students in the school community.

It is important that commercial activities break even or make a profit to cover costs of operation (e.g. wages, PAYG, superannuation, work cover, insurance, cost of goods sold etc.) while complying with accounting policies and practices.

Commercial activities may be operated by either the school or the P&C. P&C Associations may establish subcommittees for each activity.

If the school decides to operate the commercial activity as part of the school operation there are a number of processes and considerations that need to be undertaken by both the P&C Association and the school Principal.

**The P&C Association**

Pre-Handover:

* Discuss the proposal to transfer the commercial activity at a P&C meeting and minute any decisions/actions.
* If the commercial activity is run by a subcommittee decide to dissolve the subcommittee at a P&C meeting and minute any decisions/actions.
* Notify parents about the potential change; present them an opportunity to provide their opinion.
* Provide input to the Principal about various operation options relating to the commercial activity.
* Decide, in consultation with the Principal, how the stock is to be disposed (by selling or donating to the school) and the value of the stock (market value, cost or otherwise).
* Review all financial records and accounts of the commercial activity to ensure that all debts are cleared and there is no outstanding money owed to the P&C.
* Determine, in conjunction with the school Principal, a handover date.
* Provide assistance in conducting a final stock take immediately before the handover date.
* If the commercial activity is run by a subcommittee and it operates a bank account in its own name, transfer all funds from the subcommittee’s bank account to the P&C main bank account.

During Handover:

* Handover stock and associated records/documents to the school as soon as practicable.
* If the sell option is taken, invoice the school for the agreed value of the stock (market value, cost or otherwise).

Post-Handover:

* The Treasurer of the P&C, or if the commercial activity is operated by a subcommittee, the Treasurer of the subcommittee shall prepare and present a written final financial statements at the P&C’s general meeting.
* Consider, in consultation with the Principal, how to support the commercial activity operation, including organising volunteers.

**The Principal**

Pre-Handover:

* Complete a risk assessment of the commercial activity by reviewing its financial records and trading statements.
* Review the P&C’s financial records to ensure there are no outstanding liabilities for the commercial activity.
* Evaluate the different options to operate the commercial activity and consult with the school community to ensure their views are considered.
* Discuss and obtain support from P&C regarding the preferred method of operation.
* Notify in the school newsletter and at the P&C meeting to keep the school community informed of the decision.
* Discuss with the P&C and agree on how the existing stock will be acquired by the school (by purchasing or donation) and the value of the stock (market value, cost or otherwise).
* Determine the handover date – ensure no inconvenience to the parents/students regarding the timing of handover.
* Develop a business operation plan specifying how the business operation will operate and be managed. The business plan should cover the following:
	+ Budgeting and forecasting
	+ Monitoring and reporting
	+ Account keeping
	+ Stock management
	+ Staffing (school staff/volunteers)
* Set up prices and mark-up rates and consult the P&C on the prices/rates decided on (the prices must result in sufficient income to cover the costs of operation – wages, costs of goods sold, insurance and other overhead/on-costs).
* Set up the relevant ledger accounts or cost centre to capture transactional information.
* Conduct a final stocktake immediately prior to handover.

If the school decides to outsource the commercial activity to a third party operator

* + Follow the proper procurement processes in selecting the private operator.

During Handover:

* + Ensure all financial records are complete and stock is in good condition.

Post-Handover:

* + Record the opening stock in the school’s system.

**Additional Information and Contacts**

* + The Departments taxation team can be contacted for further advice – 1300 656 380 or Email: TaxHelp.FINANCE@dete.qld.gov.au
	+ The regional finance team can be contacted for relevant school financial process requirements.
	+ There are guidelines in the [P&C Accounting Manual](https://education.qld.gov.au/parents/Documents/pc-accounting-manual.pdf)  and [P&C Guide](http://pandcsqld.com.au/members/documents/2018/02/pc-guide.pdf) for running commercial activities.