

VENDOR'S OPERATING PROCEDURES MANUAL (VOPM)

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VENDOR OPERATING PROCEDURES MANUAL

SECTION I

INTRODUCTION

1.1. Purpose of Manual

The purpose of the Vendor Operating Procedures Manual is to provide guidance to the vendor in order for him/her to carry out the duties and responsibilities of operating a vending facility in accordance with good business practices and rules prescribed in the Division of Services for the Blind, in consultation with the State Committee of Blind Vendors. The manual is designed to be used as an aid to assure that customers are provided quality

vending services; thus, permitting the vendor to earn a substantial income.

1.2. Legal Authority

The Vending Facility Program is authorized by the Randolph-Sheppard Act (P.L. 74-732), as amended by (P.L. 83-565) and (P.L. 93-516) and Arkansas Act 201 of 1969. The Division of Services for the Blind authorized by Arkansas Act 481 of 1983 has been designated by the Commissioner of the Rehabilitation Services Administration in accordance with the Regulations issued pursuant to the Randolph-Sheppard Amendments of 1974 (P.L. 93-516)

as the State Licensing Agency to issue licenses to blind persons for the operation of vending facilities on Federal and other property. The authority of the Division of Services for the Blind in consultation with the Committee of Blind Vendors, to establish policies and standards is contained in Section 9.1 of the Rules for the Administration of the Vending Facility Program for Blind Persons.

1.3. Eligibility

In order to be licensed as a blind vendor, a person must be, (a) legally blind--not more than 20/200 central vision in the better eye with

correcting lenses, or equally disabling loss of visual field as evidenced by a limitation to the field of vision in the better eye to such a degree that its widest diameter subtends an angle of no greater than 20 degrees; (b) a citizen of the United States; (c) certified as qualified to operate a vending facility after having completed the Vending Facility Training Program of the Division of Services for the Blind.

The Vending Facility Program Training Specialist will obtain from the vocational rehabilitation counselor documentation and

verification of the eligibility requirements to be maintained in the trainee's/vendor's file.

1. Legally blind (current eye examination).
2. Citizenship (Employment Eligibility Verification, Form I-9).
3. Certification by the State Licensing Agency as qualified to operate a vending facility.

1.4. Criteria for Evaluation and Training

The following criteria must be met prior to the time that the person is admitted to the Vending Facility Program for evaluation and/or training.

These criteria are based on Federal Regulations

of the Randolph-Sheppard Act and Division of Services for the Blind rules.

- 1) The applicant must be legally blind.
- 2) The applicant must be a citizen of the United States.
- 3) The applicant must possess either a high school diploma or a GED certificate. In the absence of either of these, a score of 10 on the Wide Range Achievement Test (WRAT) or a score on an equivalent test which indicates general level of educational achievement will be acceptable.

- 4) The applicant must possess necessary skills to travel independently and become oriented to new environments utilizing reasonable assistance.
- 5) The applicant must have necessary personal hygiene and grooming skills which are acceptable to the general public.
- 6) The applicant must have the ability to:
 - (a) write Braille at a level proficient enough to record basic information and to read Braille at a level which will enable the person to assimilate classroom training materials, or

- (b) read and write in large print, or
- (c) use recorded and taped materials to assimilate lesson materials and to maintain business records.

1.5. Application, Evaluation and Training Process

1.5.1. Applicant. An individual who has been referred in writing with accompanying documentation to the Vending Facility Program Training Specialist via a Division of Services for the Blind Vocational Rehabilitation Counselor. An applicant must meet the criteria outlined

in Section 1.4. in order to be eligible for entry into evaluation.

1.5.2. **Evaluee.** A person accepted by the Vending Facility Program to have met the initial application requirements as determined by the VR counselor and who is participating in a formalized period of evaluation. Subsequent to entry into the training phase of the Vending Facility Evaluation and Training Program, an evaluee is subject to both the passage of the formal written examination and in-location evaluations.

1.5.3. Trainee. Any individual who has been deemed to have successfully completed the evaluation phase and is in a custom designed training program to become a licensed blind vendor.

1.5.4. Certified Licensee. Those individuals who have successfully completed the designated, customized Vending Facility Training Program and have been certified by the Vending Facility Program Training Specialist to be eligible for licensing as a licensed blind vendor. Certified licensees do not hold a license

until after their probation at the initial assignment to a vending facility as established by transfer and/or promotion policies.

1.6. Evaluation and Training Rights and Responsibilities

1.6.1. Purpose. The purpose of evaluation and training is to directly ascertain the potential to manage a vending facility and provide in a customized fashion vocational training needs for eligible persons to become licensed blind vendors. The training is not designed

to provide remedial or personal adjustment training for prospective licensees. Alternative skills for dealing with blindness should have been accomplished prior to the individual's referral to the Vending Facility Program for vocational training. Should it be determined that additional alternative skills to deal with blindness are insufficient to meet the vocational training needs, the prospective trainee will be referred to the sponsoring vocational rehabilitation counselor for

additional training prior to the continuation or conclusion of the Vending Facility Program evaluation.

1.6.2. Program Rights and Responsibilities.

The Vending Facility Program has the sole right to assign prospective trainees or evaluatees to specific vending facilities for evaluation or training purposes. Every effort will be made to accommodate the evaluatee's or trainee's particular needs or personal situations but the final placement in a

location is the sole right of the Vending Facility Program.

1.6.3. Training Manager's Rights and Responsibilities. A licensed vending facility vendor providing training services may, with or without cause or reason, have an evaluatee or trainee removed from a location by making a request to the Vending Facility Program Training Specialist. Evaluatees or trainees have no right of assignment to any specific vending facility for evaluation or training.

1.6.4. Payment. Under no circumstances will an evaluatee or trainee be paid for any work performed during the assignment to a vending facility as an evaluatee or trainee. Additionally, no evaluatee/trainee will be used as paid relief help or in substitution or in lieu of paid relief help with the exception of a solo experience as part of the Vending Facility Program training curriculum. Licensed blind vendors who are serving as training vendors will take sick, non-essential, or vacation leave in

accordance with agency policies and not utilize evaluatees or trainees to serve as unpaid relief help. Certified licensees will be eligible to work as temporary relief help between the time of license certification and initial assignment. Actual training length and classroom, correspondence and/or OJT will be tailored for the skills and experiences of the trainee, to accommodate their specific needs.

1.6.5. Training Money. Requests for additional transportation, maintenance, or other

types of training money will be made by the evaluatee/trainee to the sponsoring vocational rehabilitation counselor.

The Vending Facility Program serves only as a mechanism in order to assure more expedient payment of funds when appropriate vocational rehabilitation authorizations for services have been submitted by the sponsoring vocational rehabilitation counselor.

- 1.6.6. Complaints and Grievances. Applicants, evaluatees, trainees and persons certified for licensing have no rights

under the Federal Randolph-Sheppard Act, Division of Services for the Blind Vending Facility Program grievance procedures (Section XI), or access to the State Committee of Blind Vendors for redress of grievances or complaints. Applicants, evaluatees, trainees and persons certified for licensing are considered vocational rehabilitation clients and have rights under the Federal Vocational Rehabilitation Act and Division of Services for the Blind client grievance procedures.

Applicants, evaluatees, trainees and persons certified for licensing but not yet assigned to a location will be referred to the sponsoring vocational rehabilitation counselor regarding formal complaints or grievances concerning the Vending Facility Program.

- 1.6.7. Completion of Evaluation. After the conclusion of a successful evaluation period, the Vending Facility Program Training Specialist will determine, in consultation with the trainee and, if

necessary, the Vending Facility Program Administrator, the type and approximate duration of training based upon information obtained from the initial four week evaluation. Persons beginning training simultaneously may or may not complete training at the same time. Determination for certification will be made by the Vending Facility Program Training Specialist and final decisions of licensing are the responsibility of the

Vending Facility Program

Administrator.

1.6.8. Assignments. Specific vending facility assignments are the sole responsibility of the Vending Facility Program Training Specialist. Efforts will be made to provide a variety of training experiences dependent upon the evaluation results of the individual involved.

1.6.9. Absenteeism. All persons in evaluation or training are expected to be at their assigned location, either classroom or

vending facility, on time and on each day of scheduled evaluation or training. Each person will complete a minimum of 20 days of evaluation, with the exception of unexcused absences. Those persons committing three or more unexcused absences during evaluation or training will be automatically dropped. Excused absences will be made up during the evaluation to maintain the 20 day evaluation rule. Excused absences are absences for reason of legitimate illness

or other medical reasons or other circumstances as approved by the Vending Facility Program Training Specialist. The Vending Facility Program reserves the right to obtain a doctor's statement for absences due to medical reasons. If a trainee or evaluatee is absent, the VFP Training Specialist should be notified by the evaluatee or trainee on the same date of the absence or the absence will be counted as an unexcused absence.

1.6.10. Conduct. All evaluatees and trainees will be expected to perform in a businesslike manner when in vending facilities or at the Vending Facility Program office or other vending facility evaluation or training locations. Any unbusinesslike conduct will be grounds for expulsion from the training program. The use of alcoholic beverages or other chemical substances not specifically prescribed by a medical doctor while in evaluation or in a training setting or coming onto an evaluation or training setting under the

influence of such substances is grounds for expulsion from the training program and will not be tolerated. Abusive language, cursing, racial or sexual slurs, or failure to respond to a reasonable request made by the training specialist or training vendor shall be grounds for expulsion from the evaluation or training program. Theft of property or funds from the Vending Facility Program or a Vending Facility Program vendor shall be grounds for automatic expulsion from evaluation or training.

1.6.11. ServSafe Training. ServSafe training is mandatory for all trainees as of 11-7-05. Trainee will not be certified for licensing until they pass the course or equivalent training. Trainee will have 2 opportunities to pass before they are denied certification.

1.7. Licensing

Upon successful completion of the Vending Facility Training Program, the individual will be certified for licensure. All certified licensees will be placed on a four calendar month probationary period upon initial assignment to a

location. If performance is not satisfactory, the probationary period can be extended for another calendar month. At the end of the probationary period, a determination will be made whether or not to license the trainee.

1.8. Deficiency and Upward Mobility Training

The respective Vending Facility Program specialist shall provide short-term training. If the Vending Facility Program specialist deems it advisable, the specialist shall submit in writing a request to the Vending Facility Program Administrator for such a service documenting the specific needs and tentative goals and

objectives for such training.

In the event a licensed blind vendor is not recommended by the specialist for transfer or promotion, the licensed blind vendor must be provided training to correct any deficiencies noted in order to satisfy the requirements for operations. This training may include, but not be limited to, on-the-job training and classroom training.

Effective 11-7-05, any manager that sells foods prepared on-site and any manager recommended by his specialist to take the ServSafe course must participate and complete

the course. They will have two opportunities to pass the course paid by the VFP. Any third or more attempts will be paid for by the manager. Also, managers that refuse or are unable to pass the course will be reduced to selling prepackaged foods only.

1.9. Extension of License Certification

The certified licensee will remain certified for licensing for a period of two years. Should the licensee not be assigned a location at the end of the two years, the Vending Facility Program Training Specialist will determine, through testing, what the licensee will need to obtain for

an extension to the certification. This could consist of on-the-job training, additional classroom instruction and/or examinations.

Upon successful completion, the licensee will receive an extension of certification for an additional two years or until the licensee has refused the third location offer. Licensee can refuse only two location offers (see Section 5.1.) without losing certification no matter how many certification extensions licensee might obtain. Should licensee refuse or not successfully complete the above requirements, the individual would have the certification terminated and

would have to apply for Vending Facility

Program training as a new trainee to enter the
Program.

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SECTION II

THE STATE COMMITTEE OF BLIND VENDORS

2.1. Committee Functions

The functions of the Committee are:

- A. To actively participate with the Division of Services for the Blind (DSB) in major administrative policy program development decisions affecting the overall administration of the Vending Facility Program.
- B. To receive and transmit to the DSB grievances at the request of blind vendors, serve as advocates for such vendors in connection with such grievances, and to advocate for such

vendors, including themselves, in a professional* and businesslike manner, in connection with such grievances presented to VFP administration.

*Unprofessional conduct, such as shouting, name-calling, etc., will result in suspension of the dialogue and referral of the Grievance to independent Administrative Review, per policy.

C. To actively participate with the DSB in the development and administration of a state system for the transfer and promotion of blind vendors.

D. To actively participate with the DSB in the development of training and retraining programs for blind vendors.

E. To sponsor, with the assistance of the DSB, meetings and instructional conferences for blind vendors within the State.

Between regular meetings, the Committee will carry on its functions through subcommittees designated for that purpose.

In order to assure opportunities for effective and constructive, active participation by the Committee, the Committee will receive advance written notice of matters within its purview that are being considered for decision. Appropriate subcommittees will receive notice of and invitations to attend important discussions and

decision making meetings in areas of the subcommittees' interests.

The Committee at each of its meetings shall have the opportunity to initiate matters for consideration by it and the DSB. The DSB shall give the views and positions of the Committee careful and serious consideration; although the DSB has the ultimate responsibility for the administration of the Vending Facility Program, it shall notify the Committee, in writing, of the decision reached or the action taken if it does not adopt the views and positions of the Committee.

2.2. Committee Organizational Structure

The Committee shall consist of five members who shall be the same as the officers and members of the board of directors of the Arkansas Association of Blind Vending Facility Managers. The chairperson, vice-chairperson, and secretary of the Committee shall be the same as the president, vice-president, and secretary of the Arkansas Association of Blind Vending Facility Managers.

The chairperson, or in his/her absence the vice-chairperson, shall preside over all regular and special meetings of the Committee. Unless

otherwise specified by the Committee, the parliamentary procedure utilized will be Robert's Rules of Order, Revised. The agenda for each meeting of the Committee shall be prepared by the Administrator of the Vending Facility Program in consultation with the chairperson of the Committee. The Committee shall conduct four regular meetings per year on a quarterly basis. Unless otherwise determined by the Administrator of the Vending Facility Program and the Committee, meetings shall be held at the DSB's State Office in Little Rock.

2.3. Election of Committee Members

Members of the Committee shall be elected to serve terms of two years. The number of consecutive terms vendors may serve on the Committee shall not be limited. Participation by any blind vendor in the election of Committee members shall not be conditioned upon the payment of dues or other fees.

Elections are conducted under the following procedures:

- A. The President of the Association shall appoint a nominating committee consisting of from three to five members. This committee shall nominate five vendors from

throughout the State. The nominees shall be for the positions of president, vice-president, secretary/treasurer and one member from each of the geographic areas as may be established by the DSB and the Committee. When no vendor is willing or able to represent their geographical area of the state, then a vendor will be elected at-large to fill a regional position. Currently, the geographic areas are:

Area I – All locations within the City of
Little Rock.

Area II – All locations outside the city limits
of Little Rock.

- B. Elections will be conducted in odd numbered years at the business meeting held during the Sales Seminar at which time nominations may be made from the floor.
- C. A vendor nominated from the floor to a position representing a geographical area must operate a vending facility in that area, except when no vendor is willing or able to represent their geographical area of the state, then a vendor will be elected at-large to fill that position.

D. A vacancy created as a result of a member who does not represent a geographical area leaving the Vending Facility Program will be filled at the next annual Sales Seminar if the vacancy occurs during the first year of the term. A vacancy occurring during the second year shall be appointed by the President of the Arkansas Association of Blind Vending Facility Managers.

If a vendor who represents a geographic area ceases to operate a vending facility in that area either as a result of transfer or promotion or of leaving the program for any

reason, his/her position shall be deemed vacant. As soon as practicable thereafter, a special election will be conducted among the vendors who operate facilities in the pertinent area under procedures to be prescribed by the DSB in consultation with the State Committee of Blind Vendors.

SECTION III LICENSES

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SECTION III

LICENSES

3.1. Issuance of Licenses

A license to operate a vending facility may be issued to persons who are determined by the DSB to be, (a) blind; (b) citizens of the United States; and (c) certified as qualified to operate a vending facility after having successfully completed the DSB's training program for blind vendors. This training shall include training in the various types of vending facilities in the program and experience in managing a vending facility for a period of time.

Priority will be given to qualified persons who are in need of employment.

3.2. Termination of Licenses

Licenses shall be issued for an indefinite period of time, but shall be subject to suspension or termination by the Vending Facility Program Administrator under the following circumstances:

- A. Improvement of vision so that the vendor no longer meets the medical definition of blindness.
- B. Extended illness with medically documented diagnosis of prolonged

incapacity to operate the vending facility in a manner consistent with the needs of the location or other available facilities within the program.

- C. Failure of a vendor to sign the agreement of operation between the DSB and the vendor after having accepted assignment to operate a vending facility.
- D. Failure to operate the facility according to the provisions of (1) the operating agreement, (2) the specific location contract/permit, or (3) the Vendor Operating Procedures Manual.

- E. Withdrawal of the vendor from the program upon his/her written notification to the DSB.
- F. Abandonment of facility.
- G. Possession or use of firearms or other weapons by vendor or staff as defined in 4.2.16.
- H. Possession, use or consumption of alcohol, drugs or other substances by vendor, or staff, while on the premises. Reasonable exceptions will apply to medication as prescribed by a doctor, dentist or other health care professional.

- I. Should a displaced vendor fail to accept a location in accordance with Section 5.2.
- J. Should a vendor not accept assignment to a facility after going through the process of transfer and promotion under Section 5.4.

In the event that Division of Services for the Blind is required to remove a vendor due to specific written grantor request, the Vending Facility Program Administrator shall determine, after on-site review, the basis for removal under conditions A. through J. above, and shall specify in writing whether the vendor is displaced, suspended or terminated. Such vendor retains all appeal rights

specified in Section XI of the Vendor Operating Procedures Manual.

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SECTION IV

DSB--VENDOR OBLIGATIONS

4.1. Operating Agreement

The Operating Agreement Between the DSB and the Vendor which must be signed at the time the vendor accepts assignment to a vending facility sets forth the following terms and conditions.

1. The responsibilities of the DSB to provide management services to the vendor including assistance and supervision.
2. A statement that the vendor will receive the net proceeds from the vending facility which

he operates. Net proceeds are defined as the amount remaining from the sale of articles or services of vending facilities and any vending machine or other income accruing to blind vendors after deducting the costs of such sale and other expenses (excluding set-aside charges required to be paid by the blind vendors).

3. The duties of the vendor and the requirement that the vendor must perform his duties in accordance with standards prescribed by the DSB, applicable health laws and regulations, and with the terms of the permit

granted for the contract entered into with the Federal or other agency or organization in control of the site of the vending facility.

4. The responsibility of the vendor to furnish such reports as the DSB may require.
5. The right of the vendor to terminate the Operating Agreement at any time.
6. The termination of the Operating Agreement upon the termination of the permit or contract.
7. The termination or revocation of the Operating Agreement upon the failure of the vendor to operate the vending facility in

accordance with the Operating Agreement,
policies and standards or applicable
Federal, State or local laws or regulations.

8. The vendor's rights and remedies as
guaranteed under the Randolph-Sheppard
Act shall be included in the Operating
Agreement.

4.2. Specific Policy Requirements

- 4.2.1. Appearance of Facility. The vendor is
responsible for keeping the facility
clean and neat in appearance at all
times.

4.2.2. Appearance of Vendor and Employees of the Vendor. The vendor and all relief and extra employees are expected to be neat and clean in appearance at all times. The vendor shall have ultimate responsibility for the conduct and appearance of all permanent or temporary extra help in the employment of the vendor assigned to the facility.

4.2.3. Betting or Wagering. The vendor will not bet, accept bets, wager, or be a party to any activity of this type while

managing or in the vicinity of the vending facility, except as allowed by Arkansas Code Ann. §23-115-601 et. seq.

- 4.2.4. Cigarette and Tobacco Permits: After the first cigarette and tobacco permits which are purchased as part of the initial stocks and equipment, the vendor will be responsible for obtaining on an annual basis and displaying such permits in accordance with applicable State regulations. The fees

for the permits will be charged as miscellaneous operating expenses.

4.2.5. Checks. The vendor will be personally responsible for cashing checks for any individual from the cash drawer of the facility.

4.2.6. Credit. Customer credit shall be granted at the discretion of the vendor. Credit arrangements with wholesalers and suppliers will be left up to the individual vendor provided that such arrangements do not result in undue complaints or problems.

- 4.2.7. Display of License. The vendor's license to operate a vending facility will be appropriately displayed at the location.
- 4.2.8. Food Service Permit. Vendors operating facilities on non-Federal property will purchase a Food Service Permit from the State Health Department each year.
- 4.2.9. Petty Cash. An amount of petty cash shall be maintained at a level which coincides with good business practices. The amount of petty cash is

shown on the Weekly Sales Report as cash at the beginning of the day each Friday. If petty cash is stolen, it will be replaced only once during the period reporting year and after a police report is turned in to the Program.

Replacement will be limited to the assigned amount but only up to a maximum of \$400. No other monies will be replaced.

4.2.10. Pricing of Merchandise. Prices of merchandise will be maintained at competitive levels, e.g., those charged

by like establishments within the geographic area. However, prices will be maintained at levels high enough to assure a reasonable profit.

4.2.11. Suppliers. Vendors will make every effort to work out problems with suppliers. If problems cannot be resolved, the vendor may call the specialist for assistance.

4.2.12. Telephone Usage. Collect calls to the offices of the specialists or other agency personnel are requested to be kept to an absolute minimum. When

necessary, long distance calls which are business related may be charged as operating expense. Vendors should use the In-WAT State Calling System.

4.2.13. Training.

A. Training a prospective vendor. If requested to do so by the Vending Facility Program Training Specialist, the vendor will be expected to provide on-the-job training to a person who is enrolled in the training program to become a licensed vendor. The vendor will

provide the training under the guidance and supervision of the training specialist. The vendor will receive a fee for providing training services. Vendors will be selected to provide training based upon their demonstrated skills and abilities to train prospective vendors. A Trainer Agreement Form (see Appendix A) will be completed by the vendor when providing training.

B. Vendor in-service training.

Periodically, in-service training will

be conducted for licensed vendors.

The training will be provided in order to keep vendors aware of innovations in management and merchandising techniques and of changes in policy and procedure.

When there is documented evidence on file that a vendor has failed to conform to policy and procedures, or whose management or merchandising skills are less than adequate, it may be necessary that the vendor

be provided intensive refresher training.

4.2.14. Coin Wrappers. The Vending Facility

Program will not be responsible for supplying coin wrappers. Vendors should contact the banking or other financial institution with which they do business and request supplies of coin wrappers from such institutions.

4.2.15. Sandwich Labels. Effective March 1,

1986, the Vending Facility Program will no longer be responsible for supplying sandwich labels at cost to vendors.

Vendors should contact a printing company of the vendor's choice in the vendor's local community to request supplies of printed sandwich labels.

The cost of these labels may be deducted as an operating expense of the business.

4.2.16. Firearms or Weapons. Vendors, or their staff, are forbidden to possess firearms or weapons under any circumstances in the vending facilities or on the premises on which the vending facility is located. Weapons

are determined by State law. Violation of this policy is grounds for automatic revocation of the operating license.

4.2.17. Smoking/No Smoking. The Division of Services for the Blind Vending Facility Program will comply with the specifications of any building manager or grantor concerning the designation of a vending facility as a smoking or non smoking area. This policy shall apply to all vending facilities whether in public or private buildings. In situations where smoking has been

disallowed by the building manager in a vending facility, the licensed blind vendor shall also comply with the designation of a non smoking area if the licensed blind vendor happens to be a smoker. Neither the Vending Facility Program staff nor the licensed blind vendor shall be responsible, however, for enforcement of non smoking policies in a vending facility and the program will not purchase no smoking signs unless extenuating circumstances such as the potential

loss of a facility is involved if the program does not purchase said signs. The Vending Facility Program will not under any circumstances purchase no smoking signs in federal or state facilities. Such signs or other enforcement shall be the responsibility of the granting federal or state agency or designated federal or state property manager.

4.2.18. Vendors whose average profit percentage, excluding rent, is under 30% gross or 16% net for 8 prior

periods will be given a written warning by the Administrator that he has three operating periods beginning with the next period to raise such percentage to 30% gross or 16% net or above or he may be placed on probation subject to subsequent disciplinary action in accordance with Section 5.5. of the Vendor Operating Procedures Manual. Included in the written warning will be a list of deficiencies and plan of operations for improvement. Also, the vendor is not eligible to bid on any

location while in violation of this policy.

The Vending Facility Program

specialist will assist the vendor in implementing procedural changes to improve operations during the three operating periods and will submit to the Administrator a biweekly progress report noting action taken to improve operations (due on the first and fifteenth of each month following the date of receipt of warning). In the event the three operating periods fall during a time of inactivity for the

location (e.g. plant closings, summer break, etc.), an extension may be given with the approval of the Administrator. At the end of the three operating periods, the vending facility specialist shall certify to the Administrator those vendors whose average profit, excluding rent, continues to fall below 30% gross or 16% net. Included in such certification shall be a recommendation to; (1) place the vendor on probation subject to subsequent disciplinary action in

accordance with Section 5.5., (2) close the location and place vendor in displaced status, or (3) continue operations based upon extenuating circumstances with written approval of Administrator. Such recommendations shall be based upon the following conditions:

1. Probation. If the vendor has failed to correct the deficiencies noted in the written warning or failed to follow the improvement plan and the average profit percentage,

excluding rent, continues below 30% gross or 16% net, he/she may be placed on probation subject to subsequent disciplinary action in accordance with Section 5.5.

2. Closure of Location. If the vendor has followed the plan of improvement and corrected any deficiencies noted in the written warning, and the average profit percentage, excluding rent, continues to fall below the 30% gross or 16% net margin, he/she

may be placed in displaced status and the location closed due to unsuitability as a profitable operation. He/she retains all rights and privileges afforded a displaced vendor as provided in the Vendor Operating Procedures Manual.

3. Operation Under Adverse

Conditions. If the vendor has corrected any deficiencies noted in the written warning and followed the improvement plan, and the average profit percentage,

excluding rent, continues to fall below the 30% gross or 16% net margin, the Administrator may authorize continued operation of the facility. For continued operation under adverse conditions, the Vending Facility Program specialist must certify in writing to the Administrator that closure of such a location would be detrimental to the Vending Facility Program as a whole. The vending facility specialist shall continue to

report biweekly (on the first and the fifteenth) regarding actions taken to improve profitability of the location.

4.2.19. Telephone Bills. Vendors are

authorized to charge as an operating expense the maximum charge for a single business line telephone.

Features such as call waiting, call forwarding, or other accessories will not be allowed as operating expenses.

Vendors are responsible for the purchase of their own telephone instrument and this is not an allowable

equipment or operating expense.

Payment of telephone bills is the responsibility of the individual licensed vendor and not the responsibility of the Vending Facility Program. Long distance charges will not normally be allowed as an operating expense. If a vendor feels that a long distance charge was necessary for the operation of the vending facility and no other alternatives were available, then the vendor should submit an itemized list of the long distance charges as

supplied by the operating telephone company for long distance service to the respective specialist for approval.

An explanation of the applicable long distance charge or charges must be submitted in writing by the licensed blind vendor to the vendor's specialist.

4.2.20. Drugs or Alcohol. Possession, use or consumption of drugs, alcohol or other substances by vendor, or staff, while on the premises is not allowed.

Violation of this policy is grounds for automatic revocation of the operating

license. Reasonable exceptions to this policy will apply to medication as prescribed by a doctor, dentist or other health care professional.

4.2.21. Non-employees. Any person who is not employed by the vendor as extra help, whether essential or non-essential, will not be allowed to stay or loiter in the location. Suppliers, regular customers and repair individuals are excluded.

4.2.22. Merchandise Loss. Merchandise, that is stolen or damaged due to circumstances beyond the manager's

control, will be replaced. The manager must inform their Specialist of the loss and send them a written list of the merchandise that needs to be replaced. When the list is received and processed, a check will be sent for the merchandise replacement.

4.3. Evaluation of Vendor

4.3.1. Purpose. The purpose of vendor evaluations are to assure that the conditions of the permit and regulations are met, to assure that customers receive continuous quality vending

services, and to assess factors that are considered when a vendor wishes to be transferred or promoted.

4.3.2. Evaluation Procedures. An evaluation should be completed by the vending facility specialist at least annually unless circumstances warrant otherwise to document his observations of the vendor's performance in such areas as: neatness and cleanliness of facility, food protection, personal appearance, customer service, marketing and

merchandising, and fiscal information.

The vending facility specialist's observations will be discussed with the vendor. The criteria to be evaluated is contained in the basic guidelines for facility evaluation (see Appendix A). A copy of the evaluation, signed by the vendor and the vending facility specialist, will be provided to the vendor at the time the evaluation is performed. A copy of the evaluation will be placed in the vendor's personnel file.

4.4. Facility Audits

Audits may be performed at any time on any location within the program by Vending Facility Program staff. The audit procedure will include the following:

1. During the audit, the vendor will be replaced by the office. The office will pay for the extra-help person working the location in the vendor's absence. The vendor will retain all current benefits during the audit period.

2. A complete review of the payouts and other financial data collected on the specific location.
3. The financial status of the location and findings of the review will be discussed with the vendor and, as needed, written recommendations will be discussed with the vendor by the Vending Facility Program office.
4. If corrective action on the part of the vendor is recommended, a specific period of time will be designated for improvement to take place.

5. If the situation is not corrected within the specified time, the vendor may be placed on probation in accordance with policy 5.5 (Disciplinary Action).

4.5. Annex Locations

The vendor of a vending facility interested in adding an annex to their location must contact the VFP Administrator to discuss or present a detailed proposal of the operations in order for the annex to be considered.

The VFP Administrator will review and evaluate the proposal and make a recommendation to either open the annex or not open the annex. If

the vendor does not agree with the VFP

Administrator's decision, he may pursue the matter in accordance with Section 11 of the Vendor Operating Procedures Manual.

Should the annex be approved and become operational, it will become part of the original vending facility location. The vendor will operate the annex under all guidelines and regulations in the Vendor Operating Procedures Manual and process the day to day operations through the original vending facility location. If the facility goes up for bid, the annex will be included in the bid and award.

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VENDOR OPERATING PROCEDURES MANUAL

SECTION V

VENDOR EMPLOYMENT STATUSES

5.1. Initial Assignment

When a trainee is certified as qualified for licensing, he/she is eligible to bid on locations as outlined in Section 5.4. below. Additionally, if a new or existing location(s) is vacant and no licensed vendor requests a transfer or promotion to this location(s) then the Vending Facility Program Administrator in consultation with the Vending Facility Program Training Specialist and State Committee Chairperson may offer said location(s) to the prospective

licensee. A person certified for licensure may reject up to two offers of assignment without jeopardizing their status. If a third assignment is rejected, then that person will lose their certification for licensing and all rights thereto. If the person wishes to reenter the Vending Facility Program, he/she must do so as any new applicant. Spouses of licensed vendors will not be required to take assignments outside of the geographic area in which they reside.

5.2. Displacement Status

A vendor who has been displaced through loss of entitlement to operate a vending facility

through no fault of his own may be given priority as to determination of the person to be assigned to a new or vacant facility if it is equivalent to the facility which he/she formerly operated, and will continue to accrue seniority and vacation in displacement status (see Section 5.3. for definition of seniority).

Displaced vendors cannot earn or use sick leave and any accumulated sick leave will be frozen until the vendor is assigned a location. When the vendor is reassigned a location, he will earn sick leave in accordance with 6.2.

When the Vending Facility Program initiates or

receives written notification from the grantor to close the location, the vendor will become displaced if it is through no fault of his own.

When verbal notification is received, the Vending Facility Program Administrator will send a letter verifying that the location will close on a specific date. The vendor will then be placed in displaced status the date of the letter.

The vendor does not have to be inventoried out of the location to receive displaced status benefits. Should the grantor decide not to close the location after notification and the location remains open, the vendor will be removed from

displaced status. "Equivalent Facility" means a facility having similar physical requirements of operation and one which does not exceed \$50 per period or a total amount not to exceed \$650.00 per fiscal year above the gross profit of the vendor's previous location from which he/she has been displaced.

The determination of vendor's average gross profit shall be based upon the vendor's previous 13 reporting periods. The vendor's average gross profit shall be computed by taking the sum of the vendor's gross profit for the 13 periods prior to displacement and dividing by

13. If the vendor in displaced status was a newly licensed vendor for less than 13 periods prior to displacement from the date of initial licensing to operate a vending facility, then the period of time from the date of licensing to the date of displacement shall be used to compute vendor's total and average per period gross profit. Newly licensed vendor's gross profit per period shall be computed by taking the total vendor's gross profit and dividing by the number of 4 week fiscal reporting periods or fractions thereof. In the case of a vendor who has had more than one assignment within the

previous 13 reporting periods or after date of initial licensing to the time of displacement, vendor's average gross profit shall be computed by taking the total of all vendor's gross profit regardless of assignment from the covered reporting periods not to exceed 13 reporting periods and then divide by that number of periods.

The following process shall be used to determine the financial equivalence of a location. A facility that has been in existence greater than 13 fiscal reporting periods shall have the previous 13 fiscal reporting periods

used to determine the average gross profit of the location. If the location is a new location then the average will be determined for the length of time that the facility has been opened up to a maximum of 13 reporting periods.

All vacant facilities will be advertised and vendors in displaced status wishing to place application on the basis of displaced status may do so and will be considered as displaced vendors in accordance with displaced vendor policy. A displaced vendor may elect to use the displacement option on locations that are equivalent or less if they so choose. During a

one year period following displacement, the vendor may decline assignment to any location. After a period of one year has elapsed since displacement, the vendor must accept any unassigned vending facility. The offer of such location(s) shall be made in writing to the displaced vendor and failure to accept such written offers shall cause the displaced vendor's license to be revoked. When more than one displaced vendor is eligible for a location in this situation, the vendor who has been displaced the longest will be given priority for a location.

5.2.1. Insurance for Displaced Vendors.

Effective July 1, 1986, those vendors in displaced status shall be eligible to have their health insurance premiums paid partially from the Set-Aside Fund the same as assigned vendors for a period not to exceed one year from the date of displacement.

5.3. Transfer or Promotion

When a new facility is established or a vacancy occurs in an existing facility, all vendors will be notified in writing of the availability of the facility, its operating requirements, and actual

or potential earnings. Those vendors meeting the definition of displaced status (see Section 5.2.) with respect to the new or existing location and placing written application for such a location shall be given priority in accordance with Section 5.2. Vendors who wish to make application for a facility shall do so in writing to their Vending Facility Specialist.

5.4. Selection of Vendor for Transfer or Promotion

The criteria to determine the vendor who will be transferred or promoted are:

- A. Seniority - provided the other specified criteria are satisfactorily met,

- B. Ability to meet the physical requirements of operating the facility,
- C. Satisfactory work habits,
- D. Work attitude - including good customer relations, cooperation with property management,
- E. Knowledge and application of sound business practices, and
- F. Not on probation, suspension or in violation of 4.2.18.

"Seniority" means the period of continuous service from the day upon which a vendor was assigned to operate a facility within the program

until the day on which it is necessary to compute the amount of seniority he/she has accrued. Other time which will be computed toward "seniority" includes:

1. The date of certification for licensing shall be used primarily for determining location assignment among certified licensees who have no accrued "seniority" when no other licensed blind vendor with accrued seniority has made application for transfer or promotion.

All applicants for transfer or promotion shall be ranked on the basis of these criteria by the

appropriate members of the Vending Facility Program's staff and the Transfer and Promotion Subcommittee of the State Committee of Blind Vendors. The recommendation of the staff and the subcommittee along with the reasons for such recommendations will be forwarded to the Administrator of the Vending Facility Program or designee who shall make the final decision as to the vendor who will receive the transfer or promotion.

In the event a licensed blind vendor is not recommended by his specialist for transfer or promotion, the licensed blind vendor must be

provided training to correct any deficiencies noted in order to satisfy the requirements for operation. This training may include, but not be limited to, on-the-job training and classroom training.

Once the transfer and promotion subcommittee has awarded a location to a vendor, the Vending Facility Program Administrator will immediately notify that vendor. At that time, the vendor awarded the location cannot refuse to accept the location. If a vendor chooses to refuse the awarded location, their license is automatically terminated in accordance with

Section 3.2. The vendor will have a maximum of 10 working days to accept inventory assignment to the new location unless the location is not in the vendor's locality. The vendor will not be eligible to bid or be awarded any other location by transfer or promotion, until they have completed 90 days of operations at the awarded location.

In the event that legal action arises over vendor transfer or promotion, the State Licensing Agency will be responsible for all judgments and legal actions taken. The Set-Aside and

Special Programs funds are not subject to any liabilities for management decisions of the State Licensing Agency.

5.4.1. Composition of Transfer and Promotion Subcommittee. After the conclusion of the bid application process, the chairperson of the State Committee of Blind Vendors shall assign a Transfer and Promotion Subcommittee to meet with the Vending Facility Program Administrator in considering applicants for a location. The subcommittee must consist of the following:

- A. A licensed blind vendor representative from each region of the state.
- B. At least one member of a minority group.
- C. At least one female.

The subcommittee shall consist of four individuals and the chairperson meeting the above referenced criteria. No person is eligible to serve on the committee who has submitted an application or who is directly related to anyone submitting an application for

transfer or promotion. The subcommittee shall then be called to meet by the chairperson with the Vending Facility Program Administrator to consider all applicants and make recommendations for transfer or promotion.

5.5. Disciplinary Action

If the vendor has engaged in conduct or actions which hinder or are detrimental to the effective operation of the facility, disciplinary action, not

subject to policy #3.2 Termination, will be taken as follows:

1. A verbal warning from the Vending Facility Program Administrator or designee. This warning will be noted in the vendor's personnel file.
2. A written warning to the vendor setting forth the specific policy violations, steps for correction, and consequences of continued violations.
3. Should violations continue, the vendor will be placed in probationary status for a prescribed time and specific terms outlined

for removal from probation. Probationary periods will not exceed three months. No licensed blind vendor or certified licensee shall be eligible to apply for a transfer or promotion to an existing vacant location if the licensed blind vendor or certified licensee has been placed on probation or suspension. The ineligibility to make application for transfer or promotion shall extend through the entire time of probation and/or suspension and said persons shall not have the right to make application for transfer and/or promotion until they have

been removed from probation or suspension.

4. Continued failure to comply with policies will result in suspension. When a vendor is suspended for any reason, the following criteria will apply:

1. Extra help will be paid from the proceeds of the location, but the licensed blind vendor will receive the net profits.
2. Vendor is not eligible to apply for transfer or promotion.

3. Suspension will not exceed 10 working days unless extenuating circumstances are involved.
4. Under extenuating circumstances when suspension exceeds 10 days, seniority will be frozen for the length of suspension. A new license will be issued reflecting the adjusted seniority date.
5. Leave benefits are not available to vendor while on suspension.

5. Continued failure to comply with policies will result in termination in accordance with policy 3.2.

At any step of the disciplinary process, the vendor must be advised of his rights and remedies as set forth in Section XI of this manual.

5.5.A. Licensed Vendor Without A Location

When a vendor has completed actions that place him into the status of "a vendor without a location", the following stipulations apply:

1. The vendor cannot earn or use sick leave and any accumulated sick leave will be frozen until the vendor is assigned a location. When the vendor is assigned a location, he will earn sick leave in accordance with Section 6.2.
2. The vendor will have a one year period from the date the action(s) was completed that he can decline assignment to any location. After a one year period has elapsed, the vendor must accept any

unassigned facility. If the vendor does not accept assignment and operate the facility, his license will be revoked.

3. Vacation, seniority (5.5.4.4), retirement and other matters will be determined in accordance with the Vendor Operating Procedures Manual.
4. Vendor will not receive any priority in the bid process other than his seniority date in accordance with

Section 5.3 and 5.4. Vendor is not a displaced vendor.

5.6. Resignation

A voluntary separation on the part of the vendor will be considered as an automatic termination of his license and Program rights. Once processed, it cannot be withdrawn.

If a vendor decides to rejoin the program, a period of evaluation, reorientation and training will be necessary. When completed, the vendor will be relicensed and his name will be placed on the ready for employment list as if he were a new licensee. Any money owed to the

Program must be repaid before the individual can rejoin the Program.

If possible, a vendor is expected to give at least two week's notice prior to leaving the program.

If no notice is given, an inventory will be completed at the earliest possible date. If proper notice is given, an inventory will be completed on the vendor's last working day. All monies that are due to the vendor will be paid to the vendor.

5.7. Termination

A vendor may be terminated for the reasons stated in Section 3.2., Termination of Licenses.

When termination occurs, the vendor's license will be revoked. All monies that are due to the vendor will be paid to the vendor.

5.8. Retirement

Retirement is a voluntary separation on the part of the vendor. Retirement is considered an automatic termination of the retiree's license, program rights and seniority. If a retirement is processed, it cannot be withdrawn. If a retiree decides not to retire and wants to return to the Program, the retiree must apply for training and go through a period of evaluation, reorientation and training as any other new trainee. If retiree

completes training and is certified for relicensing, the retiree's name will be placed on the ready for employment list as if the retiree is a new licensee. Any money owed to the Program after a vendor retires must be repaid before the retiree can rejoin the Program.

Mandatory retirement will be based on the vendor's mental and physical inability to operate the facility to which the vendor is assigned or other available facilities within the program. The vendor will be evaluated annually to determine whether or not the vendor must retire. All monies due the vendor

at retirement will be paid to the vendor. A vendor going through mandatory retirement will not be eligible to rejoin the Program.

5.9. Employment of Relief or Extra Help

5.9.1. State Paid Relief Personnel. State paid relief personnel are no longer provided for vendors. Vendors will still receive vacation and sick leave but will arrange for extra help to work their locations.

5.9.2. Essential Extra Help. For purposes of definition, essential extra help shall be defined as a full or part-time employee

of a licensed blind vendor essential for the operation of a vending facility in consideration of good management and business practices. Such essential extra help personnel will be paid in accordance with policies set forth in Section 5.9.4. Non-essential personnel are defined as persons employed by the vendor in lieu of sick or vacation leave and not essential for the normal operation of the vending facility. Any extra help whether to assist the vendor in operating the facility or to substitute

for him in his absence other than for vacation or sick leave must be arranged for by the vendor and approved by the specialist.

5.9.2.1. Required Payroll Information.

In order to properly process the payroll for essential extra help employees, the Vending Facility Program office must have the following information in order to comply with federal and state laws and allow the processing of the

essential extra help
employee(s) payroll. (See
Appendix A for specific
forms.)

Federal tax withholding
form (W-4),

State tax withholding form
(AR-4EC),

Immigration and

Naturalization Service Form
I-9,

Employment Application
form,

Copy of Social Security
card,

No essential extra help
person's payroll can be
processed until all forms have
been completed and
submitted to the Vending
Facility Program office.

5.9.2.2. Payroll Reporting. It is the
responsibility of the licensed
blind vendor employing
essential extra help to report
to the respective Vending

Facility Program Specialist

payroll information by the
appropriate deadline.

Vendors failing to report
payroll information by the
deadline will have employee's
payroll computed in
accordance with the previous
payroll information submitted.

If corrections are needed in
the payroll, any such
correction will be made in the
succeeding payroll period and

no special payroll checks will be authorized or issued. It shall be the responsibility of the vendor to explain such payroll information to the employed extra help and not the responsibility of the Vending Facility Program office when late payroll information is received.

5.9.3. Non-essential Extra Help. Effective January 1, 1988, the Vending Facility Program office will no longer be

responsible for processing the payroll of non-essential extra help personnel as defined in Section 5.9.2. For purposes of this policy, those vendors on extended sick leave shall not be considered as having non-essential extra help persons. Persons employed under this category shall be employed under the category of extended sick leave extra help personnel. The vendor's Vending Facility Program Specialist should be made aware of the fact that a specific individual or

individuals are contracted by the vendor to work as non-essential help. It shall be the sole responsibility of the licensed blind vendor to pay such individuals contracted under such a status as non-essential extra help. Vendors shall not pay for such individuals through the proceeds of the location but shall pay from their own personal resources.

Vendors found and proven to be paying non-essential extra help through the proceeds of the location shall be subject to license revocation. The

Vending Facility Program office
assumes no liability for taxes or other
deductions required by Federal or State
Income Tax laws and regulations in the
contract of non-essential help. Vendors
for personal tax purposes should keep
a record of any payment made to such
non-essential individuals since it is
deductible from their personal income
taxes as a business expense. It is
recommended but not required that a
vendor maintain a written contract with
non-essential extra help contractors.

See Appendix A for a sample agreement.

Effective February 22, 1990, non-essential extra help is limited to 12 days per calendar year. Use of non-essential extra help beyond 12 days will be subtracted from available vacation leave. If vacation is not available then the progressive discipline process in Section 5.5. will be followed.

5.9.4. Maximum Wages to be Paid Extra Help.

The maximum wage that may be paid to a person employed as extra help by

a vendor to be deducted as an operating expense shall be determined by the Vending Facility Program Administrator in consultation with the State Committee of Blind Vendors. All vendors employing such extra help will be informed in writing of the maximum allowed wage. The current maximum is \$8.00 per hour. Should the vendor elect to pay the extra help employee a higher hourly wage, the amount over the maximum wage is non-essential (but will not be applied to allowable

non-essential days) and will not be paid through the Vending Facility Program.

Under no circumstances shall extra help employees be permitted to receive a specified percentage of the profits of the facility.

Extra help used for vacation or sick leave will be paid at least the Federal minimum wage but no more than \$6.50 an hour, unless the extra help works for that manager as regular extra help and is paid a higher wage, they will then be paid the higher wage.

5.9.5. Criteria for Employing Extra Help.

Persons who are employed as extra help should meet the following criteria:

- (1) Possess the ability to operate the vending facility in a proper and satisfactory manner.
- (2) Be thoroughly reliable and dependable.
- (3) Be accurate in reporting and accounting for funds.
- (4) Be neat in appearance.
- (5) Be courteous and helpful to customers.

- (6) Provide the vending facility office with a copy of his Social Security card.
- (7) Be approved by the Vending Facility Specialist.

5.9.6. Extra Help Location Illness Policy.

1. Employees must report health problems to the manager before starting work.
2. If the employee has one of the following symptoms, or becomes ill with one of the following symptoms while working, they must

immediately report their condition to the manager, stop working, and see a doctor.

Fever

Diarrhea

Vomiting

Sore throat with fever

Jaundice (a yellowing of the skin and eyes)

3. If the employee is diagnosed with a foodborne illness, the manager must work with the doctor/health

department to determine when the employee can safely return to work.

4. Employees with the following illnesses must be reported to the health department.

1. Salmonella typhi
2. Shigella spp. (dysentery)
3. Shiga toxin-producing E. coli
4. Hepatitis A virus

5.9.7. ServSafe Training for Extra Help.

Effective 11/7/05, any manager that wants his extra help person to take ServSafe training will pay ½ of the cost

and the VFP will pay ½ of the cost one time. Whether or not the extra help person passes the course, the program will not spend any additional funds on the training of the extra help person.

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VENDOR OPERATING PROCEDURES MANUAL

SECTION VI

LEAVE POLICIES

6.1. Annual (Vacation) Leave

Any vendor who has a minimum of one (1) year of service but less than three (3) years of service shall receive five (5) days paid vacation leave per year. The "leave year" begins on January 1, and concludes on December 31 of each year. A vendor who completes the minimum 1 year service in the middle of a "leave year" is eligible for leave after that time and before the end of the "leave year". Any vendor having over three (3) years of seniority

will be eligible for ten (10) days of paid vacation per "leave year". When a vendor has over fifteen (15) years of seniority, he/she will be eligible for fifteen (15) days of paid vacation per "leave year". Annual leave does not carry over from one leave year to the next and can be taken in full or half days.

Vacation in excess of allowable paid vacation as stated above is non-essential leave and will necessitate that the vendor pay for the substitute employee(s). See Section 5.9.3., Non-essential Extra Help, and Section 6.4., Non-essential Leave, for further information. It

is the responsibility of the vendor to arrange for extra help during vacation periods. The vendor will notify the specialist of the necessary information to enable the specialist to complete the Extra-Help Payroll Information form (See Appendix A).

Vendors whose facilities are closed for a period of time due to the shutdown of the establishment on the site where the facility is located may elect to be paid \$80 for each day of leave for which they are eligible. They should apprise their specialist of the time period that the facility will be closed and that they have

elected to be paid \$80 a day in lieu of their regular vacation time.

Vendors that do not take all their vacation time prior to December 31st may request that they be paid \$80 a day for each day of unused vacation leave. This request must be made the last full week of December. If a vendor is retiring, he can request payment of unused vacation days on his last working day.

6.1.1. Sales Seminar Attendance. Vendors must attend all meetings of the annual Sales Seminar on Saturday. If a vendor does not attend the seminar meetings on Saturday, they will lose 5 vacation

days. However, if the vendor provides a written statement of explanation for the vendor's absence to the State Committee of Blind Vendors, the State Committee will review Section 6 (Leave Policy) to consider whether or not to approve payment of all unused vacation leave of the vendor in question. If a vendor fails to provide a written statement, the vendor will lose 5 days vacation leave in the current year. If all vacation has been depleted in the current leave year, vendor will lose 5 vacation days on January 1st of the next leave year.

6.2. Sick Leave

6.2.1. Ordinary Sick Leave. Sick leave for vendors will accrue at the rate of 1/2 day on the 15th day of the month and 1/2 day on the last day of the month from the first date the vendor entered, reenters or is eligible to accrue leave. Sick leave can be taken in full or half days. A maximum of 60 days of sick leave may be accumulated. If a vendor is absent from a facility due to illness for more than five consecutive working days, a statement from his/her physician must be sent to the Vending Facility Program office before the vendor can return to work. Otherwise, the vendor will not be compensated for the number of days he/she is absent.

6.2.2. Extended Sick Leave. In cases where a vendor becomes unable, due to illness, to perform the necessary duties required to operate the facility for an extended period of time, the following criteria will apply. The vendor will receive the net profits from the facility and retain assignment to it for not more than 90 working days after all leave is depleted. A working day is defined as a day in which the location is normally open for business by contractual agreement. While on extended sick leave, vendors will not earn sick or vacation leave. When a vendor returns to work from extended sick leave, they will resume their leave benefits. As

soon as possible, but at least by the 30th calendar day, after all leave is depleted, the vendor will provide the specialist with a statement from his/her physician outlining his/her condition and possible date that he/she might be expected to be capable of fully operating the facility. The vendor will also provide the specialist with a statement as to his/her desire to retain the facility and some indication as to when he/she will once again be able to assume his/her duties of operating the facility. The vendor must provide the specialist with a physician's statement that the vendor is able to perform the duties required to manage the facility

before he/she resumes the responsibility for its operation. When it becomes necessary to determine whether or not the facility should be reassigned, the decision will be made by a committee consisting of; the Vending Facility Program Administrator, the specialist who supervises the facility, and a Transfer and Promotion Committee of the State Committee of Blind Vendors.

- 6.2.3. Immediate Family - Illness. Sick leave may be taken when needed because of illness in the vendor's immediate family. Immediate family is defined as:

parents, siblings, spouse, children, in-laws, grandparents and step-children.

- 6.2.4. Funeral. Funeral leave, not to exceed five days per calendar year, may be charged to sick leave for funerals of the vendor's immediate family. Immediate family is defined in subsection 6.2.3. Funeral leave of one day may be taken because of deaths of other relatives and may be charged to sick leave.
- 6.2.5. Maternity. Maternity leave will be granted on the same basis as extended sick leave (see subsection 6.2.2.).

6.3. Leave Other Than Vacation or Sick Leave

When a vendor must be absent from a facility for reasons other than for vacation or illness as outlined in subsection 6.2.1. to 6.2.5., extra help will be paid the same as vacation or sick leave upon the specialist's recommendation.

6.3.1. Agency Business. When a vendor is assisting in agency business or is requested to assist the program and requires him/her to be away from the facility during his/her business hours, the Vending Facility Program will

provide for the substitute operation of the facility.

6.3.2. Jury Duty. When a vendor is requested to perform Jury duty, the substitute operation of the facility will be provided at no expense to the vendor of the facility.

6.3.3. Training While Not On Suspension.

Should training for deficiency or upward mobility training involve the vendor's absence from their location, extra help will be paid for by the Program and not charged to the vendor.

6.3.4. Administrative Leave. Effective January

1, 1994, when a vendor wishes to attend conventions, meetings and/or seminars, he must request from his specialist the use of administrative leave. This leave will not be counted against any other form of leave.

However, the vendor must pay for the substitute worker either as essential or non-essential help.

6.4. Non-essential Leave.

A vendor may use non-essential extra help for 12 days per calendar year. Use of non-

essential leave beyond 12 days will be subtracted from available vacation leave. If vacation is not available then the progressive discipline process in policy 5.5 will be followed.

SECTION VII SETTING ASIDE OF FUNDS

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VENDOR OPERATING PROCEDURES MANUAL
SECTION VII
SETTING ASIDE OF FUNDS

7.1. Purpose for Which Set-Aside Funds may be
Used

As required by the Randolph-Sheppard
Amendments of 1974 and the Regulations, set-
aside funds may be used for the following
purposes:

- A. Maintenance and replacement of
equipment,
- B. The purchase of new equipment,
- C. Management services,
- D. Assuring a fair minimum return, and

E. If determined by a majority vote of the licensed vendors within the program, establishment and maintenance of retirement or pension fund, health insurance contribution, and provision for paid vacation and sick leave.

7.2. Method Used to Establish Set-Aside Schedule

Prior to the beginning of each fiscal year, an estimate will be made as to the amount of funds which will be required for each of the purposes for which the funds are to be set-aside during the ensuing fiscal year. The estimates of the amounts required as well as the purposes for

which funds are to be set-aside during the fiscal year will be determined in consultation with the Committee of Blind Vendors.

The estimates will take into account expenditures made for each of the purposes during the two preceding fiscal years and projections for the next fiscal year based on program needs and plans and funds available from other sources.

After a determination has been made as to the amounts of set-aside funds which will be required, a set-aside charge to be levied against the net proceeds of each vendor will be

established to yield the required funds.

The schedule will be designed as far as practicable to prevent a greater charge for any purpose than is reasonably required with allowances for the retention of reasonable reserves necessary to assure that each purpose can be provided for on a continuing basis.

7.3. Set-Aside Contributions

The vendor will contribute to the set-aside fund the amount of the net proceeds he earns during each four-week period based on the formula and set-aside schedule contained in Appendix

A. The set-aside contribution will be calculated from the net proceeds of the vendor rather than from the net proceeds of the facility.

When a vendor is not assigned to a facility for a full period, his/her set-aside contribution will be calculated by dividing the percentage of net proceeds contained in the formula by the number of weeks he/she is assigned to the facility.

7.4. Fair Minimum Return

The vendor will be guaranteed a fair minimum return of \$100 per week or \$400 per four-week period. He will receive a check of \$200, less

vendor requested deductions, at the end of the second and fourth weeks of the four-week period.

In instances when the facility does not produce enough income to allow the vendor to earn the amount of net profit to cover the fair minimum return during the four-week period, the amount of the difference between the net profit earned and the fair minimum return will be paid to the vendor from the set-aside fund. However, if during the fiscal year a greater amount of net profit than the fair minimum return is earned, the amount of net profit paid to the vendor will

be reduced by the amount necessary to cover the amount paid to the vendor from the set-aside fund during those periods when a subsidy was necessary to guarantee him/her a fair minimum return.

Should the vendor not earn enough net profits during the fiscal year to return the set-aside fund the full amount paid to him/her from it to assure him/her a fair minimum return, the amount still owed by the vendor will be written off as a loss to the set-aside fund and the vendor will no longer be responsible for returning it to the set-aside fund.

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VENDOR OPERATING PROCEDURES MANUAL
SECTION VIII
DISTRIBUTION AND USE OF VENDING MACHINE
INCOME

8.1. Vending Machine Income on Federal Property

Vending machine income from vending machines on Federal property which has been disbursed to the DSB by a property managing department, agency, or instrumentality of the United States shall accrue to each vendor operating a vending facility on the Federal property in an amount not to exceed the average net income of the total number of vendors in the State as determined each fiscal

year on the basis of each prior year's operation. However, vending machine income shall not accrue to any vendor in any amount exceeding the average net income of the total number of vendors in the United States. No vendor shall receive less vending machine income than he/she was receiving during the calendar year prior to January 1, 1974, as a direct result of any limitation imposed on income under this ceiling. No limitation shall be imposed on income from vending machines combined to create a vending facility when the facility is maintained, service, or operated by a vendor.

The DSB will disburse vending machine income to vendors on at least a quarterly basis.

The DSB will retain vending machine income disbursed by a property managing department, agency, or instrumentality of the United States in excess of the amounts eligible to accrue to vendors. Vending machine income retained by the DSB will be used for the establishment and maintenance of retirement or pension plans, for health insurance, contributions and for the provision of paid sick and vacation time for vendors. If it is so determined by a majority vote of the licenses vendors after each vendor

has been furnished information on all matters relevant to such purposes, any vending machines income not necessary for such purposes shall be used by the DSB for one or more of the following:

Maintenance and replacement of equipment.

Purchase of new equipment.

Management services.

Assuring a fair minimum return to vendors.

Any assessment charged to vendors shall be reduced pro rata in an amount equal to the total of such remaining vending machine income.

8.2. Vending Machine Income on State and Other Property

Vending machine income on State and other property will be assigned in the same manner as vending machine income on Federal property, except there is no limitation on the amount of such income which may accrue to a vendor.

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VENDOR OPERATING PROCEDURES MANUAL

SECTION IX

REPAIR AND REPLACEMENT OF EQUIPMENT

9.1. Maintenance and Replacement

The DSB will maintain or cause to be maintained all vending facility equipment in good repair and in an attractive condition and shall replace or cause to be replaced worn-out or obsolete equipment as required to ensure the continued successful operation of the facility.

Each vendor shall take reasonable care of the equipment in his/her facility and shall carry out routine day-to-day maintenance procedures.

Should it be determined, based on firm evidence, that equipment or fixtures have been damaged or destroyed through malicious intent, the vendor will be charged with the expense of replacement. Such behavior on the part of the vendor, if proven, will be grounds for disciplinary action.

9.1.1. Vending Machines. Vending machines will be purchased for locations that are established as vending machine locations only or have vending machines in service that were purchased by the Program on or before

11/5/05. Managers wanting to add vending machines to the location in lieu of contracting the machines, must purchase the machines at their own expense. However, the Program will offer assistance with the purchase of machines by way of a repayment plan. The repayment plan would work as follows; the Program would purchase the machine(s) and allow the manager to pay back the total cost of the purchase over the next 5 reporting periods, if needed.

9.2. Repair and Replacement of Equipment -

Emergency

When a major problem is created in operating the facility because of a breakdown of a piece of equipment, the vendor should call a local repair company and obtain an estimate of the cost to have the equipment repaired. If the estimate is \$100 or above, the vendor should call the Vending Facility Specialist for instructions before having the equipment repaired. If the estimate is less than \$100, the vendor should have the equipment repaired.

The vendor should ask the repair company to

send the bills to Division of Services for the Blind, P.O. Box 3237, Little Rock, Ark. 72203.

The itemized bill should be marked attention to the Vending Facility Specialist who supervises the facility. If the repair company will not send its itemized bill to the DSB, the vendor should pay for the repair service from the cash drawer and obtain an itemized bill from the company marked "Paid". The vendor should send the itemized bill to the specialist in order to be reimbursed. The payment for the repair service will not be shown as an operating expense on the Weekly Sales Report.

9.3. VFP Equipment Disposal. Equipment purchased by the VFP that has been determined is of no use to the Program by VFP staff; the manager assigned to the location will have first rights to the equipment for their personal use and may dispose of the items at will. Those items will be removed from the equipment inventory according to VFP policy. Managers will not be charged for the equipment that is being disposed of. Any questions or problems concerning the equipment disposal will be address by the VFP Administrator and

the President of Arkansas Association of Blind
Vending Facility Managers.

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VENDOR OPERATING PROCEDURES MANUAL
SECTION X
FINANCIAL INFORMATION

10.1. Payroll Procedures

10.1.1. Processing Statements from Local Suppliers. Itemized bills or statements from local suppliers of services are to be provided to the Vending Facility Specialist for the processing of purchase requests and for the specialist's verification and approval.

10.1.2. Weekly Sales Report. The Weekly Sales Report reflects the sales and

expenses of the vendor during the counting week (from the beginning of the day on Friday through the end of the day on Thursday). A Weekly Sales Report will be completed by the vendor after the close of business on each Thursday (see Weekly Sales Report instructions in Appendix A). Use of the Weekly Sales Report form is recommended but is optional. The following essential information, however, must be reported to the Bookkeeping

Section in writing after the close of business on each Thursday.

(1) Total Supplies/Operating Expenses

(2) Total Purchase of Stock

(3) Total Weekly Deposit

(4) Total Weekly Sales

Reports containing the above listed information may be submitted in typed or legible written form with appropriate accompanying invoices.

Since the vendor's commissions are calculated from this report, extreme

care should be taken to ensure its accuracy. The Weekly Sales Report should be sent to DSB, P.O. Box 3237, Little Rock, AR 72203. The report should be accompanied by invoices for the purchase of stocks and supplies during the week covered by the report and the deposit which must be in the form of a money order, cashier's check, or personal check. Cash will not accompany the report. Cashier's checks or money orders are

preferred. If more than one personal check must be returned or held because of insufficient funds in a six month period of time, personal checks will no longer be accepted from the vendor, unless the vendor can provide documented evidence that the returned check(s) was not the fault of the vendor. Invoices for purchases of stock and supplies which are not accompanied by a completed Weekly Sales Report will not be accepted by the Bookkeeping

Section, so long as the vendor has had adequate training in the procedure of completing the report. If it is necessary to hire assistance in preparing the Weekly Sales Report, the necessary cost may be charged as an operating expense. Personal checks should be made payable to the Vending Facility Program. The cost of cashier's checks or money orders may be charged as a miscellaneous operating expense. Receipts for the cost of cashier's

checks or money orders should be included with the following week's invoices. The report must reach the Vending Facility Program's Bookkeeping Section by 9:00 a.m. on the Wednesday following the Thursday of the week for which the report is applicable. A report arriving after 9:00 a.m. on Wednesday will be considered a late report. The Bookkeeping Section will notify the respective Vending Facility Program Specialist of any late reports after

mail delivery on Wednesday morning. The specialist will then contact the affected vendor/vendors to notify them of late reports.

Reports that are consistently late through the fault of the vendor will be cause for suspension or termination.

10.1.3. Operating Expenses. Items that are needed in the day-to-day operation of the facility but are neither equipment nor consumable supplies are to be paid for from the cash drawer and charged as operating

expenses on the Weekly Sales Report. Itemized bills on these purchases will accompany the Weekly Sales Report. Examples of these items are: ashtrays, coffee pots, salt and pepper shakers, cream pitchers, napkin holders, brooms, mops, etc.

10.1.4. Period Report. The purpose of the Period Report is to provide the vendor with an itemized statement of all income and expenses during a four-week period (see instructions in

Appendix A). This report is compiled from the four Weekly Sales Reports completed by the vendor during the period and from the Extra-Help Payroll Information forms completed by the specialist during the period.

10.1.5. Draw Payroll. Each vendor assigned to a facility is guaranteed a fair minimum return (draw). Currently, the draw is \$100 per week or \$20 per day if the vendor is not assigned to a facility for a full week. The \$100 draw per week will not be exceeded

even if the facility is open for business more than five days per week. The Draw Payroll is prepared monthly and the vendor is paid a four week draw on commission two weeks prior to commission. The vendor must inform the specialist of any changes concerning name, address, marital status, and insurance coverage. It is necessary that the vendor notify the specialist as soon as possible of a change concerning the preceding items

enough in advance to permit the specialist to submit the change to the Bookkeeping Section before the next check is issued. When a new vendor is assigned to a facility, the vendor will receive the first draw check at the time the Draw Payroll is processed after the vendor received his assignment.

A vendor will remain on the Draw Payroll during holidays. A holiday is defined as a day when the establishment in which the facility is

located is closed for the purpose of observing a holiday.

10.1.5.1. Lost Draw, Commission or Payroll Checks. If the vendor or their extra help has not received their check 7 days after mailing (Wednesday mailing to Wednesday of the following week), a stop payment will be made and the check reissued on Thursday.

10.1.6. Commissions. Commissions are the profits of a facility after the cost of goods sold, the cost of consumable supplies, operating expenses, set-aside contributions, and the fair minimum return (drawing account) have been subtracted from the gross sales. Commissions are paid to vendors in a lump sum check for a four-week period. The vendor will receive commission payments approximately two weeks after the close of the previous four-week

period. The commissions are calculated from the Period Report (see Section 10.1.4.). There will be some situations in which the payment of the minimum guarantee for lower earning periods will be offset by commissions in other periods. In order to prevent serious fluctuations in the vendor's income, arrangements will be made on an individual basis to withhold a portion of commission payments to make up for payments made as fair minimum

return. The objective will be to so space the withholding from commission payments as to balance out at the end of the fiscal year. Occasionally, situations may arise where excess payments have been made to a vendor during a fiscal year. Such overpayments will be recovered through prorated deductions from commissions during the next fiscal year. In those situations where the net earnings of the stand do not exceed the

minimum guarantee, the deficit will be erased.

10.2. Inventory Gains or Losses

When a vendor leaves a facility whether by transfer or promotion, an inventory will be taken to determine its value. If the value of the inventory is greater than the value of the inventory when the vendor was assigned to the facility and there are no other losses to completely offset the gain in value, the amount of the increased value will be paid to the vendor as profit from the Special

Programs Fund. If the value of the inventory when the vendor leaves the facility is less than the value of the inventory when he was assigned to it and if there is not an increase in cash-on-hand equal to the difference, the vendor must repay the loss in value to the Special Programs Fund. The loss may be repaid with unpaid commission, if any, by profits from the facility to which he is being transferred or promoted or by the combination of both methods.

When a vendor leaves the Vending Facility Program, an inventory will be taken to

determine its value. If the value is greater than the value of the inventory when he was assigned to the facility, the amount of the increased value will be paid to the former vendor from the Special Programs Fund.

If the value of the inventory and cash-on-hand is less than the value of the inventory when the vendor was assigned to the facility, the amount of the deficit is due and payable by the vendor to the Special Programs Fund.

Notification of the amount of repayment will be given to the vendor in writing by the Vending Facility Program.

10.2.1. Inventory Changes. When an inventory has been processed on a manager for any reason, the manager will receive a copy of the inventory and have 30 calendar days, after receipt, to resolve any questions regarding the validity and/or accuracy of the inventory. After the 30 calendar day period is over, the inventory can not be changed.

10.3. Federal, FICA, and State Income Tax Liability

For income tax purposes, licensed blind vendors are considered self-employed persons under Federal and State Income Tax laws and regulations. Effective January 1, 1988, the Vending Facility Program will not be responsible for withholding FICA, Federal and State Income Taxes from licensed blind vendors' draw and commission. It shall be the responsibility of the licensed blind vendor to comply with all applicable Federal and State Income Tax laws concerning personal income. Licensed blind vendors wishing specific information concerning Federal Income Tax

and Social Security Taxes (FICA) should contact their nearest United States Internal Revenue Service office. Licensed blind vendors wishing specific information concerning State Income Tax regulations should contact the Arkansas Department of Finance and Administration Division of Revenue. Draw and commission checks will be sent to licensed blind vendors as per check mail out schedule and all such income will be taxable under Federal and State laws and regulations.

10.4. Insurance

Beginning November 1, 1989, vendors currently licensed and placed on location will qualify for fringe benefits coverage. A reimbursement of \$50.00 per month will be made for major medical or medical supplement insurance. This includes Medicare supplements but not Medicare or Medicaid policies. Monthly, quarterly or annual proof of coverage must be submitted. Quarterly payments will be issued and insurance changes must be reported to the office immediately.

Licensees will not receive this insurance

benefit until they are assigned a location.

Vendors are required to provide proof of coverage in one of the following ways before the \$50.00 payments will be issued:

1. Have your insurance company send a letter to the Vending Facility Program office detailing your current coverage under a major medical or Medicare supplement insurance policy and that the Vending Facility Program office will be notified should this policy expire. This option will allow continuous payment of the fringe reimbursement check, or

2. Send a copy of the previous month's premium payment receipt or canceled check to the Vending Facility Program office using the previous month's statement for the current month's reimbursement. This option will provide payment for the time period shown on the receipt whether it be monthly, quarterly or annually.

The Vending Facility Program office will not make changes in any type of insurance coverage until they have received a written request to do so from the vendor. The

Vending Facility Program office after receiving a written request shall acknowledge the requested change in writing.

10.4.1. Life Insurance. USAble Life

Insurance coverage is available to vendors assigned to facilities within the Vending Facility Program and their dependents. The vendor is responsible for part of the premium.

The premium is payroll deductible from the vendor's draw checks.

10.4.1.A. Vendors in Displaced

Status (Section 5.2.).

Effective July 1, 1986,
those vendors in
displaced status shall be
eligible to have their
health insurance
premiums paid partially
from the set-aside fund
the same as assigned
vendors for a period not
to exceed one year from
the date of displacement.

10.4.2. Cancer Insurance. Cancer insurance
is available to vendors and their

families through the Vending Facility Program from an insurance provider if they qualify. Due to the many changes that take place in insurance from year to year, dependents are defined in the policy handbook. For further information on dependents, contact the Vending Facility Program office. This premium is also deductible from the vendor's draw check. A claim form is provided with the policy. If additional claim forms are needed, the vendor should

contact the Vending Facility Program office.

10.4.3. Liability Insurance. Vendors are required to carry liability insurance to protect the vendor, the facility, and the Vending Facility Program against property damage and claims filed by injured parties resulting from the operation of the vending facility. This policy is obtained by the Vending Facility Program and covers all legal costs, medical expenses,

and personal and property damage
subject to the following features:

1. One million dollars "all risk" and extends to products liability as well as premises.
2. This coverage includes liability, equipment and inventory and is on a "replacement cost" basis.
3. Full loss of earnings.
4. Money and securities, \$10,000.
Inside and outside, \$2,000.
Deductible \$250.00.

The cost of the insurance for each facility is based on the type of operation, location of facility and annual sales of facility.

The annual cost for each facility will be prorated over the 13 periods per year and deducted from the facility's profits as an operating expense each period. At the end of each year, adjustments will be made based on any changes in the type of operation of the facility.

The vendor shall notify their

specialist at once should any claims or losses arise that are covered by the liability insurance.

10.4.4. Workers' Compensation Insurance

All vendors are required to carry Workers' Compensation Insurance.

This insurance covers all full time, part-time, occasional or non-essential extra help employees.

The cost of this insurance will be prorated over the 13 periods per year and will be deducted from the facility profits as an operating expense.

10.4.4.1. Workers' Compensation Claims.

When the extra help person is injured on the job or entering or leaving the work premises, the licensed blind vendor shall immediately contact the Vending Facility Specialist to report the accident and begin appropriate filing of Workers' Compensation

claims. Under no circumstances should a vendor delay the filing or reporting of a job related accident. If a vendor is unable to contact the vendor's respective specialist, the Vending Facility Program office should be contacted and either the VFP accountant or the Vending Facility Program

Administrator made aware of the accident. Failure to report a job related accident within a 24 hour period of time will be grounds for disciplinary action.

10.5. Retirement Contributions

The Vending Facility Program will contribute toward the development of individualized retirement packages for licensed blind vendors in the Arkansas Randolph-Sheppard Program. Funding for contributions will be

provided by profits from the interstate highway vending machines. Vendors are considered as self-employed individuals and must buy their own retirement packages. Criteria is outlined below:

1. Eligibility. Participant must be a licensed blind vendor or displaced vendor in accordance with the Federal Randolph-Sheppard Act. Beginning with October 1, 2000, participants must have completed 1 year of seniority to receive contributions. Seniority will be calculated using October 1st of each successive year.

2. Proof of Eligibility. The vendor will have 30 calendar days from issuance of contributions to send in proof of use in a valid retirement package (e.g., IRA) to the Vending Facility Program. Proof must be provided each year. Failure to provide such proof will terminate the vendor's eligibility for retirement contributions and vendor must return the last contributions received from the Program that do not have proof of use in a valid retirement package. Should the vendor not return the last contributions, the amount of the

contribution will be withheld from the vendor's draw and/or commission. Also, the vendor will be subject to disciplinary action in accordance with policy 5.5 of the Vendor Operating Procedures Manual.

3. Contributions. Contributions will be paid to eligible licensed vendors by or on October 15th each year. Contributions will start at \$200.00 for 1 year seniority and will be increased each additional year by \$25.00 (e.g., 2 years seniority equals \$225.00). Contributions will be shown as income on the vendor's 1099 for the year in which

they were paid. After June 30th and before September 30th, the VFP Administrator and Accountant shall perform an annual review of the period between Period 1 (October 1) and Period 10 (June 30) of the current year and determine if sufficient funds have been collected to provide for an additional, one time percentage and/or bonus payment increase in the overall retirement contributions for disbursement to eligible managers. If funds are available, eligible managers will receive the increase on their

retirement benefit when disbursed. If funds are not available, no additional, one time percentage increase will be disbursed.

4. Exceptions. Exceptions will apply if the I.R.S. does not allow contributions by the vendor due to age or other restrictions. In this case, 5.B will not apply. Contributions will be provided to the vendor in accordance with this policy.
5. Termination from Participation. The vendor is no longer eligible to participate in

or receive retirement contributions when conditions exist as listed below:

- A. Vendor is not licensed to operate a facility on the date when retirement contributions are issued including the date of issuance.
- B. Vendor fails to provide proof of retirement package within 30 days after receiving the retirement contribution.
- C. Retirement contributions will not be issued to beneficiaries or vendor estates.

D. Retirement contributions will not be prorated.

SECTION XI
ADMINISTRATIVE REVIEW, EVIDENTIARY
HEARING
AND ARBITRATION PROCEDURES

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SECTION XI
ADMINISTRATIVE REVIEW, EVIDENTIARY
HEARING
AND ARBITRATION PROCEDURES

11.1. Administrative Review Procedures

11.1.1. Procedures.

- A. A vendor or his/her designee (who may be a member of the State Committee of Blind Vendors) may request in writing within 15 working days of the occurrence of the action, an Administrative Review of an action by the DSB arising from

the operation or administration of the Vending Facility Program with which the vendor is dissatisfied. This review will be made only by a member or members of the administrative staff of the DSB who has not participated in the action in question.

- B. 1. The Administrative Review will be held at a time and place convenient to the vendor requesting the review.

2. The Administrative Review

will be conducted within 15 working days after receipt by the DSB of such a request.

C. If needed, transportation, reader services, or other communication services will be arranged for the vendor by the DSB. If the administrative review is held during regular operational hours of the location, the Vending Facility Program Office will

provide relief at no cost to the vendor.

- D. Documentation of the written request for the Administrative Review and actions and decisions resulting from the review shall be maintained as part of the official record of the Administrative Review process.
- E. When an Administrative Review does not resolve a dispute to the satisfaction of the vendor, the

vendor may request a Full Evidentiary Hearing.

11.2. Full Evidentiary Hearing Procedures

When a vendor is dissatisfied with an action by the DSB arising from the operation or administration of the Vending Facility Program, the vendor may file a complaint with the DSB requesting a Full Evidentiary Hearing. The complaint shall identify one or more disputed issues to be resolved in an Evidentiary Hearing. Complaints concerning actions taken by the DSB which are required by law are not appropriate for resolution

through an Evidentiary Hearing since Evidentiary Hearings cannot settle issues of law. Adherence of the DSB to its policies and consistency of application of its policies are examples of issues of fact which, if disputed, can be resolved through the Evidentiary Hearing process.

11.2.1. Procedures.

- A. Vendors shall be informed in writing of their rights to a to a Full Evidentiary Hearing and of the procedures for obtaining it at the time they are licensed.

B. If a vendor requests an Evidentiary Hearing, such a request must be made within 15 working days after the adverse decision of an Administrative Review.

C. A vendor must request an Evidentiary Hearing in writing. This request must be transmitted to the Commissioner of the DSB personally or by certified mail, return receipt requested. This request may be

transmitted through the State
Committee of Blind Vendors.

- D. A vendor is entitled to legal
counsel or other representation
at his own expense or through
legal services available in the
community.
- E. 1. Reader services or other
communication services will
be arranged for the vendor
should he request them.
- 2. Transportation costs and per
diem shall be provided to the

vendor if the Evidentiary Hearing is in a city other than the legal residence of the vendor.

- F. 1. The hearing will be held at a time and place convenient and accessible to the vendor. A hearing held during regular working hours and located at the State Office, DSB, may be deemed as a convenient time and location.

2. The hearing will be scheduled by the DSB within 15 working days of the receipt of the request unless the DSB and the vendor mutually agree, in writing, to some other period of time.
3. The vendor shall be notified in writing of the time and place of the hearing and of his/her right to be represented by legal or other counsel. This notice shall be

sent to the vendor by way of certified or registered mail.

4. The vendor shall be provided with a copy of the hearing procedures and other relevant information necessary to enable him to prepare his case for the hearing.

- G. A panel consisting of three persons will hear the evidence. The vendor shall select one representative, and the DSB will

select a representative. The vendor's representative and the agency's representative shall then select the third member of the panel. The third person selected shall then serve as panel chairperson.

- H. 1. This panel shall conduct the hearing, avoid delays, maintain order, and make sufficient record of the proceedings for a full and

true disclosure of the facts
and issues

2. This panel shall have all powers authorized by law and may make all procedural and evidentiary rulings necessary for the conduct of the hearing.
3. The hearing shall be open to the public at the discretion of the vendor.
 - I. Both the vendor and the DSB are entitled to present their case by

oral or documentary evidence, to submit rebuttal evidence and to conduct such examinations and cross-examinations of witnesses as may be required for a full and true disclosure of all facts affecting the issues.

- J. 1. All papers and documents introduced into evidence at the hearing shall be filed with the presiding officer, and provided to the other party.

2. All documents and other evidence submitted shall be open to examination by the parties and opportunities shall be given to refute facts and arguments presented on either side of the issue.
- K. 1. A transcript shall be made of the oral evidence and shall be made available to the parties.
 2. The DSB shall pay all transcript costs and shall

provide the vendor with a
copy of the transcript.

L. The transcript, exhibits, and all
papers and documents filed in
the hearing shall constitute the
exclusive record for the
decision.

M. 1. The decision of the panel
shall set forth the principal
issues and relevant facts
presented at the hearing and
the applicable provision in

law, regulation, and agency policy.

2. The decision shall contain findings of fact and conclusions with respect to each of the issues and the reasons for such conclusions.
3. The decision shall set forth any corrective actions necessary to resolve the issues in dispute.

4. The decision shall be made within 15 working days after receipt of the transcript.
5. The decision shall be mailed promptly to the vendor and the DSB.

N. If the vendor is dissatisfied with the decision rendered after a Full Evidentiary Hearing, he/she may request that an Arbitration Panel be convened by filing a complaint with the Secretary of

the Federal Department of
Education.

11.3. Arbitration Procedures

The policies for the convening of an Ad Hoc Arbitration Panel provided for by Sections 5(a) and 6 of the Act and Sections 395.6(e) and 395.13 of the Regulations, and the procedures governing the designation of the Arbitration Panel members, the notices to be given, the conduct of the Arbitration Panel members, the notices to be given, the conduct of the arbitration including the authority and duties of

the panel and the rights of the parties, the decision making by the panel, and the rights of appeal from the decision, are as follows:

11.3.1. Definitions.

As used in this document:

- A. "Act" means the Randolph-Sheppard Act Amendments of 1974, Title II of P.L. 93-516.
- B. "Party" or "Parties" means one or both as the context indicates, of the complainant blind vendor and the DSB.

C. "Secretary" means the Secretary of the Department of Education.

D. "Regulations" means the regulations at 34 CFR 395.1 et seq.

11.3.2. Communications.

A. All communications, including originals and copies of required notices, pleadings, motions, petitions, and briefs, in connection with and related to the arbitration, between the parties, between a party and the

Secretary, between a party and the Arbitration Panel, between the parties or the Arbitration Panel and the Arbitration Clerk or the Bureau for the Blind and Visually Handicapped of the Rehabilitation Services Administration, shall be in writing transmitted by registered or certified mail, return receipt requested.

- B. A copy of the complaint shall be sent by the blind vendor to the

DSB. Thereafter, all communications and sufficient copies thereof will be transmitted to the Arbitration Clerk in the Bureau for the Blind and Visually Handicapped who will maintain the official docket of the Arbitration Proceeding and who will transmit promptly the original or the copies to the parties and the Arbitration Panel, as may be appropriate, and, as may be necessary, to

the Bureau for the Blind and
Visually Handicapped.

11.3.3. Complaint by Blind Vendor.

A. If a blind vendor, after he has
been provided a Full Evidentiary
Hearing by the DSB as provided
in Section 5(a) of the Act and
Sections 395.6(e) and 395.13(a)
of the Regulations, is
dissatisfied with any action
taken or decision rendered as a
result of such hearing, he may

file a written complaint with the Secretary.

- B. The complaint shall set forth the action or actions arising from the operation or administration of the Vending Facility Program by the DSB which constituted the basis for the request by the blind vendor for a Full Evidentiary Hearing; the date and place of the Full Evidentiary Hearing; the decision rendered as a result of the hearing, and any action

taken as a result of the hearing;
the specific part or parts of the
decision rendered as a result of
the hearing with which the blind
vendor is dissatisfied and the
reasons for such dissatisfaction;
the specific action or actions
taken as a result of the hearing
with which the blind vendor is
dissatisfied and the reasons for
such dissatisfaction; and a
statement of the relief which the
blind vendor is seeking to obtain

from the DSB. Any written decision rendered as a result of the Full Evidentiary Hearing shall be attached to the complaint as an exhibit.

11.3.4. Arbitration Clerk.

Upon receipt of the complaint by the Secretary, it will be forwarded promptly to the designated Arbitration Clerk in the Bureau for the Blind and Visually Handicapped, Rehabilitation Services Administration, Department of

Education. Within 7 days of receipt of the Arbitration Clerk, the complaint will be docketed and its receipt acknowledged to the blind vendor and the DSB.

11.3.5. Review and Disposition of Complaint.

After the complaint has been docketed, it will be reviewed by the Bureau for the Blind and Visually Handicapped. No later than 30 days after acknowledgment of the complaint, the parties will be notified

of the results of the review as follows:

A. If the complaint alleges sufficient relevant and material facts which, if proved, would entitle the blind vendor to any of the relief sought and if any of the relief sought is within the authority of the Arbitration Panel to grant, the parties will be notified that an Ad Hoc Arbitration Panel will be convened.

B. If the complaint fails to allege sufficient relevant and material facts which, if proved, would entitle blind vendor to any of the relief sought; or, if none of the relief sought is within the authority of the Arbitration Panel to grant, the blind vendor will be so notified in writing together with a statement of the reasons therefor and given an opportunity to amend the

complaint within 15 days from the date of the notice.

- C. If the blind vendor does not file a timely amendment to the complaint, the parties will be notified in writing that the complaint is dismissed.
- D. If the blind vendor files a timely amendment to the complaint, the parties will be notified of the sufficiency of the amended complaint expeditiously (normally not to exceed 15

days) after receipt of the amendment. If it is determined that the amended complaint alleges sufficient relevant and material facts and that any of the relief sought is within the authority of the Arbitration Panel to grant, the notice will inform the parties that an Ad Hoc Arbitration Panel will be convened. If it is determined that the amended complaint fails to allege sufficient relevant and

material facts or that none of the relief sought is within the power of the Arbitration Panel to grant, the notice will inform the parties that the complaint is dismissed.

E. If the complaint does not allege facts which indicate dissatisfaction with all or part of the decision rendered as a result of a Full Evidentiary Hearing, the notice will inform the parties that the complaint is dismissed.

F. If it is determined that the complaint is specious or that it has been filed solely for the purpose of harassment, the notice will inform the parties that the complaint is dismissed and will contain a statement of the reasons for the conclusion reached and the action taken.

G. If for the purpose of any decision under this section the Bureau for the Blind and Visually Handicapped,

Rehabilitation Services

Administration, Department of Education, and deems it necessary to obtain information in addition to that at hand, such information will be requested through the Arbitration Clerk from the parties. The request will state a reasonable period for the furnishing of the information, and the determination will be made no later than 15 days after its receipt.

H. If the complaint is dismissed for any of the reasons set forth in paragraphs C, E, or F of this subsection, such dismissal shall constitute a final agency action.

11.3.6. Designation of Arbitration Panel.

A. Within 15 days from the date of the notice informing the parties that an Arbitration Panel will be convened, each party shall designate one panel member and promptly notify the Arbitration Clerk of the

designation including the name and address of the designee.

Within 30 days from the date of the notice, the two panel members designated by the parties, or by the Secretary under paragraph B. of this subsection, shall designate as the third member of the panel a person who is not an employee of the DSB, the Division of Rehabilitation Services, or Department of Human Services

shall serve as panel
chairperson.

B. If the Secretary, through the Arbitration Clerk, is not notified promptly by the parties of the timely designation of the panel members, and by the panel chairperson of his timely designation as such by the panel members, the Secretary will make such designation or designations on behalf of the

parties or the first two panel designees.

11.3.7. Answer to Complaint.

Within 30 days from the date of the notice informing the parties that an Arbitration Panel will be convened, the DSB may file an answer to the complaint with the Arbitration Clerk. failure to file an answer will not be deemed an admission of the allegations in the complaint, nor result in the default of the DSB. The issues for arbitration and the

positions of the parties thereon may be identified at the Pre-Arbitration Conference.

11.3.8. Notice of Arbitration and Pre-Arbitration Conference.

A. The Arbitration Panel, after consulting with the parties, shall schedule a reasonable date, time and place for the arbitration which shall not be later than 45 days after the designation of the panel chairperson. The panel

chairperson shall notify the parties and the Arbitration Clerk of the date, time and place of the arbitration at least 30 days prior to the time scheduled.

B. The Arbitration Panel shall schedule a Pre-Arbitration Conference with the parties to settle or simplify the issues between the parties and to encourage them to resolve the issues in whole or in part. If the panel so requires, stipulations

or proposed exhibits shall be exchanged at the Pre-Arbitration Conference or otherwise prior to the arbitration. The panel chairperson shall give the parties and the Arbitration Clerk reasonable notice of the date, time and place of the Pre-Arbitration Conference.

11.3.9. Conduct of the Arbitration

- A. The panel chairperson shall preside over the arbitration.

B. The Arbitration Panel shall be responsible for the order, conduct, and decorum of the proceeding and shall have the authority to take all appropriate steps necessary to assure an orderly, expeditious, and fair arbitration, including, but not limited to, the following:

1. To change the date, time, and place of the arbitration, upon due notice to the parties and the Arbitration

Clerk, including the authority to continue the proceeding in whole or in part.

2. To consider matters that may aid in the expeditious disposition of the arbitration.
3. To regulate participation of the parties and require them to state their position with respect to the issues in the arbitration.

4. To administer oaths and affirmations.
5. To rule on motions and other procedural items.
6. To regulate the course of the arbitration and conduct of counsel therein.
7. To examine witnesses.
8. To receive, rule on, exclude or limit evidence.
9. To fix the time for filing motions, petitions, briefs, or

other items in matters
pending before it.

10. To make a final agency
decision for purposes of
Chapter 7 of Title V, United
States Code.

C. The Arbitration Panel does not
have the authority to compel by
subpoena the production of
witnesses, papers, or other
evidence.

11.3.10. Rights of Parties

The parties may:

- A. Appear by counsel or other authorized representatives in all Arbitration Proceedings.
- B. Agree to stipulations as to facts which will be made a part of the record.
- C. Make brief opening statements at the arbitration which shall be limited to describing the party's position and what it intends to prove.

- D. Present relevant and material evidence on the issues in the arbitration.
- E. Present witnesses who will testify under oath or affirmation and who then must be available for cross- examination by the other part.
- F. Present oral arguments at the arbitration.
- G. Submit written briefs, proposed findings of fact, and proposed conclusions of law, after the

close of the presentation of
evidence in the arbitration.

11.3.11. Rules of Evidence.

Technical rules of evidence shall not apply to the arbitration, but rules or principles designed to assure production of the most credible evidence available and to subject testimony to test by cross-examination shall be applied by the panel chairperson. A witness may be cross-examined on any matter material to the proceeding without

regard to the scope of his direct examination. The panel chairperson may exclude irrelevant, immaterial, or unduly repetitious evidence. All documents and other evidence offered or taken for the record shall be open to examination by the parties and opportunity shall be given to refute facts and arguments advanced on either side of the issues.

11.3.12. Depositions.

If the panel chairperson determines

that the interest of justice would be served, he may authorize the taking of depositions but only if all parties are afforded an opportunity to participate in the taking of the depositions. If the DSB requested the deposition, it shall arrange at its expense for a transcript of the deposition and shall, upon request of the blind vendor, furnish such party with a copy of the transcript. If the blind vendor requested the deposition the Arbitration Clerk will

arrange for the services of the reporter and for paying for such services including the costs of the transcript and necessary copies.

11.3.13. Unsponsored Written Material

Letters expressing views or urging action and other unsponsored written material regarding matters in issue in a hearing will be placed in the correspondence section of the docket of the arbitration. These data are not deemed part of the evidence or record in the arbitration.

11.3.14. Official Transcript and Record.

- A. The Arbitration Clerk will designate the official reporter for all arbitration proceedings, including the taking of depositions at the request of the blind vendor pursuant to 11.3.12. Copies of transcripts may be obtained by the DSB and the public at rates not to exceed the maximum rates fixed by the contract between the Arbitration Clerk and the

reporter. The blind vendor may obtain through the Arbitration Clerk a copy of the transcript to be charged as a cost of the arbitration pursuant to 11.3.16. Upon notice to the parties, the panel chairperson may authorize corrections to the transcript which involve matters of substance.

B. The transcripts of testimony, including transcripts of depositions introduced as

evidence, and any pleadings motions, stipulations, exhibits, briefs, and rulings by the panel, shall be filed with the Arbitration Clerk and, except for the correspondence section of the docket, shall constitute the exclusive record for decision. If, however, a panel ruling or decision rests on official notice of a material fact not appearing in evidence in the record, the parties are entitled, on timely

request, to an opportunity to show the contrary.

11.3.15. Arbitration Briefs and Decision.

- A. The panel chairperson shall fix the time for filing briefs by the parties following the conclusion of the taking of evidence in the Arbitration Proceeding, and, if permitted, reply briefs. The briefs may contain proposed findings of fact and conclusions of law.

B. The Arbitration Panel shall render its decision within 30 days after the expiration of the time for filing briefs as fixed pursuant to paragraph A. of this subsection.

C. The decision of the Arbitration Panel shall be in writing and contain a statement of the rationale, including findings of fact and conclusions of law, upon which it is based. It shall be filed promptly with the

Arbitration Clerk who shall serve it promptly on the parties.

D. The decision of the Arbitration Panel is final and binding on the parties except as provided in paragraph E. of this subsection.

E. The decision of the Arbitration Panel is the final agency action on the matters adjudicated by it and is subject to appeal and review as such pursuant to Chapter 7, Title V, United States Code.

F. The decision of the Arbitration Panel is a matter of public record and will be published in the Federal Register by the Secretary through the Arbitration Clerk.

11.3.16. Costs of Arbitration.

The Secretary will pay the reasonable costs of Arbitration Proceedings hereunder which may include:

A. The salaries of panel members not to exceed that of GS-18 if

they are not otherwise employed by the State or Federal governments.

- B. Travel expenses and per diem costs for panel members, if not otherwise paid for from Federal funds.
- C. The costs of the services of the official reporter and the official transcripts under contract with the Arbitration Clerk, not to exceed the reasonable costs for

such services in the locality in which performed and furnished.

D. Travel expenses and per diem costs for witnesses unavailable at the locality of the Arbitration Proceeding and whose testimony is deemed reasonably necessary by one of the parties and approved by the arbitration chairperson.

E. If the blind vendor is unable to obtain the services of counsel without cost either through a

local or State legal services program, or through an interested association or organization, reasonable fees for legal services not to exceed \$100 per day and required travel expenses without written approval of the Arbitration Clerk.

VENDOR OPERATING PROCEDURES
MANUAL
SECTION 12

APPENDIX A
FORMS AND INSTRUCTIONS

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Set-Aside Schedule

1. A uniform set-aside charge of 11% will be levied against the net proceeds of each licensed vendor. This charge will be made against the net proceeds for each four-week period. However, if a vendor's net profit is less than \$470.00 in a four week period, no Set-Aside charge will be levied for that period. Effective January 4, 2002, the set-aside charge will change to 11%.
2. The fair minimum guarantee to all operators is \$400.00 per four-week period.
3. If the set-aside schedule produces more revenue than is required to meet expenditures from set-

aside funds during the next year, there will be a pro rata distribution of excess funds or a reduction in the set-aside charge for the ensuing year, at the election of the Committee of Licensed Blind Vendors.

DSB VENDING FACILITY PROGRAM
Trainer Agreement
Between
Division of Services for the Blind
and
Vending Facility Manager

Statement of Agreement

I, _____ assigned as manager of Vending Facility # _____
Name of Vendor

located at _____ agree to provide
Location

on-the-job vending facility training for _____
Name of Trainee

for _____ for the period beginning _____ and
Number of Days Date

ending _____ at the rate of \$ _____ per day. Payment

will be computed only for actual days trainee is on-the-job.

It is understood that the trainee assigned will be under my supervision while on-the-job and that the training provided will be under the direction and authority of the DSB/VFP Training Specialist. Training Progress Reports will be furnished as requested.

Signed: _____ Date: _____
Vendor

Signed: _____ Date: _____
Training Specialist

Signed: _____ Date: _____
VFP Supervisor

Vendor Evaluation

Purpose of Form

This form is to be completed on an annual basis by the Vending Facility Specialist to make determination, in an objective manner, of the vendor's performance as an operator of a food service facility as well as the vendor's adherence to VFP policies and procedures. The form will also be used as a means to provide qualification information should the vendor request a transfer or promotion to another vending facility. The form will be completed in the presence of the vendor and fully reviewed with the vendor. The vendor will sign the form to indicate that he/she is aware of the

contents. Any changes in or amendments to the evaluation must also be done in the presence of the vendor.

This form is also used to determine training needs as expressed by the vendor.

Completion of Form

The form will be completed in duplicate.

1. Location - Enter vending facility location number and name of facility.
2. Vendor - Enter full name of the vendor.
3. Date - Enter the date the evaluation is done.
4. Type of Facility - Check appropriate box.
5. Number of –

Potential Customers - Enter the number of employees or students in the building, factory, or school.

Tables - Enter number of tables available for customers.

Seating Capacity - Enter number which can be seated.

Section A - Fiscal Information. This information will be completed by the VFP prior to evaluation.

Section B through G - All items in these sections will be rated according to the scale on the form.

Section H and I - Training Needs Enter any comments regarding training needs. If "none", enter none.

Section J - Overall Evaluation Rating. This rating should take into account all other ratings of the various subsections of the form. Enter any comments made by the vendor as well as observations made by the specialist. The manager and the specialist will sign the form.

Routing of Form - Original to vendor with copy to be placed in the vendor's personnel file.

DIVISION OF SERVICES FOR THE BLIND
Vending Facility Program

Vendor Evaluation

1. Location: _____

2. Vendor: _____ 3. Date: _____

4. Type of Facility: (Check one)

Office building: Private Factory
 Federal Vo-tech School
 County
 State

5. Number of: Potential Customers _____ Tables _____ Seating Capacity _____

	Satisfactory	Unsatisfactory
A. Fiscal Information:		
1. Promptness of Reporting		
2. Accuracy of Sales Reports		
3. Profit Percentages:		
a. Average % since last evaluation:		
Gross _____%		
Net _____%		
b. Average % current fiscal year:		
Gross _____%		
Net _____%		

Describe items that are unsatisfactory _____

RATING: 1 - Unacceptable, 2 - Needs improvement, 3 - Satisfactory, 4 - Above average, 5 - Excellent

B. Cleanliness:

	1	2	3	4	5
1. Counter tops					
2. Under counters and counter tracks and sinks					

	1	2	3	4	5
3. Fountain heads and ice makers					
4. Food preparation, (if applicable); Utensils, coffee pots, etc.					
5. Pest control					
6. Equipment/Furnishings: tables, chairs, bar towels, etc.					
7. Walls, floors and ceilings (if not manager's responsibility, note here.)					
8. Refrigerators and freezers					

Comments: _____

C. Equipment: For Office Use Only. Not to be included as part of manager's rating. Check each item which is in need of repair or maintenance.

	1	2	3	4	5
1. Cabinets					
2. Tables and/or chairs					
3. Refrigerators or freezers					
4. Coffee makers					
5. Drink machines					
6. Microwaves					
7. Other, specify _____					

Comments: _____

D. Food Preparation

	1	2	3	4	5
1. Utensils					
2. Food preparation methods					
3. Prepared food storage: Cold Hot					

Comments: _____

--	--	--	--	--

1 2 3 4 5

E. Personal Hygiene:

Comments: _____

F. Customer Relations:

- 1. Courtesy
- 2. Individual sales
- 3. Speed of service

	1	2	3	4	5

Comments: _____

G. Marketing and Merchandising:

- 1. Adequate inventory
- 2. Stock rotation
- 3. Display of merchandise
- 4. Pricing of merchandise

	1	2	3	4	5

Comments: _____

H. Training Needs:

Specialist's comments: _____

Vendor's comments: _____

I. Upward Mobility Training Comments or Needs:

Specialist's comments: _____

Vendor's comments: _____

Comments of Grantor or Designee: _____

Date: _____ Grantor's or Designee's Signature: _____

1 2 3 4 5

J. Overall Evaluation Rating: _____

Specialist's comments: _____

Vendor's comments: _____

Recommendations for possible promotion or reassignment: _____

Comments: _____

I have been read and understand all sections of this evaluation. I understand that my signature does not signify agreement with the evaluation but the fact that the entire evaluation has been presented to me. I further understand that any changes or amendments to this evaluation will not be made unless I have had an opportunity to review any changes and that no changes will be made without my knowledge of the specific changes.

Date: _____ Vendor's Signature: _____

Date: _____ Specialist's Signature: _____

DSB-8002 (R. 4/91)

VFP-25

AGREEMENT FOR OPERATION
OF A VENDING FACILITY
UNDER RANDOLPH-SHEPPARD ACT
BETWEEN

THE DIVISION OF SERVICES FOR THE BLIND
(The Designated State Licensing Agency) AND

(A Licensed Blind Vendor)

THIS AGREEMENT entered into this ____ day of _____ 20____, by and between the Division of Services for the Blind (hereinafter, DSB), and _____, licensed as a blind vendor under the Randolph-Sheppard program (hereinafter, vendor) by the DSB, WITNESSETH:

WHEREAS, the DSB has been granted a permit by _____ for the operation of a vending facility by a licensed blind vendor under the Randolph-Sheppard program (hereinafter, permit) on the property located at _____, a copy of which permit is attached hereto and made a part hereof; and,

WHEREAS, the DSB has offered the vendor the opportunity to operate the vending facility under the terms and conditions hereinafter set forth; and,

WHEREAS, the vendor has agreed to undertake the operation of the vending facility under the terms and conditions hereinafter set forth; and,

WHEREAS, the parties do not intend to derogate in any way from responsibilities and rights imposed and granted by applicable Federal, State or local laws or regulations by this agreement;

NOW, THEREFORE, in consideration of the premises, it is mutually agreed as follows:

A. THE DSB WILL:

1. Equip the vending facility for carrying out the business authorized by the permit.
2. Furnish initial stocks of merchandise and petty cash sufficient to enable the vendor to commence operating the business authorized by the permit.
3. Furnish the vendor with a complete inventory of all equipment, initial stocks, and petty cash provided.

4. Maintain the equipment at the vending facility in good repair, and replace obsolete and worn-out equipment as necessary.

5. Provide for substitute operation of the vending facility as may be necessitated by the vendor's absence because of illness, vacation, or otherwise. The salary of the person who substitutes for the vendor or that of other emergency help, shall be charged to the vending facility where the service is performed, except to the extent that is otherwise covered by the vacation and sick leave plan provided by the DSB.
6. Provide supervisory and management services necessary for the efficient operation of the vending facility.

B. THE VENDOR WILL:

1. Be responsible for having the vending facility open for business on the days and during the hours specified in the permit.
2. Operate the vending facility business on a cash basis except for such credit accounts as may be established or authorized in writing by the DSB.
3. Be accountable to the DSB for the proceeds of the business of the vending facility, and handle the proceeds, including payments to suppliers and deposits of funds, in accordance with instructions from the DSB.
4. Carry on the business of the vending facility in accordance with: (a) the Randolph-Sheppard Act and the regulations issued pursuant thereto; (b) the rules and regulations of DSB and the written standards and policies issued thereunder after consultation with the State Committee of Blind Vendors; (c) applicable Federal, State, and local laws, ordinances and regulations; (d) terms and conditions of the permit.
5. Maintain a neat business-like appearance while working at the vending facility, and conduct the facility in an orderly, business-like manner.
6. Take proper care of the equipment of the vending facility, and make alterations or changes therein only with the written approval of the DSB.
7. Notify the DSB a reasonable time in advance of taking of any voluntary leave from the vending facility, and as soon as possible with respect to any involuntary leave.
8. Keep such records and make such reports as the DSB shall require and furnish information and comply with such conditions as may be necessary to assure the correctness and verification of such records and reports, including participation in management audits of the facility's operation.
9. If the value of the inventory and cash-on-hand is less than the value of the inventory when the vendor was assigned to the facility, the amount of the deficit is due and payable by the vendor to the Program. Any loss of commission(s), payroll, or other financial obligations related to

the Vending Facility Program (VFP) manager and his stand operations will be due and payable to the Program by the VFP manager upon revocation of the vendor's license or vendor's resignation. Notification of this amount will be given to the vendor in writing by the VFP. Any financial loss not paid to the VFP will be processed through the established legal system for recovery.

10. Cooperate with the officials of the DSB and provide them access to the vending facility and to such pertinent information as they may require in discharging the responsibilities of the DSB as the State Licensing Agency.

C. GENERAL:

1. The business to be carried on at the vending facility will be limited to that specified and authorized in the permit.
2. The right, title, and interest in and to the equipment of the vending facility, the stock in trade, and funds on hand are vested in the DSB, and will be left at the vending facility or turned over to the DSB upon the termination of this agreement for any reason by either of the parties. In such event, the fair market value of the vendor's interest will be determined by the DSB and paid to the vendor or to the vendor's heirs or assignees.
3. Rebates, commissions, or bonuses received by the vendor from suppliers are, and must be accounted for, as income of the vending facility. Under no circumstances are such funds to be treated as the separate, personal funds of the vendor.
4. Merchandise taken from the stock in trade of the vending facility by the vendor for the vendor's own use shall be accounted for by the vendor and paid for at cost prices.
5. The business premises of the vending facility shall be covered by public liability insurance, and any such other insurance as will protect the vendor, any one employed by the vendor, and the DSB against losses and claims arising out of the conduct of the business of the vending facility. The cost of such insurance shall be a cost of operating the business of the vending facility and taken into account as such in determining the net proceeds of the business.
6. The income of the vendor shall be 100% of the net profits of the facility less funds to be set aside in accordance with the schedule prescribed by DSB after consultation with the State Committee of Blind Vendors. Payments and adjustments will be made periodically as determined by DSB after consultation with the State Committee of Blind Vendors. The vendor will be guaranteed a fair minimum return uniformly applicable to all locations, as determined by DSB after consultation with the State Committee of Blind Vendors.
7. If the Vendor is dissatisfied with an action by the DSB arising from the operation or administration of the Vending Facility Program, the vendor may request an administrative review and, if necessary, a full evidentiary hearing. If the vendor is dissatisfied with the decisions of the Review and Hearing, the vendor may request that an arbitration panel be convened by filing a complaint with the Secretary of the Department of Education.

- 8. This agreement may be terminated at any time by the vendor. It shall be terminated upon revocation or termination of the permit or contract. In addition, it may be terminated by the DSB if the business of the vending facility is not conducted in accordance with this agreement, or with applicable Federal, State, or local laws and regulations.
- 9. Licensee is on four month probationary status with optional fifth month of probation if deemed necessary in accordance with the Vendor Operating Procedures Manual.

Division of Services for the Blind

Date: _____ by _____
Title

Date: _____ by _____
Vendor

Date: _____ by _____
Witness

Leave Form

Refer to Leave Policies in Section 6.

This form will be completed by the Vending Facility Program Specialist when the vendor reports payroll and non-essential leave. The specialist will turn the form in to bookkeeping with the payroll form. The leave will then be entered on the vendor's leave record and a copy mailed to the vendor. A leave printout will be mailed to the vendor quarterly, unless the vendor requests a printout sooner.

VENDING FACILITY PROGRAM
411 Victory St., P.O. Box 3237
Little Rock, AR 72203

LEAVE FORM

_____, took _____ leave days from
(Vendor's Name)

_____ to _____ for
Month DAY YEAR Month DAY YEAR

Vending Facility Location Number

This leave is to be charged to:

Annual (vacation) Leave ____

Sick Leave ____

Extended Sick Leave ____

Funeral (sick) Leave. ____

Immediate Family Illness (sick leave) ____

Maternity (sick leave). ____

Agency Business Leave ____

Non-essential Leave ____

Date _____

Specialist's Signature

Comments: _____

Weekly Sales Report

Complete the dates, beginning and ending, for which the report is submitted.

Name - Name of the Vendor who is submitting the report and the Number of the location.

1. Cash Beginning of Day - Record the amount of cash at the beginning of each day. On Friday, the amount recorded should be the amount of petty cash. The amount recorded Monday through Thursday should be equal to item 5. (cash at end of day) for the previous day.
2. Supplies/Operating Expense - Record the amount spent for supplies/operating expense during the

day. This amount should agree with the total cash paid-out receipts for supplies/operating expense for the day. Supplies/operating expenses are those items such as cups, lids, bowls, straws, napkins, stir sticks, cleaning supplies, postage, janitorial services, telephone calls, etc., which are not directly sold to customers.

3. Total Purchase of Stock - Record the total amount spent for stock for resale. This amount should agree with cash paid-out receipts for stock for the day.
4. Total Cash Paid Out - Add items 2, and 3.

5. Cash At End Of Day - Count the cash at the end of the day and record this amount in item 5.

6. Sales - Add items 4 and 5 and subtract item 1.

This is the amount of sales for the day.

Total for the Week

1. Do not total item 1.

2. Add item 2 across and record the total under Total for the Week.

3. Add item 3 across and record the total under Total for the Week.

4. Add item 4 across and record the total under Total for the Week.

5. Deposit - The amount recorded for deposit should be equal to the amount of cash at the end of the day on Thursday less the amount of petty cash (the amount recorded in item 1 for the previous Friday).
6. Add item 6 across and record the total under Total for the Week. This amount should be equal to the sum of items 4 and 5.

**DIVISION OF SERVICES FOR THE BLIND
 VENDING FACILITY PROGRAM
 Weekly Sales Report of Manager**

FROM _____ TO _____

VENDOR _____ STAND NO. _____

	FRI.	MON.	TUES.	WED.	THURS.	TOTAL FOR WEEK
1. Cash Beginning Of Day						
2. Supplies/ Operating Expense						
3. Total Purchase Of Stock						
4. Total Cash Paid Out 2 + 3						
5. Cash At End Of Day						
Credit Card Funds						
Total Deposit						Deposit
6. Sales 4 + 5 - 1						

DIVISION OF SERVICES FOR THE BLIND
VENDING FACILITY PROGRAM
Weekly Sales Report of Manager

FROM _____ TO _____

VENDOR _____ STAND NO. _____

	FRI.	MON.	TUES.	WED.	THURS.	TOTAL FOR WEEK
1. Cash Beginning Of Day						
2. Supplies/ Operating Expense						
3. Total Purchase Of Stock						
4. Total Cash Paid Out 2 + 3						
5. Cash End Of Day					Deposit	
6. Sales 4 + 5 - 1						
DSB-8000 (10/87)						

Four Week Report

Purpose of Form

The Four Week Report is calculated from the 4 Weekly Sales Reports which are completed by the vendor. The accuracy of the Four Week Report depends on the accuracy of the Weekly Sales Reports and the accuracy with which extra-help is reported.

Completion of Form

1. Vendor - Enter name of vendor.
2. VFP# - Enter number assigned to stand location.
3. Period - Enter name of city of the stand.
4. Specialist - Enter the name of the specialist.

5. Dates - Enter the dates of the time covered by the report.
6. Vending Machine Deposit – The amount of vending machine commission received during the period.
7. Total Sales - The totals of item 6 on the Weekly Sales Report for the period (4 weeks) plus any other income other than sales that accrues to the location through the program - e.g., income from vending machines, etc.
8. Total Stock Purchases - The total of item 3 on the four Weekly Sales Reports. All receipts for

purchases of stock during the four week period are shown here.

9. Gross Profit - Total Sales minus Total Purchases of Stock.
10. Gross Profit % - Gross Profit divided by Total Sales.
11. Gross % Before Vending – This is the percentage that policy 4.2.18 uses.
12. Operating Expenses - The total of item 2 on the Weekly Sales Report.
13. Vendor's Deposit - The amount remaining after the costs for Supplies and Operating Expenses are deducted from Gross Profit.

14. Extra Help - Total amount charged to compensate essential extra-help that has been employed during the period. The gross amount shown on the books as charged to a particular vendor or location and is based on documentation of essential extra-help submitted by the Vending Facility Program Specialist.
15. FICA Matching - The employer's (vendor's) matching contribution for Social Security on an extra-help employee's wages.
16. Rent - The amount agreed to that is paid to the lessor of a location. The rent is paid by the VFP

office and charged back to the appropriate location.

17. Liability Insurance/Workers Comp. - Liability insurance and/or Worker's Compensation Insurance amounts paid by the VFP office and charged back to the location.
18. State Unemployment Insurance - The amount of the premium(s) that is paid for a particular location. This amount is paid by the VFP office and charged back to the location.
19. Total - The sum of (13) Extra Help, (14) FICA Matching, (15) Rent, (16) Liability

Insurance/Worker's Comp., and (17) State Unemployment Insurance.

20. Income Before Set-Aside Contribution - The amount remaining after deducting all operating expenses from gross profits.
21. Set-Aside Contribution - The amount derived when applying the set-aside formula to the income before the set-aside contribution.
22. Net Profit - The percentage of sales and dollar amount after set-aside contribution has been deducted.

23. (Loss) Brought Forward - This figure is the losses from previous periods for the location (losses are indicated by minus amounts).
24. Net Profit This Period - The sum of Profit or (Loss) this Period and Profit for (Loss) Brought Forward.
25. Draw Paid - The amount guaranteed under the fair minimum return provision for the number of days worked during the period.
26. Commission/(Loss) This Period - The net profits minus the drawing account.

27. Commission Paid This Period - That portion of commissions to be paid to the vendor for the period covered by this report.
28. Total (Loss) Carried Forward - The accumulative loss for the year.

Routing of Form: Original - Bookkeeping

Copy - Vendor

Copy - Specialist

VENDING FACILITY PROGRAM PERIOD REPORT

Vendor: _____ VFP#: _____ Period: _____

Location: _____ Specialist: _____

Dates: _____ To _____

Vending Machine Deposit: _____

Total Sales.....\$ _____

Total Stock Purchased.....\$ _____

Gross Profits... ..\$ _____

Gross Profit of Before Vending.....%

Operating Expenses\$ _____

Vendor Deposit.....\$ _____

Extra Help.....\$ _____

FICA (Matching).....\$ _____

Rent.....\$ _____

Liab. Ins/Workers Comp.\$ _____

SUTA\$ _____

Total.....\$ _____

Income before Set-Aside Cont.....\$ _____

Set-Aside Contribution.....\$ _____

Net Profit.....\$ _____

Net Profit % _____

(Loss) Brought Forward.....\$ _____

Net Profit This Period.. ..\$ _____

Draw Paid.\$ _____

Commission/(Loss) This Period.....\$ _____

Commission Paid This Period.....\$ _____

Total Commissions or (Loss) Carried Forward.....\$ _____

Inventory - VFP-5

This form is completed by the Vending Facility Specialist when a vendor is assigned or leaves a facility or may be done at the discretion of the Vending Facility Program. Copies of each original inventory sheet should be made and distributed as follows:

- 1 copy to Bookkeeping Section

- 1 copy for Office file

- 1 copy to be returned to the vendor

The original copy of the inventory sheet will be signed by the vendor.

All items of merchandise must be inventoried to determine the amount on hand. The description should include the item's name, size (if applicable) and count (per normal purchase unit or actual count). The Unit Wholesale Price should be the amount that the vendor paid per normal purchase unit. The Total Value should be the number of items or purchase units times the value per item or purchase unit. The information provided on this form determines the vendor's inventory gain or loss (if any) while operating the enterprise.

If a facility is closed after an inventory is taken, the remaining inventory may be disbursed as follows:

1. Returned to supplier for check or money order.
2. Sold to other facilities that can either have the merchandise added to their initial inventory or pay for it.
3. Sold to customers.

All funds and inventory adjustments are to be forwarded to bookkeeping. All outdated and spoiled merchandise will be disposed of and an accurate count of disposed merchandise given to bookkeeping.

All merchandise of a closed location must be depleted and accounted for.

Merchandise which is out of date, spoiled, or which cannot be sold according to public health regulations will not be counted on the inventory of the outgoing or incoming vendor.

Inventories should be recorded so that the amount listed in the "Units on Hand" column multiplied by the "Unit Wholesale Price" column equals the "Total Value".

When the "Units on Hand" do not equal an exact "Unit Wholesale Price", the "Units on Hand" should be listed as a fraction. See example below:

Units on Hand	Description	Unit Wholesale Price
5/20	Wrigley Gum	\$1.90

Total Value
.48

The proceeding is the proper way to list an item that comes in a box of 20 at a price of \$1.90 per box when there are only 5 of 20 items on hand.

If there were 30 items when a box of 20 had a price of \$1.90 per box, the "Units on Hand" column should be shown as follows:

Units on Hand	Description	Unit Wholesale Price
30/20	Wrigley Gum	\$1.90
Total Value		\$2.85

or could be shown:

Units on Hand	Description	Unit Wholesale Price
1 10/20	Wrigley Gum	\$1.90
Total Value		\$2.85

Routing of Forms: Bookkeeping
Vendor
Specialist

Employee Time Sheet VFP-1

The extra-help payroll is calculated by the Accounting Department and produced each two weeks. The extra-help payroll schedule dates are covered on the payroll schedule you receive yearly. It is necessary that all information on extra-help employees be received by the Accounting Department no later than the Monday of the week following the close of the two week period. The VFP-1 form must be completed for each extra-help employee for each two week period or any portion thereof that is worked. The VFP-1 form will be completed by the Vending Facility

Program Specialist from information supplied by the vendor. Instructions for completing the VFP-1 are as follows:

FRONT SIDE

Name of Employee - Extra-help employee's name - must be completed.

VFP Manager's Name – Must be completed.

Location Number - Number of the location where employee was employed. If employee worked in more than one location during the two weeks, a form must be completed for each location with applicable time shown for each location.

Rate of Pay - Enter agreed upon rate of pay. Must be completed.

Payroll Dates - Enter payroll dates, beginning and ending.

Rate changed, check here - Must be checked if changed.

SA, SP - Check which payroll the extra help is to be paid from - must be completed. SP-302 - Check sick, vacation or agency business for payroll.

Day Worked Section - Enter regular and overtime hours worked for each day of the pay period.

Total Hours - Total number of hours for regular and overtime.

Comments - When leave is checked, include explanation here. Also, any instructions or comments affecting the payroll including pay rate changes.

VFP Specialist - Signature of Vending Facility Program Specialist.

Date - Date form is completed.

VENDING FACILITY PROGRAM
EMPLOYEE TIME SHEET

Name of Employee _____

VFP Manager's Name _____

Location Number _____

PAYROLL DATES: From _____ Through _____

RATE OF PAY _____ Rate changed, check here _____

SA _____

SP - 302 Sick _____ Vacation _____ Agency Business _____

SP _____

DAY WORKED	REG. HRS.	O.T. HRS.
FRI		
SAT		
MON		
TUE		
WED		
THU		
FRI		
SAT		
MON		
TUE		
WED		
THU		
TOTAL REGULAR HOURS _____		TOTAL OVER TIME HOURS _____

COMMENTS: _____

_____ VFP SPECIALIST

_____ DATE

Management Service Contract

I, _____, Social Security # _____,
Address _____, City _____,
contract with _____, assigned licensed blind
vendor to VFP # _____, agree to provide management services in the
absence of the licensed blind vendor on the following date(s)
_____ and the following hours from _____ to _____ for
the following amount _____. I further certify to the licensed blind vendor that I am not liable for
backup withholding to the Federal Internal Revenue Service as a private self-employed contractor.
I further understand and agree that I will comply with the written policies of the Vending Facility
Program as they apply to a licensed blind vendor as well as any additional written requirements
attached to this contract. I further understand that I am not an employee of the Vending Facility
Program and in no way hold the Vending Facility Program liable for payments due through this
contractual agreement.

Notations of any additional instructions or agreements attached to this document:

Private Management Contractor

Date

Licensed Blind Vendor

Date

EMPLOYMENT APPLICATION
VENDING FACILITY PROGRAM

Applications for employment with the Vending Facility Program are accepted without regard to sex, race, or color, national origin, physical/mental handicap, age, religion, or political affiliation. Conviction of a crime does not automatically bar any applicant from employment or other opportunities with the Vending Facility Program.

Applications, once filed, may be subject to disclosure as a public record under the Arkansas Freedom of Information Act.

Applications filed do not create a contract of employment with the Vending Facility Program. If any individual is hired, employment is for no definite period of time. Individuals hired will also be required to provide proof of eligibility to work in the United States pursuant to the Immigration Reform and Control Act of 1986.

Please answer all questions which apply to you. Please print, type, or write legibly.

LAST NAME	FIRST NAME	MIDDLE INITIAL
COMPLETE MAILING ADDRESS		
CITY	STATE	ZIP CODE
HOME PHONE NUMBER	WORK PHONE NUMBER	
MESSAGE OR OTHER PHONE NUMBER		
SOCIAL SECURITY NUMBER		
EDUCATIONAL HISTORY		
Did you graduate from high school? _____ Yes _____ No		
If not, do you have a G.E.D.? _____ Yes _____ No		

List below schools, colleges, universities, vocational, or others attended:

Name and Location	From	To	Date Graduated

REFERENCES
Please list three (3) references who are not related to you.

Name	Address	Telephone
1.		
2.		
3.		

WORK HISTORY List all prior work experience. Beginning with your most recent employment. If you do not have enough space to list all your work experience use a separate sheet for continuation. If you include a resume instead of completing the work history section, make sure all the requested information is included.

1. Current or most recent employer _____	
Complete mailing address _____	
City _____ State _____ Zip Code _____ Phone # _____	
Type of Business _____	
Your job title _____	
Your job duties (be specific) _____	

Reason for leaving _____	
Employed from _____ To _____	
2. Employer _____	
Complete mailing address _____	
City _____ State _____ Zip Code _____ Phone # _____	
Type of Business _____	
Your job title _____	
Your job duties (be specific) _____	

Reason for leaving _____

Employed from _____ To _____

3. Employer _____

Complete mailing address _____

City _____ State _____ Zip Code _____ Phone # _____
Business _____

Type of Business _____

Your job title _____

Your job duties (be specific) _____

Reason for leaving _____

Employed from _____ To _____

Before you sign this application, check your answers to make sure that all questions have been completed properly.

I, the below signed individual, hereby declare that, to the best of my knowledge and my ability, the information on this application is true and factual.

I understand that my employment is for no definite period of time, and I may be terminated at any time.

I understand that I will be required to provide proof of eligibility to work in the United States pursuant to the Immigration Reform and Control Act of 1986 as a condition to any employment.

I understand that false, misleading, or incomplete statements could lead to my dismissal as an employee.

Signature of applicant _____ Date _____

Receipt for Petty Cash - VFP-28

This form will be used each time the Petty Cash at a location is changed and when a location is inventoried. Should the location be operated by an extra help employee, the extra help employee will sign the form on the same line as the VFP vendor.

The VFP Specialist will fill out the VFP-28, have the vendor/extra help sign the form and leave a copy of the VFP-28 with the vendor/extra help. The original VFP-28 will be returned to bookkeeping to be filed in the initial inventory file.

When a vendor is inventoried out of a location, a copy of the VFP-28 will be attached to the copy of the inventory sent to the vendor.

Vending Facility Program
Receipt for Petty Cash Funds

VFP # _____

Petty Cash Amount _____

Date _____

Received by: _____

VFP Vendor

Date

VFP Specialist

Date

Distribution: 1 copy to bookkeeping/accounting
1 copy to vendor with stock and merchandise inventory
1 copy to files

Retirement Contributions Schedule

Years of Service	Amount of Contribution
5	\$ 200.00
6	\$ 225.00
7	\$ 250.00
8	\$ 275.00
9	\$ 300.00
10	\$ 325.00
11	\$ 350.00
12	\$ 375.00
13	\$ 400.00
14	\$ 425.00
15	\$ 450.00
16	\$ 475.00
17	\$ 500.00
18	\$ 525.00
19	\$ 550.00
20	\$ 575.00
21	\$ 600.00
22	\$ 625.00
23	\$ 650.00
24	\$ 675.00
25	\$ 700.00
26	\$ 725.00
27	\$ 750.00
28	\$ 775.00
29	\$ 800.00
30	\$ 825.00
31	\$ 850.00
32	\$ 875.00
33	\$ 900.00
34	\$ 925.00
35	\$ 950.00
36	\$ 975.00
37	\$1,000.00
38	\$1,025.00
39	\$1,050.00
40	\$1,075.00
41	\$1,100.00
42	\$1,125.00
43	\$1,150.00
44	\$1,175.00
45	\$1,200.00
46	\$1,225.00

VFP Vending Machine Service Request

Date: _____

Location: _____

Manager: _____

Machine(s): _____

Problem/Comments:

Instructions:

1. Call Ernest Hart at 501-682-0199 to report issue and scheduling of repairs.
2. Complete above report and mail back with your next Weekly Sales Report.
3. Report repairs to Ernest Hart after completed and he will process the form for close out.