

# Policy & Procedure Manual

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Business Enterprises Program | State Services for the Blind

*Last Updated – January 2020*



Providing self-supporting business opportunities to qualified legally blind Minnesotans.

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## Introduction

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### **Mission**

The mission of the Minnesota Business Enterprise Program (BEP) is to promote financial independence and self-supported gainful employment for qualified individuals who are blind, while providing excellence in customer service.

### **Scope**

The purpose of this policy and procedure manual is to establish operational policies for the BEP which is part of Minnesota State Services for the Blind (SSB). SSB is the State Licensing Agency (SLA) for the Randolph-Sheppard Program, referred to in this manual as the SLA or BEP, in accordance with the federal statutory provisions of the Randolph-Sheppard Act, 20 USC Sections 107 et seq. and Minnesota Statute 248.07. In instances where there appears to be conflict between the BEP policy and procedure manual and the Randolph-Sheppard Act, Randolph-Sheppard takes precedence.

This manual does not guarantee a contract of employment, express or implied, between the BEP and the Licensed Blind Vendor. This policy and procedure manual reflects the cooperative planning and mutually shared input of the SLA and the Minnesota Management Committee of Blind Vendors (MC), both of whom have had a vital part in its formulation and upon whom the future success and continuing improvement of the BEP depends. The policies and procedures may be revised and amended at any time by BEP, with active participation from the MC. All Licensed Blind Vendors will receive a copy of this policy and procedure manual upon its final approval by the SLA and the Rehabilitation Services Administration (RSA). If there are any changes, the Licensed Blind Vendors will be notified in writing. All new Licensed Blind Vendors will be provided a copy of the policy and procedure manual upon entering the BEP training program.

### **Authority**

The BEP was established because of federal law and supported by state statute to provide business opportunities for legally blind individuals in most state and federal properties in the convenience and food service industries. SSB BEP has the first right of refusal for vending facility operations in the following circumstances:

- Federal property (Randolph-Sheppard Act)
- State property (Minnesota Statute 248.07, Subdivision 7)
- Interstate rest areas and welcome centers via the Minnesota Department of Transportation (Kennelly Amendment to the Surface Transportation Act)

Individuals should contact the BEP director at 651-539-2284 regarding any information not found in this manual or for an explanation of any of the included items.

### **Program Overview**

The purpose of the BEP is to provide opportunity for individuals who are legally blind to obtain gainful employment by operating a BEP business. These business opportunities are provided through the establishment of convenience facilities, each an independent business managed by individuals who become licensed through the BEP, also known as Licensed Blind Vendors. Licensed Blind Vendors are not state employees. The Minnesota BEP is comprised of 29 vending facility businesses throughout the state that are located on federal and state properties.

Individuals who meet the minimum requirements for entry into the BEP must work with an SSB vocational rehabilitation counselor, meet the requirements of the BEP evaluation process, and complete training to be certified to operate a BEP vending business.

The BEP provides training, certification, technical support and management services to ensure Licensed Blind Vendors provide service adequate to meet customer needs while maximizing the profitability of their business. BEP staff oversee the overall operation of the business and ensure the business complies with all applicable laws and rules.

BEP staff and Licensed Blind Vendors will adhere to the BEP policies and procedures in this manual.

## Message from the BEP Director

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Welcome,

SSB and the BEP have a long tradition and belief in the meaningful accomplishments blind, visually impaired, and DeafBlind people can make. Having that belief yourself is crucial for carrying out the work of a Licensed Blind Vendor or BEP staff member and eliminating the soft bigotry of low expectations often found in our communities.

You are an important member of the BEP team where everyone has a role to play in the future success of all Licensed Blind Vendors. Given the complex needs of many BEP customers, it is critical that you understand the intricate relational nature of being a Licensed Blind Vendor or BEP staff member and are committed to ensuring the provision of “Exceptional Customer Service” in all that you do. Good business practices requires a “Sense of Urgency” as we address the needs of all BEP stakeholders. This includes returning communications (email, phone, text) within 24 hours of receipt, or if on the weekend, the next business day. I ask that you assume positive intent on the part of any party you encounter, which will help build effective working relationships.

As we work together to maximize BEP business opportunities, we will need to communicate effectively to meet our individual and program goals. We know that communication is a vital part of this process, so Communicate! Communicate! Communicate!

While we strive for excellence, that doesn't mean everyone is able to achieve it immediately it can take time. Our work requires patience, persistence, and being able to look ahead and give encouragement to those who may not yet be able to imagine themselves being successful business owners. We all make a difference in people's lives that can have great consequences for them; it is important for us to never forget that.

Thank you for your service and commitment to the BEP and the many stakeholders that participate and support the program.

Everyone has a role to play to make the BEP exceptional.

John Hulet

## Chapter 1: General Requirements

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### 1.1 Nondiscrimination

No one will be excluded or found ineligible for the BEP based on any protected class based on the [Minnesota Human Rights Act](https://mn.gov/mdhr/yourrights/mhra/), (<https://mn.gov/mdhr/yourrights/mhra/>).

The individual must still meet the program eligibility.

### Program Eligibility

To be eligible for licensure by the BEP, the individual must be:

- Legally blind as defined by the Minnesota Rule, Chapter 3321,
- A United States citizen, and
- Certified as qualified to operate a facility through the BEP.

There must be written documentation confirming eligibility for licensure. Documentation requirements are further outlined in [Chapter 2: Becoming a BEP Licensed Blind Vendor \(page 10\)](#).

### 1.3 Contracts and Agreements with Other Agencies and Organizations

BEP staff ensure Licensed Blind Vendors comply with the obligations of their BEP operator agreement, as well as all contracts and interagency agreements between the BEP and other agencies or organizations.

### 1.4 Compliance with Rules, Regulations, and Laws

BEP staff and Licensed Blind Vendors must comply with all state and federal laws, rules, and regulations, including:

- [Minnesota Rule, Chapter 3321](#)  
State rule governing the BEP (<https://www.revisor.mn.gov/rules/3321/>)
- [Minnesota Statute 248.07](#),  
State statute governing the BEP (<https://www.revisor.mn.gov/statutes/cite/248.07>)
- [Minnesota Statute 13.971 - Data Privacy Act](#),  
State law on data privacy (<https://www.revisor.mn.gov/statutes/2017/cite/13.791>)
- [Code of Federal Regulations, title 34, section 395](#),  
Policy guidance for Randolph-Sheppard Act ([https://ecfr.io/Title-34/cfr395\\_main](https://ecfr.io/Title-34/cfr395_main))
- [Randolph-Sheppard Act](#)  
Federal law governing each state's BEP (<https://www.law.cornell.edu/uscode/text/20/107>)

### 1.5 Set-Aside Funds and Purchasing

All BEP services must be provided in the most cost effective manner possible, consistent with the BEP business needs and goals of the BEP. The BEP has limited funding, and these funds need to be expended prudently in order to maximize each dollar.

The BEP collects a monthly set-aside from BEP operators. The set-aside schedule is outlined in administrative rule 3321.0800, subpart 1.

The BEP adheres to state statute 248.07, subd. 8 when spending set-aside funds.

These funds are expended mainly for management services supporting (2) BEP repair technician salaries, benefits, tools, and travel costs. Any remaining set-aside dollars may be used for:

- (1) purchase, upkeep and replacement of equipment – BEP district coordinators conduct annual business reviews of BEP businesses with BEP operators. During the review, BEP operators have an opportunity to request to replace, add to or remove equipment from their business. Once all reviews are completed, BEP staff and BEP repair technicians meet with BEP director to discuss all requests and determine what equipment, if any, will be purchased. Many factors will be considered during this process including availability of funds, the age and integrity of the equipment, BEP equipment in storage, if parts for the equipment are available, the sales volume of existing equipment and the anticipated return on investment. The BEP may utilize these funds to purchase equipment if a situation arises during the year and waiting until the business review would negatively impact the BEP business.
- (2) expenses incidental to the setting up of new stands and improvement of old stands - The BEP director works with BEP district coordinator and BEP operator to determine what incidental expenses, if any, are needed for a new or existing stand. The BEP director determines if funds are available for these expenses.
- (3) reimbursement to individual blind vending operators for reasonable expenses incurred in attending supervisory meetings as called by the commissioner and other expenditures for management services consistent with federal law. The appropriate federal regulation is 395.9 – The BEP director works collaboratively with the elected management committee each year to determine how much funding will be needed to support committee meetings and BEP operator attendance at national conferences and trainings in the upcoming year. The BEP director then submits a blanket purchase order request to the Rehabilitation Services Administration (RSA) requesting approval for expending funds on the activities. Funds will be expended based on approval from RSA.

This information can be accessed using the following links:

- [Minnesota Rule, Chapter 3321](#)  
State rule governing the BEP (<https://www.revisor.mn.gov/rules/3321/>)
- [Minnesota Statute 248.07](#) ,  
State statute governing the BEP (<https://www.revisor.mn.gov/statutes/cite/248.07>)
- [Code of Federal Regulations, title 34, section 395](#),  
Policy guidance for Randolph-Sheppard Act ([https://ecfr.io/Title-34/cfr395\\_main](https://ecfr.io/Title-34/cfr395_main))

## **1.6 Communication**

All parties are responsible to ensure that a positive and productive relationship exists and is maintained. The following guidelines are to ensure effective communication between BEP staff and Licensed Blind Vendors:

- BEP staff and Licensed Blind Vendors will assume good intent by the party they are communicating with.
- BEP staff will communicate with and provide written documents to the Licensed Blind Vendor in their preferred method of communication (e.g. Braille, email, print). This method is revisited annually during the annual business review and can be updated at any time.

- All inquiries by either party to one another should be followed up within 24 hours. It is an expected practice to provide timely acknowledgement of any correspondence received from a business stakeholder.
- BEP staff and the Licensed Blind Vendor should summarize their conversations at the completion of their discussions to ensure common understanding of what was discussed. If necessary, next steps should be discussed, including who is responsible for what and time frames for follow up.
- District management coordinators will facilitate all equipment moves. District management coordinators will inform Licensed Blind Vendors of the date and approximate time prior to the move. Licensed Blind Vendors will ensure vending machines being removed are clean and emptied of product and cash.
- District management coordinators are responsible for negotiating interagency agreements on behalf of the BEP and the Licensed Blind Vendor. BEP staff understand these agreements impact the Licensed Blind Vendor and their business. BEP staff will seek input of the Licensed Blind Vendor and keep them informed of the negotiating process. BEP staff will invite the Licensed Blind Vendor to negotiation meetings whenever possible.

### **1.7 Record Keeping and Retention**

The BEP maintains paper and electronic records. Financial records for a vending business are kept separately from Licensed Blind Vendor files.

#### Licensed Blind Vendor Files

The BEP staff will maintain a file for each active Licensed Blind Vendor. The information contained in the file includes:

- Proof of Legal Blindness
- Proof of Citizenship
- Emergency Information form
- Personal Property form
- Grievance Process form
- Training records
- Dress Code Guideline acknowledgement form
- Workers' Compensation acknowledgment form
- Operator Agreement
- Copy of Operator License and BEP Graduation Certificate

The BEP maintains the Licensed Blind Vendor's file while the business is active and the Licensed Blind Vendor is licensed. Once the vendor is no longer licensed, records are archived or destroyed according to the retention requirements established in the SSB BEP records retention schedule.

#### Financial Records

The BEP maintains financial records for each Licensed Blind Vendor, as well as for the administration of the program. Financial records include:

- Ledgers
- Profit and loss statements
- Fringe benefit information
- Set-aside and merchandise repayment ledger
- Invoices and purchase orders
- Rest area sales and commission reports

- Revenue recapture for monies owed by vendors to the BEP
- Petty cash receipts
- Deposit slips

The BEP retains financial records according to the retention requirements established in the SSB BEP records retention schedule.

### Administrative Records

The BEP maintains records that support the administration of the program. Administrative records include:

- Location information for businesses
- Seniority data of Licensed Blind Vendors
- General liability insurance policy information
- Staff case notes and business-related notes
- Asset inventory
- Third-party insurance accords
- Annual business reviews
- Operator grievances
- Survey information on business status

The BEP retains administrative records according to the retention requirements established in the SSB BEP records retention schedule.

### **1.8 Data Privacy**

The [Minnesota Government Data Practices Act](https://www.revisor.mn.gov/statutes/cite/13.05) (https://www.revisor.mn.gov/statutes/cite/13.05) requires the SSB BEP to safeguard the privacy rights of individuals about whom it collects, stores, and uses data.

Data the BEP collects or maintains shall be limited to that necessary for the administration and management of the program.

The data collected is stored and used only for the purpose stated to the individual when it is collected. Staff or auditing and monitoring agencies will access the data only when needing to do so for purposes directly connected with the administration of the BEP. Agencies could include the Office of Legislative Auditors, the Rehabilitation Services Administration, or the Department of Revenue.

The BEP provides data to the individual or their designated representative, unless the Licensed Blind Vendor gives informed written consent for further distribution. Individuals have the right to access information about them maintained by SSB unless restricted by [Minnesota Statute 13.791](https://www.revisor.mn.gov/statutes/cite/13.791) (https://www.revisor.mn.gov/statutes/cite/13.791)

The BEP will take reasonable steps to protect all data. This includes paper, electronic, and maintenance systems. The BEP staff person will keep paper data in locked filing cabinets or in a secure area when not present in the area where the data is kept. Data maintained electronically shall be protected against unauthorized access. BEP staff will log off computers must be logged off whenever when not present to ensure the security of the system.

The name and contact information of the Licensed Blind Vendor is considered public information and can be disclosed.

### **1.9 Personal Conduct**

The expectation is that Licensed Blind Vendors will exhibit and maintain high levels of professionalism and conduct in the workplace. A Licensed Blind Vendor's dress and personal appearance must reflect cleanliness and good personal grooming and hygiene. Freshly laundered clothing free of stains is acceptable, examples of appropriate clothing include button down dress, or polo shirts and dress slacks or khaki pants. Closed toe shoes should be worn at all times and hair and facial hair clean and neatly trimmed.

The Licensed Blind Vendor's BEP operator agreement may be revoked or suspended when the operation, integrity, or reputation of the BEP may be damaged as found in Administrative Rule, Chapter 3321.0500, Subpart 2 – Revocation or suspension of agreement.

### **1.10 Grievance Procedure**

Licensed Blind Vendors will be informed in writing at the time they are licensed of their right to and the procedures for an informal administrative review or a full evidentiary hearing regarding a BEP decision. Licensed Blind Vendors will sign the **Grievance Process Acknowledgement form** indicating this information has been shared with them, described in Administrative Rule, Chapter 3321.1200.

## Chapter 2: Becoming a BEP Licensed Blind Vendor

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### General Policy

Individuals interested in participating in the BEP, including former Licensed Blind Vendors and individuals licensed in another state, must first apply and be determined eligible for SSB's vocational rehabilitation program. Individuals ineligible for SSB's vocational rehabilitation program are not eligible to participate in the BEP.

Individuals must be legally blind to be eligible for the BEP. The Randolph-Sheppard Act states legal blindness is having central visual acuity of 20/200 or less in the better eye with the use of a correcting lens or having a visual field loss at an angle of no greater than 20 degrees.

Individuals must be a United States citizen to be eligible for the BEP. According to the U.S. Citizenship and Immigration Services (USCIS) a United States citizen is:

- Having been born in the United States or certain territories or outlying possessions of the United States, and subject to the jurisdiction of the United States,
- Had a parent who were citizens at the time of birth,
- Applied for and granted derived or acquired citizenship through parents, or
- Applied for and granted naturalization.

### The [Certified as Qualified Manual](https://mn.gov/deed/assets/BEP%20Certified%20as%20Qualified_tcm1045-317803.pdf)

([https://mn.gov/deed/assets/BEP%20Certified%20as%20Qualified\\_tcm1045-317803.pdf](https://mn.gov/deed/assets/BEP%20Certified%20as%20Qualified_tcm1045-317803.pdf)) outlines the process to become a licensed blind vendor. Individuals must successfully complete all portions of Certified as Qualified to become a licensed BEP operator.

### Documentation Requirements

The BEP Licensed Blind Vendor file must contain:

- Documentation of legal blindness and U.S. citizenship
- Documentation that the individual completed the Certified as Qualified process

### Guidance Materials

- [Code of Federal Regulations, title 34, section 395](https://www.ecfr.io/Title-34/cfr395_main),  
Policy guidance for Randolph-Sheppard Act ([https://ecfr.io/Title-34/cfr395\\_main](https://www.ecfr.io/Title-34/cfr395_main))
- [Randolph-Sheppard Act](https://www.law.cornell.edu/uscode/text/20/107)  
Federal law governing each state's BEP (<https://www.law.cornell.edu/uscode/text/20/107>)
- [Minnesota Statute 248.07](https://www.revisor.mn.gov/statutes/cite/248.07),  
State statute governing the BEP (<https://www.revisor.mn.gov/statutes/cite/248.07>)
- [Minnesota Rule, Chapter 3321](https://www.revisor.mn.gov/rules/3321/)  
State rule governing the BEP (<https://www.revisor.mn.gov/rules/3321/>)

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### 2.1 Documentation of Program Eligibility

To be eligible for licensure by the BEP, the individual must be:

- Legally blind as defined by the Minnesota Rule, Chapter 3321,
- A United States citizen, and
- Certified as qualified to operate a facility through the BEP.

There must be written documentation confirming eligibility for licensure.

Eligibility Requirement	Allowable Documentation
Legal blindness	Current eye report from an ophthalmologist/medical doctor. Current means the exam was completed within six months from the date of submission. Eye reports must be updated on the years that end in 0 or 5. If an individual has been deemed “permanently blind” by a medical professional, their eye report does not need to be updated.
Citizenship	Copy of birth certificate Copy of passport Copy of naturalization documents Consular report of birth abroad
Certified as Qualified	Graduation Certificate

## 2.2 Overview of Process to Become a Certified Vendor

The [Certified as Qualified Manual](#) outlines steps to become a Licensed Blind Vendor. The following is an overview of those required steps:

### Discovery

The Discovery phase provides an opportunity for the prospective applicant to learn more about the BEP and to speak and work with current Licensed Blind Vendors. After exploration of the BEP, the BEP believes that the potential applicant and their rehabilitation counselor will have the information they need to determine if pursuing a career to become a Licensed Blind Vendor is the best choice for them.

Required Step	Documentation of Completion
1. Interview with the Director of BEP	N/A
2. Interviews with three Licensed Blind Vendors	Interview forms completed by the prospective applicant for each interview
3. Situational Assessment	Situational assessment report from the evaluator
4. One week job shadow	On-the-Job Training form reviewed with the prospective applicant by the Licensed Blind Vendor  Invoice submitted by the Licensed Blind Vendor to the rehabilitation counselor

## Training

The prospective applicant becomes a BEP student in training to become a Licensed Blind Vendor when their rehabilitation counselor writes an Individual Plan for Employment (IPE). This Training section consists of three steps:

- Formal Education Training
- BEP Course Work Training
- BEP On-the-Job Training (OJT) and Vending Machine Training

Required Step	Documentation of Completion
Formal Education <ul style="list-style-type: none"><li>• Hadley Institute's BEP Online Training Program</li><li>• Department of Health Food Manager Certificate</li><li>• Preventing Sexual Harassment Online Training</li><li>• Respectful Workplace Training</li><li>• Hadley Institute's Accounting for Small Business Class</li></ul>	<ul style="list-style-type: none"><li>• Certificate of Completion</li><li>• Food Manager Certificate</li><li>• Certificate of Completion</li><li>• Certificate of Completion</li><li>• Certificates of Completion</li></ul>
BEP Course Work <ul style="list-style-type: none"><li>• Accounting Orientation</li><li>• Vending Machine Orientation</li></ul>	<ul style="list-style-type: none"><li>• Completed Accounting Portion of OJT Form</li><li>• Completed Vending Machine Orientation Checklist</li></ul>
OJT and Vending Machine Training <ul style="list-style-type: none"><li>• Three week OJT with Licensed Blind Vendor</li><li>• 90-day OJT at established business</li></ul>	<ul style="list-style-type: none"><li>• Completed OJT Form</li><li>• Graduation Certificate</li></ul>

### **2.3 Vending Machine Training by BEP Technicians**

Students start vending machine training as part of their BEP coursework. A BEP technician conducts vending machine orientation training and usually takes one week. The period may vary depending on the BEP student's aptitude and the availability of the technician.

During training, the student will learn about the vending machines used in the BEP. The technician will provide instruction to student in the following areas:

- Basic operation and mechanics of vending machines;
- Cleaning, maintaining, and filling vending machines;
- Troubleshooting common vending machine error messages; and
- Making common repairs and maintenance and cleaning guidelines.

The BEP student will perform many of the vending machine repair and cleaning activities required of Licensed Blind Vendors. This training is an overview to lay the foundation of knowledge the student will need to be a BEP Licensed Blind Vendor. The vending machine training will continue when the student is placed in a BEP business for the 90 day on-the-job training (OJT).

The technician's first priority is to support Licensed Blind Vendors and their businesses. Technicians schedule student training as time permits. The director and the technicians will work collaboratively to ensure that services provided to Licensed Blind Vendors remains the priority.

The technicians will evaluate the student's progress during the OJT and will work collaboratively with the district management coordinator and director to determine if the student is ready for licensure. The technician uses a vending machine checklist to monitor the student's competency in the following areas:

- Identify commonly used vending machine parts and demonstrates the ability to make basic repairs;
- Understand vending machine cleaning and maintenance responsibilities and has demonstrated the ability to complete these tasks;
- Understand how to properly fill vending machines with products; and
- Identify all vending machines used in the BEP and demonstrates an understanding of how they work.

#### **2.4 On-the-Job (OJT) Trainers**

As part of their overall training, students are required to participate in OJT experiences. OJT is with the support of current Licensed Blind Vendors. This process is extensive and the Licensed Blind Vendor must be willing to provide the director and the student with objective feedback on the BEP student's performance. The OJT trainer uses an [OJT Guideline Checklist form](https://mn.gov/deed/assets/ojt-guideline-checklist_tcm1045-348428.pdf) (https://mn.gov/deed/assets/ojt-guideline-checklist\_tcm1045-348428.pdf) which identifies all the items the OJT trainer will review and have the student participate in during the OJT. The OJT trainer gives the completed form to the director at the end of the OJT. The OJT trainer uses the checklist to ensure the student understands the importance of and has exposure to all of the relevant responsibilities of a Licensed Blind Vendor, including:

- Adhering to proper dress code
- Ensuring customers are satisfied with service being provided
- Keeping vending machines clean, full and working
- Completing monthly bookwork and set-aside payments on time
- Establishing relationships with product suppliers
- Understanding, tracking, and differentiating sales tax obligations
- Obtaining proper licensing for vending machines, store, or other required business licensing
- Understanding and implementing proper Inventory control practices
- Paying sales tax
- Obtaining workers' compensation insurance, if applicable

The director has the following responsibilities related to the OJT:

- Work closely with the student and the OJT trainer to ensure the OJT experience is effective and comprehensive;
- Maintain a list of active Licensed Blind Vendors willing and able to provide this training;
- Determine where the OJT will occur, though it is usually completed at the BEP business in the community where the student lives; and
- Contact the active Licensed Blind Vendors who provide OJT training to schedule the training.

OJT trainers will receive payments of \$15 per hour up to \$120 per day.

## **2.5 Licensure**

After successfully completing all training competencies, the BEP will license the student. On the day they are licensed, The BEP Licensed Blind Vendor will start to accumulate seniority. Seniority is used to bid on future vending business openings in the BEP. The BEP Licensed Blind Vendor's license is perpetual, but subject to suspension, revocation, or surrender.

## **2.6 Initial Inventory**

The BEP provides the Licensed Blind Vendor with the initial inventory to operate the business. The type and quantity of inventory is based on the needs of the business and the Licensed Blind Vendor. The initial inventory is not meant to sustain the business long term but must be sufficient to allow the Licensed Blind Vendor to begin operating.

The BEP is able to provide the following initial inventory, as applicable to the business and Licensed Blind Vendor:

- Vending machines for each business based on the needs of the location, available funding of the BEP, and potential return on investment;
- Vending machine parts;
- Carts for moving product;
- Bill and coin sorters;
- Cash registers;
- Cashless vending hardware;
- Storage shelves and cabinets;
- MINNCOR coin and script;
- Up to four weeks' worth of product inventory;
- Coffee cups;
- Condiments;
- Napkins;
- Utensils; and
- Grocery bags

The BEP provides the Licensed Blind Vendor an initial inventory (excluding the vending machines) in an interest free loan. Refer to Minnesota Rule, Chapter 3321.0600 and Minnesota Rule, Chapter 3321.0700.

Licensed Blind Vendors work collaboratively with BEP staff on the replacement or addition of vending machines to their business and will need to provide vending machine sales information in the form of vending machine meter readings to support any request. The Licensed Blind Vendor is responsible for all other business needs.

## Chapter 3: Bid Process

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### General Policy

The BEP goal is to only bid businesses with at least a net income at or near \$30,000 or more with consideration of BEP funding, expansion and start-up costs, public exposure, location preference, return on investment, and profitability.

Licensed Blind Vendors accrue seniority while they operate a BEP business. Only Licensed Blind Vendors can bid on available BEP businesses. When entering agreements for new or vacated business, preference is given based on seniority to capable Licensed Blind Vendors who demonstrate the ability to successfully operate the business enterprise as described in the following section: [3.4 Awarding Bids](#).

### 3.1 Bidline

Bidline is a dedicated BEP phone line used to provide information to Licensed Blind Vendors about what BEP businesses are available for bid.

Licensed Blind Vendors can access the Bidline by calling:

- Metro Area: 651-539-2283
- Greater Minnesota/Nationwide: 1-800-373-1220

Licensed Blind Vendors may call the Bidline at any time to stay abreast of any potential bids. Licensed Blind Vendors can call the Bidline anytime while a bid is active to listen to the bid and leave their name and phone number if they are interested in bidding. Bids will not be accepted after the bid closes.

### 3.2 Bid Notice

When the BEP bids out a business, a notice or ["bid card"](https://mn.gov/deed/assets/bid-card_tcm1045-348347.pdf) (https://mn.gov/deed/assets/bid-card\_tcm1045-348347.pdf) is mailed to all Licensed Blind Vendors. The bid card is mailed on the Tuesday before the Thursday bid announcement. The bid announcement will be placed on the Bidline at noon on Thursday. The bid announcement remains on the Bidline until noon on the following Thursday.

The bid announcement describes the vending business. Contact the district management coordinator assigned to that business to obtain a paper copy of the bid announcement.

### 3.3 Eligibility to Bid

No Licensed Blind Vendor may transfer to another business enterprise and then subsequently bid back into the business enterprise the Licensed Blind Vendor just left in the same bidding sequence. Seniority is determined based on continuous service as a Licensed Blind Vendor.

A Licensed Blind Vendor who is in default twice during a six-month period for submitting late payments or ledgers to the BEP will not be permitted to transfer to new or vacated vending facilities. The Licensed Blind Vendor in these instances will receive a notice of disqualification from SSB. The Licensed Blind Vendor may regain eligibility to transfer if the Licensed Blind Vendor has paid any prior default and has not been in default for six consecutive months after the prior defaults have been settled.

### 3.4 Awarding Bids

When entering agreements for new or vacated business enterprises, preference based on seniority is given to capable Licensed Blind Vendors who demonstrate the ability to successfully operate the business enterprise under consideration.

A Licensed Blind Vendor who is capable and successful in operating the business enterprise means the vendor consistently meets or exceeds the standards commonly endorsed by successful business owners in the private sector. In the BEP, this means:

- All vending machines are kept clean, full and working.
- All products are priced competitively.
- Customers are satisfied with the service they are receiving.
- Monthly ledgers are submitted on time, accurately and with copies of all supporting documentation.
- Payments are met related to sales tax, commissions, BEP operational charges, merchandise loans, business invoices and payroll expenses.
- Workers' compensation insurance is obtained and kept current when applicable and all other licensing obligations are kept up-to-date.
- BEP Licensed Blind Vendors are complying with the policies, procedures and laws, which govern the BEP and any business owner.

Preference given to capable Licensed Blind Vendors who demonstrate successful operation of a business enterprise must not prohibit SSB from selecting a Licensed Blind Vendor from the community in which the business enterprise is located.

#### Bid Notification Process

1. The director will contact bidders after the bid closes to inform the bidder that they have received their bid. If a bidder does not receive a call by the time bidding closes at noon on Thursday, the bidder must call and notify the director of their bid by noon on Friday.
2. The director will determine if the bidder is eligible to bid and notify the district management coordinator. The list of eligible bidders in seniority order will be given to the district management coordinator who will notify the bidders by the following Thursday after the bid closes. The district management coordinator will schedule times for bidders to tour the business. The tour may be completed one-on-one or as a group. Bidders must be available for the tour within five business days.
3. After the tour is conducted, it will be offered to the most senior, capable bidder who has demonstrated successful operation of a business enterprise. The district management coordinator will provide this offer in a [Sign-on/Sign-off form](https://mn.gov/deed/assets/sign-on-sign-off_tcm1045-348434.pdf) ([https://mn.gov/deed/assets/sign-on-sign-off\\_tcm1045-348434.pdf](https://mn.gov/deed/assets/sign-on-sign-off_tcm1045-348434.pdf)).
4. A Licensed Blind Vendor has five business days to accept or decline the offer. For example, if a Licensed Blind Vendor is offered a business anytime on Monday, a decision must be made by 4:30 pm on the following Monday.
5. Once a bidder accepts the business, the district management coordinator will contact other bidders the next business day to inform them the bid is no longer available.

6. The district management coordinator and the incoming and outgoing Licensed Blind Vendors will discuss and implement a transition plan. See [Chapter 14: BEP Inventory In/Out Procedure](#). (Page 43)

If a bid closes without a successful bidder, the business will be offered to a BEP student. If the BEP is unable to find a student to operate the business, the BEP will find other options for servicing the location until a permanent solution can be found. This includes adding it to existing BEP businesses, working with private vending service providers, or closing the business if it does not meet the \$30,000 net profit requirement.

### **3.5 Temporarily Operating Two or More BEP Businesses**

A Licensed Blind Vendor operating more than one BEP business will not be assessed operational charges for the additional business while temporarily operating the additional business. The Licensed Blind Vendor will be obligated to pay operational charges if the temporary addition becomes permanently added to their existing business.

### **3.6 Private Sector Business Opportunities**

If a Licensed Blind Vendor identifies a private sector (non-priority) business opportunity that the BEP agrees to be viable and can be developed and supported by the BEP, the business will be attached to the Licensed Blind Vendor who finds the private sector business opportunity. If BEP staff establishes a private sector opportunity, the BEP will determine if the business will stand-alone or be attached to an existing BEP business. The BEP will attach the additional business consistent with 3.7 Adding Locations BEP Businesses.

### **3.7 Adding Locations to BEP Businesses**

If the BEP establishes a business location, that does not produce approximately \$30,000 or more annually by itself, it can be attached to an existing BEP business. When these locations become available, the BEP will first contact the Licensed Blind Vendors located closest to the business. If the contacted Licensed Blind Vendor declines to take the new location, the BEP will send out a memo with information about the business to see what interest there is among other Licensed Blind Vendors.

If two or more Licensed Blind Vendors indicate interest in adding the location to their business, the BEP will request both parties submit a business plan describing how they will effectively operate the new location. The district management coordinator and director will review the business plans to determine, which Licensed Blind Vendor will be offered the location. Factors considered during this review include, but are not limited to:

- The detail of the business plan,
- The perceived effectiveness of the business plan,
- The Licensed Blind Vendor's standing with the BEP related to bookwork and payments,
- The Licensed Blind Vendor's standing with their current customer(s),
- The Licensed Blind Vendor's current profit and profit margin,
- The proximity of the new location to the licensed blind vendor's current business, and
- The Licensed Blind Vendor's seniority in the BEP.

If no interest exists in adding the location, the BEP will no longer develop it.

## Chapter 4: BEP Operator Agreement

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### General Policy

Each Licensed Blind Vendor must sign a BEP Operator Agreement for the operation of an assigned business enterprise. A new agreement must be signed each time the Licensed Blind Vendor moves or transfers to another business enterprise. All signed agreements will be provided to the Licensed Blind Vendor and copies retained in the vendor's file.

Licensed Blind Vendors must adhere to the requirements of the operator agreement. Licensed Blind Vendors are subject to disciplinary action up to and including removal from the BEP in instances where the operation, integrity, or reputation of the program may be damaged.

BEP [Operator Agreement](https://mn.gov/deed/assets/operator-agreement_tcm1045-348438.pdf) ([https://mn.gov/deed/assets/operator-agreement\\_tcm1045-348438.pdf](https://mn.gov/deed/assets/operator-agreement_tcm1045-348438.pdf)).

### 4.1 Terms of the BEP Operator Agreement

The Licensed Blind Vendor agrees to:

- Devote his or her best energies and full time to the conduct of this business. The Licensed Blind Vendor will notify SSB when they are sick or are unable to tend to the business. They must not abandon the business without giving at least sixty (60) days written notice to the State Licensing Agency;
- Submit for examination and auditing: ledgers, records, documents, and adhere to accounting procedures and practices relevant to the operation of the business pursuant to Minnesota Statutes section 16C.05, subdivision 5;
- Keep an accurate record of all money withdrawn for personal use which must never exceed the net profit of the preceding month except upon SSB written consent;
- Conduct the business at all times in accordance with Minnesota Administrative Rules Chapter 3321, which governs all BEP businesses;
- Indemnify, save, and hold the State, its agents, and employees harmless from any claims or causes of action, including attorney's fees incurred by the State, arising from the performance of this contract by the Licensed Blind Vendor or the Licensed Blind Vendor's agents or employees;
- Acquire liability and workers' compensation insurance necessary for the business enterprise;
- Conduct the business enterprise pursuant to any agreement the BEP may have with a business location;
- Conduct the business in accordance with the BEP dress code, sexual harassment, and respectful workplace policies; and
- Be bonded for such amount as SSB may prescribe.

The State Licensing Agency may terminate the BEP Licensed Blind Vendor's Operator Agreement at any time, with cause, upon written notice to the Licensed Blind Vendor.

### 4.2 Disciplinary Action

The Licensed Blind Vendor's agreement to operate a BEP business may be revoked or temporarily suspended in those instances where the operation, integrity, or reputation of the BEP may be damaged. Depending on the situation and the severity of the issues, BEP may choose to correct the behavior by implementing a corrective action plan. In these instances, BEP will inform the Licensed Blind Vendor in writing of the issues and the action the Licensed Blind Vendor must take to correct the issue. The corrective action plan will also include time frames for making taking action or completing tasks.

If BEP decides to revoke or suspend a Licensed Blind Vendor's Operator agreement, BEP will notify

the Licensed Blind Vendor in writing. The notification shall state the grounds for such action and shall inform the Licensed Blind Vendor of the right to appeal the action.

If BEP determines the situation requires the removal of the Licensed Blind Vendor from the BEP, BEP will notify the Licensed Blind Vendor in writing. The notification shall state the grounds for such action and shall inform the Licensed Blind Vendor of the right to appeal the action.

#### **4.3 Filing a Grievance**

A Licensed Blind who is dissatisfied with any action or decision arising from the operation or administration of the BEP has the right to pursue an informal administrative review or full evidentiary hearing consistent with [Chapter 17: Grievances](#). (Page 48)

## Chapter 5: Licensed Blind Vendor Responsibilities

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### General Policy

It is imperative that all Licensed Blind Vendors understand and comply with their responsibilities according to the laws and rules that govern the BEP, as well as the policies and procedures outlined in this manual.

It is important all Licensed Blind Vendors realize that unless we all maintain the highest standards, our actions can have an adverse effect on the BEP as a whole. For example, if a business location experiences unfavorable service, the business may share this information with colleagues at other locations. This could negatively influence the working relationship between the Licensed Blind Vendors at the other locations and the location representatives. This could also affect the BEP's future negotiations with these location representatives.

Some of the Licensed Blind Vendor responsibilities are found in Administrative Rule, Chapter 3321.1000

### 5.1 Respectful Workplace and Preventing Sexual Harassment

Each Licensed Blind Vendor must read and comply with the State of Minnesota policies related to [Respectful Workplace HR#1432](https://mn.gov/mmb-stat/policies/1432-respectful-workplace-policy.pdf) (https://mn.gov/mmb-stat/policies/1432-respectful-workplace-policy.pdf) and [Sexual Harassment Prohibited HR#1329](https://mn.gov/mmb-stat/policies/1329-sexualharassment-prohibited.pdf) (https://mn.gov/mmb-stat/policies/1329-sexualharassment-prohibited.pdf).

### 5.2 Licensing

Licensed Blind Vendors must maintain the proper licensing required by law for all food establishments, including vending machines. License application information is obtained by contacting the Department of Agriculture at 651-201-6000, or 1-800-967-2474. Applications submitted to the Department of Agriculture, or authorized Delegation, will conduct an inspection of prior to issuing licenses. Licenses must be displayed at all times.

### 5.3 Customer Service

Providing great customer service is essential to success in the service industry. Without customers none of our BEP businesses would survive. Licensed Blind Vendors not only represent themselves and their business but also the BEP and all other Licensed Blind Vendors and their businesses. It is the expectation of all Licensed Blind Vendors that they are courteous, professional, and attentive to their customer's needs.

### 5.4 Uniform Guideline

The BEP Dress Code is a part of the Licensed Blind Vendor's BEP operator agreement and must be followed by all Licensed Blind Vendors.

See [Dress Code](https://mn.gov/deed/assets/bep-dress-code_tcm1045-348345.pdf) (https://mn.gov/deed/assets/bep-dress-code\_tcm1045-348345.pdf).

### 5.5 Clean, Full and Working Vending Machines

Vending machines must be kept clean, full, and working at all times. The BEP considers ending machine to be full when there is merchandise filling at least 75% of product selections. A clean vending machine can be accomplished by following the [Maintenance and Cleaning Checklist](#) in Appendix A. Vending machine repairs are outlined in [Chapter 6: Vending Machine Maintenance and Repairs](#). (Page 22)

Licensed Blind Vendors play a critical role in extending the longevity of the vending machines used at BEP businesses. It is vital to the program's overall success that the BEP and its Licensed Blind Vendors maximize the life of all of its vending machines. Licensed Blind Vendors must comply with the daily, weekly, monthly, and annual cleaning schedule using the vending machine manufacturer's suggested maintenance practices.

Clean means free of visible soil. In vending machine servicing, cleaning is done to maintain product quality and to remove food soils, oils, and mineral stains that could affect product taste, aroma, and appearance.

Sanitizing means the reduction to safe levels of the number of disease-causing bacteria that remain on the surface after cleaning. When you sanitize you create a healthy and hygienic condition. This leads to wholesome food, which in turn leads to satisfied customers.

Cleaning and sanitizing are done in separate steps, as prescribed by health regulations and good industry practice.

Sanitizing is no substitute for good cleaning!

## Chapter 6: Vending Machine Maintenance and Repairs

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### General Policy

The BEP has nearly 1200 state-owned vending machines. Maintaining and repairing these vending machines is an expensive part of operating a vending machine business. One area that can help diminish these expenses is performing regular preventative maintenance on the vending machines. Licensed Blind Vendors must comply with the daily, weekly, monthly, and annual cleaning schedule using the vending machine manufacturer's suggested maintenance practices. See [Appendix A: Maintenance and Cleaning Checklist](#) (Page 50) for the guidelines for a specific machine.

The BEP Maintenance and Cleaning Checklist provides a guideline to Licensed Blind Vendors on how to clean and maintain a vending machine so that it remains clean, presentable, and working for their customers. Generally, a clean vending machine gives the customer a positive perception and can improve overall sales. Licensed Blind Vendors need to implement this checklist as part of their responsibilities of participating in the BEP. These steps will help the BEP vending machines operate for many years.

### 6.1 BEP Maintenance Technicians

The BEP has two maintenance technicians that provide maintenance-related support services to Licensed Blind Vendors. The funds used to support these positions are provided by set-aside payments from all Licensed Blind Vendors. These funds must be used prudently and in the most cost-effective manner.

The Licensed Blind Vendor plays a vital role in keeping vending machines working. It is essential to their success that they learn how to make repairs themselves. The technicians provide ongoing training on the maintenance and repair of vending machines to all Licensed Blind Vendors, individually or in groups, when applicable or requested by the director, district management coordinator, or Licensed Blind Vendor. The purpose of the training is to ensure the Licensed Blind Vendors can be as independent as possible in the ongoing maintenance and repairs needed.

The BEP understands that the Licensed Blind Vendor may not be able to complete all repairs, however, the BEP and MC expect that all Licensed Blind Vendors will troubleshoot problems and attempt to make the repair prior to requesting service.

### 6.2 Maintenance and Repair Services

If a maintenance and repair service is needed, the Licensed Blind Vendors must contact the technician at 651-539-2290 (office) or 612-751-4924 (cell). If the technician is unavailable, call 651-539-2289 (office) or 612-810-4605 (cell). In those rare circumstances when technicians are not available, see the section entitled [6.4 Emergency Repairs](#). (Page 23)

#### Repairs and Service Calls

Technicians will communicate with the Licensed Blind Vendor when they are at a location making a repair. BEP technicians will make every effort to involve the Licensed Blind Vendor in the repair so that the Licensed Blind Vendor may be trained to handle similar types of repairs in the future, if applicable.

When feasible, technicians will make every effort to combine repairs and service calls for multiple locations.

If the technician cannot troubleshoot a repair request within two working days, the technician may

contact a private vendor to make the repair. As a general practice consistent with our mission to spend our limited funds prudently, technical staff should resolve as many service problems, as possible Licensed Blind Vendors will not contact a private vendor without BEP approval.

In the event that a contracted vendor performs repair work for a Licensed Blind Vendor and the problem is not resolved, the Licensed Blind Vendor needs to contact the party that initiated the service call. This will ensure that any additional service calls associated with the same issue are reviewed diligently to verify that the BEP is not paying for the same repair more than once.

### **6.3 Parts**

Licensed Blind Vendors can request vending machine parts from either their district management coordinator or a technician. The district management coordinator or technician will notify the Licensed Blind Vendor when parts will be sent. Licensed Blind Vendors must return damaged parts to the BEP office within two weeks of receiving the new part. The damaged parts are recycled or repaired.

The BEP keeps an inventory of common repair parts. A technician is responsible for maintaining this inventory by replenishing parts weekly.

District management coordinators are responsible for notifying a technician when they take any parts from the parts room.

District management coordinators and technicians will notify one another when they are sending parts to Licensed Blind Vendors. This will allow tracking of the parts inventory and monitoring the turnaround time for returning parts.

### **6.4 Emergency Repairs**

Licensed Blind Vendors can request parts or service during non-business hours by calling (651) 539-2285 and leaving a detailed voice message.

The BEP is under contract for emergency repair service. Licensed Blind Vendors are not authorized to contact the contracted vendor without prior consent from the BEP. For those rare times when there is not a technician available, Licensed Blind Vendors may be authorized to contact the contracted vendor to make emergency repairs. When these circumstances arise, the BEP will inform the Licensed Blind Vendor of this option and provide the information for who to contact.

## Chapter 7: Financial Management and Accounting

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### General Policy

Businesses that are established by the BEP are sole proprietorships. The sole proprietorship is the simplest form of business organization. It has no existence apart from the Licensed Blind Vendor. Its liabilities are the Licensed Blind Vendor's personal liabilities. All of a Licensed Blind Vendor's assets, both those used in business and those used personally, can be attached by creditors.

The financial management and accounting policies allow for the ongoing analysis of a business's viability. The deductions allowed on a Licensed Blind Vendor monthly ledger affect the set-aside fund which is used to support the technician salaries and work-related expenses. Any proposed changes to the accounting policies must take into account the affect the changes will have on the set-aside fund dollars.

There may be legitimate business expenses not authorized by the Financial Management and Accounting policy that may be permitted as expenses for tax purposes. It is the responsibility of each Licensed Blind Vendor to process their own business profit and loss statement each year for their own tax purposes. Note that the net profit on the profit and loss statement is the net profit after deducting the set-aside charge.

### 7.1 Banking

Licensed Blind Vendors must set up a business bank account. The bank account needs to be separate from any personal bank account. Licensed Blind Vendors must deposit all business receipts into their business bank account. Licensed Blind Vendors must also make all disbursements from their business bank account by Electronic Funds Transfer (EFT) or check to ensure all business expenses are documented.

Licensed Blind Vendors must write checks payable to themselves only when making personal withdrawals from their business. This helps identify which disbursements are for business and which are personal. Licensed Blind Vendors may not write business checks payable to "cash".

### 7.2 Record Keeping

Support financial entries. Canceled checks, paid bills, duplicate deposits slips, and other items that support entries in a Licensed Blind Vendor's bank account or monthly ledgers should be filed in an orderly manner and stored in a safe place. Memorandums or rough records that approximate income, deductions, or other items affecting tax liability are not acceptable.

Keep financial records. Licensed Blind Vendors must keep the books and records of their business available at all times for an auditor or for review by the Internal Revenue Service (IRS), Minnesota Department of Revenue (DOR), the Department of Employment and Economic Development (DEED), or the BEP. For these purposes, all records must be maintained for a minimum of seven years. It is essential to the vendor's success to keep their records accurate, organized, and complete.

The IRS and the DOR sponsor free workshops on tax issues for small businesses. For more information on these workshops, visit the following website at [www.uimn.org](http://www.uimn.org) (<http://www.uimn.org/uimn/>) or call (651) 259-7220 or (651) 259-7567. These workshops include discussion on Business Income Tax, Sales Tax, and Employment Taxes.

### 7.3 Certificate of Assumed Name

A Licensed Blind Vendor who conducts or transacts business in Minnesota under a name that is

different from their full legal name must register the name of the business by filing a certificate of assumed name with the Secretary of State. The certificate of assumed name may be completed online by creating an online account at <https://mbisportal.sos.state.mn.us/business/search>, or completing a one-page form that can be downloaded from the Secretary of State's website at [www.sos.state.mn.us/index.aspx?page=331](http://www.sos.state.mn.us/index.aspx?page=331). There is a fee for filing. If an assumed name is already registered to another business you will have to choose a different assumed name.

For more information call the general information line of the Secretary of State's office at (651) 296-2803.

#### **7.4 Minnesota Tax Identification Number**

Licensed Blind Vendors must obtain a Minnesota Tax Identification Number (TIN). To obtain a Minnesota TIN, go to the MDR website at [www.taxes.state.mn.us](http://www.taxes.state.mn.us) or call (651) 282-5225. A Licensed Blind Vendor will not be able to open accounts with supply vendors without a TIN.

Licensed Blind Vendors who do not have employees, who are not required to file a return, who do not have a retirement plan for themselves, and who are not required to pay federal excise taxes in connection with their business generally may use their social security number as their federal employer identification number. For more information about this subject go to the IRS website at [www.irs.gov/businesses](http://www.irs.gov/businesses) and click "Employer ID Numbers" or call (800) 829-4933.

#### **7.5 Insurance**

##### Workers' Compensation Insurance

Licensed Blind Vendors who have employees must purchase Workers' Compensation Insurance. Licensed Blind Vendors will work with their district management coordinator to determine how best to meet this obligation.

##### General Liability/Product Liability Insurance

The Licensed Blind Vendor Management Committee and the BEP agreed to use a portion of the Rest Area Commissions collected each year to procure the General Liability/Product Liability insurance for all Licensed Blind Vendors. This procurement is not required by law or rule but is provided as a convenience. If the BEP were to terminate this coverage, it would provide a year notice to the Licensed Blind Vendor. The Licensed Blind Vendor would then be responsible for purchasing this insurance.

All insurance policies held by the Licensed Blind Vendor must meet the minimum standards set forth by the [State of Minnesota's Risk Management Division](http://mn.gov/admin/assets/GENERAL%20INSURANCE%20REQUIREMENTS%20-%20RMD%20Website%20-%20Revised%20July%202016_tcm36-207314.pdf) ([https://mn.gov/admin/assets/GENERAL%20INSURANCE%20REQUIREMENTS%20-%20RMD%20Website%20-%20Revised%20July%202016\\_tcm36-207314.pdf](https://mn.gov/admin/assets/GENERAL%20INSURANCE%20REQUIREMENTS%20-%20RMD%20Website%20-%20Revised%20July%202016_tcm36-207314.pdf))

#### **7.6 Cash Basis Accounting**

The BEP uses a cash basis accounting process, which is the most basic accounting process and common among other BEPs. Cash accounting is method in which payment receipts are recorded during the period received, and expenses are recorded in the period in which they are actually paid. In cash basis accounting, the Licensed Blind Vendor manages all the transactions of their business.

The Licensed Blind Vendor adheres to all federal, state and local laws and rules and applies good business practice by promptly paying creditors. All Licensed Blind Vendors must carry out their obligations diligently and ethically to protect the reputation and integrity of the BEP, of their fellow Licensed Blind Vendors, and themselves.

## 7.7 Taxes

The accounting policies of the BEP do not reflect all federal and state tax laws and rules. Some business expenses not recognized by the BEP can be justifiably claimed under those regulations. Each Licensed Blind Vendor must maintain all receipts and records necessary to meet their own individual state and federal tax liabilities. For more information on this topic, Licensed Blind Vendors are encouraged to seek the advice of a tax professional.

## 7.8 Bookkeeping

While some Licensed Blind Vendors do their own bookkeeping, the BEP encourages Licensed Blind Vendors to employ professional accountants. In either case, it is the Licensed Blind Vendor's responsibility to ensure their monthly ledgers are complete, accurate, and substantiated with appropriate supporting documentation.

## 7.9 Overview of Monthly Ledgers

Each Licensed Blind Vendor is required to furnish monthly ledgers and supporting documentation to the BEP. This requirement is outlined in MN Rule Chapter 3321.1000, Subp. 2(D). This information is provided to the program using the BEP accounts receivable and accounts payable forms, as well as supporting documentation.

Ledger reports include the **Cash Received Ledger** and the **Cash Paid-Out Ledger**. The only acceptable ledger forms are the forms developed by the BEP. These forms are available in print and electronic format. Ledger reports submitted on any other form will not be accepted and will be returned to the Licensed Blind Vendor. If these situations occur, the Licensed Blind Vendor will be subject to and assessed default fees accordingly.

Both ledgers must be legible and completed in their entirety. Copies of receipts, cash register tape, invoices acknowledging payment, deposit slips, cancelled checks and bank statements that support all ledger entries must be included when the ledgers are submitted to the BEP. Licensed Blind Vendors must submit legible electronic copies or paper copies of the original ledgers and supporting documentation. Licensed Blind Vendors must keep original documentation for their records.

Ledgers and Operational Charge payments need to be physically in the BEP office pursuant to MN Rule Chapter 3321.1000, Subp. 3(A). Default fines will be issued pursuant to MN Rule Chapter 3321.1000, Subp. 3(A). Ledgers will be processed and returned to the Licensed Blind Vendor within 10 business days of receipt.

## 7.10 Cash Received Ledger

The **Cash Received Ledger** must list:

- Net Vending Sales,
- Net Counter Sales,
- Non-Taxable Sales,
- Sales Tax Collected,
- Other Income and
- Personal Deposit.

Licensed Blind Vendors will complete the Cash Reconciliation portion of the Cash Received Ledger. Monthly vending machine sales must be supported with monthly meter readings from each vending machine the Licensed Blind Vendor services. Licensed Blind Vendors must submit monthly meter readings with their monthly bookwork.

The following information must be entered at the top of the ledger:

- Licensed Blind Vendor Name,
- Business Number,
- Ledger Month, and
- Year.

The following information needs to be provided in the appropriate column on the **Cash Received Ledger.**

The following information must be provided in the appropriate column on the **Cash Receipt Ledger**.

Column Number	Column Name	Column Details
1	Date	The date (day, month) the sales are totaled or income is received. When Entries should be in chronological order.
2	From	This column records the source of the sales or income received. An example might be <i>“Vending machines, bldg. 4”</i> . Rest Area Sales should be reported on the Rest Area Report and also entered on the Cash Received Ledger.
3	Net Vending Sales	Monies less sales taxes received from vending machines serviced by the Licensed Blind Vendor. Sales must be recorded, as they are collected.
4	Net Counter Sales	Monies less sales taxes received for counter sales. Sales must be recorded, as they are collected. All cash register receipts must be kept for auditing purposes.
5	Non-Taxable Sales	Monies received from non-taxable items in a counter business. Sales must be recorded, as they are collected.
6	Sales Tax Collected	List the sales tax collected as a result of sales. Subtract the tax from the total or gross receipts before submitting the monthly ledgers. State and local tax regulations change frequently. It is the Licensed Blind Vendor’s responsibility to consult the Minnesota Department of Revenue (DOR) to ensure compliance with all sales tax requirements.
7	Other Income	Monies received which do not result from a Licensed Blind Vendor’s sales. Sources of these revenues should be clearly identified in the “From” column. Included in this category are full service commissions, rebates, and wholesale transactions between Licensed Blind Vendors, federal commissions, and interest on business accounts. Situational Assessment Experiences (SAE) training fees, OJT’s fees, and the per diem received by MC members are not considered “Other Income” or subject to set-aside fees and should not be recorded on the Cash Received Ledger.
8	Personal Deposit	Monies invested by the Licensed Blind Vendor into the business.

### 7.11 Cash Paid-Out Ledger

The **Cash Paid-Out Ledger** must list all expenses related to the operation of the vending business including:

- Merchandise Purchased,
- Business Expense,
- Hired Help,
- Utilities Reimbursements and Commissions,
- Personal Withdrawal,
- Initial Inventory Repayment, and
- Operational Charge Payment.

The following information must be entered at the top of the ledger:

- Licensed Blind Vendor Name,
- Business Number,
- Ledger Month, and
- Year.

The following information must be provided in the appropriate column on the **Cash Paid-Out Ledger**.

Column Number	Column Name	Column Description
1	Date	The date (day, month) the payment is made. Entries must be in chronological order.
2	Paid To	Enter names of vendor or organization to which payment is made.
3	Check Number	The type of transaction must be identified by check number, cash, or electronic transfer. Entries must be in numerical order and from the Licensed Blind Vendor's business account.
4	Merchandise Purchased	<p>List the cost of items purchased for resale to customers. Merchandise purchases are recorded and submitted when payment is made. Credit purchases are not recorded on the Cash Paid-Out Ledger until actual payment.</p> <p>If the Licensed Blind Vendor pays a vendor at the time of delivery with a check or cash, it must be noted on the invoice with, "<i>PAID BY CASH</i>" or "<i>PAID BY CHECK</i>" (include check number). The payment amount must then be listed on the Cash Paid-Out Ledger in the Merchandise Purchased column.</p> <p>The BEP believes paying for items with a check is a good business practice. The BEP encourages Licensed Blind Vendors to handle any transactions requiring a payment be made with a check, debit card, or</p>

Column Number	Column Name	Column Description
		electronic transfer.
5	Business Expense	<p>The following business expenses are allowable deductions on BEP ledgers and are subject to the parameters listed after the recognized business expense. A business expense's supporting documentation can only be submitted once deducted.</p> <ul style="list-style-type: none"> <li>• Postage costs associated with returning vending parts.</li> <li>• Fees associated with Cashless Payment Systems.</li> <li>• Up to \$300 each month for any combination of Office Supplies, Bookkeeping Fees, Wholesale Club Memberships, Internet Fees, Telephone/Cell Phone Fees and Uniform Expense.</li> <li>• Warehouse Rent/Utility Storage Space for Product): Credit up to \$1000/month.</li> <li>• Vehicle Expense: Mileage credit pursuant to the federal law. Licensed Blind Vendor's will receive a credit based on the number of miles traveled during the month multiplied by the current federal reimbursement allotment. The BEP follows federal guidelines to report mileage using odometer readings, not including miles traveled to or from the owner's home (commuting miles). See <b><u>Vehicle Mileage Log</u></b> for more information.</li> <li>• Transportation Costs: A Licensed Blind Vendor may claim the costs if using transportation in either of the following situations: <ul style="list-style-type: none"> <li>○ If a Licensed Blind Vendor uses a taxi for security purposes in transporting money to their bank or;</li> <li>○ Public transportation (taxi, bus) for traveling between locations that makes up the business. Commuting at the beginning and end of the workday is not recognized as a business expense deduction.</li> </ul> </li> <li>• Assistive Technology: A Licensed Blind Vendor must obtain approval from the MC prior to claiming any assistive technology expense and notify their district management coordinator. MC meetings are held quarterly during the calendar year. The Licensed Blind Vendor making the</li> </ul>

Column Number	Column Name	Column Description
		<p>request can attend the MC meeting via conference call.</p> <ul style="list-style-type: none"> <li>• Computer Expense: Credit up to \$2000 every 4 years.</li> <li>• Education and Training Activities, other than BLAST, NAMA, Sagebrush or directly sponsored by SSB-BEP, must be approved by the BEP. No more than two activities per year. Credit up to \$750 per activity based on expenses directly related to attending the training and incurred solely by the Licensed Blind Vendor.</li> <li>• Credit card reader equipment, shipping costs and taxes.</li> </ul>
6	Hired Help	<p>All Licensed Blind Vendors are required to complete and update the BEP Workers' Compensation Acknowledgement form. District management coordinators can provide Licensed Blind Vendors with a copy of the form. If Workers' Compensation Insurance is required the Licensed Blind Vendor must provide proof of insurance coverage by providing an Acord or Minnesota Certified Risk Plan. It is the Licensed Blind Vendor's responsibility to keep current with changes in IRS regulations.</p> <p>The Licensed Blind Vendor must provide the following information for any hired help expenses claimed each month: employee's full name, the number of hours the employee worked during the month, the employee's hourly rate of pay, the employee's total wages earned during the month, any unemployment compensation, any benefits paid, and proof that the following taxes were withheld:</p> <ul style="list-style-type: none"> <li>• Federal and state income</li> <li>• Unemployment</li> <li>• Social security and</li> <li>• Medicare.</li> </ul> <p>District management coordinators can provide Licensed Blind Vendors with an approved BEP payroll form.</p>

Column Number	Column Name	Column Description
7	Utilities Reimbursement and Commissions	Monies paid for use of vending machine space or for commissions paid based on sales. This does not include utilities paid for storage units.
8	Personal Withdrawal	<p>This column documents any monies the Licensed Blind Vendor withdraws from their business for their salary and personal use.</p> <p>Monthly documentation is required. The Licensed Blind Vendor's Operator Agreement requires the Licensed Blind Vendor to keep an accurate record of all money withdrawn for personal use. The withdrawal amount must never exceed the net profit of the preceding month without written consent of the BEP. Consult with your management coordinator to obtain consent.</p>
9	Inventory Repayment	<p>This column documents the Licensed Blind Vendor's payment of any inventory of merchandise and supplies provided by the BEP. Payments must be made by check to: "Treasurer, State of Minnesota". NOTE, "Inventory Repayment" is written on the memo line of the check.</p> <p>The Inventory Repayment payment is completed separately from any Operational Charge payment.</p>
19	Operational Charge Payment	<p>This column documents the Licensed Blind Vendor's payment of Operational Charges. Payments must be made by check to: "Treasurer, State of Minnesota". NOTE, "Operational Charge" is written on the memo line of the check.</p> <p>The Operational Charge payment is completed separately from any Merchandise Repayment payment.</p>

### 7.12 Supporting Documentation

Licensed Blind Vendors must submit copies of ledgers and supporting documentation (e.g. receipts, invoices, or bank statements) rather than the originals. Licensed Blind Vendors are required at all times to keep their business books and records available for possible inspection by the BEP and state and federal authorized officers or employees. Licensed Blind Vendors must comply with this directive and must have this information readily available at all times.

### **7.13 Auditing**

Licensed Blind Vendors are subject to periodic audits by the BEP and agencies of the state or federal government. District management coordinators conduct monthly audits of the ledgers and supporting documentation. If the ledgers and supporting documentation are not complete, the district management coordinator will revise the ledgers, contact the Licensed Blind Vendor with the revision details, and submit the ledgers for processing. The Licensed Blind Vendor must resolve any and all issues before the next month's ledgers to receive credit for any incomplete ledger.

### **7.14 Ledger Processing Procedure**

Licensed Blind Vendors must submit monthly ledgers by the 10<sup>th</sup> of the succeeding month for the prior month. If the 10<sup>th</sup> is on a weekend or a holiday, then the ledgers are due the day after the weekend or holiday. Monthly ledgers are considered in default if not received within 30 days after the 10<sup>th</sup>. If the 30<sup>th</sup> day is on a weekend or a holiday, the ledgers are not considered in default until the next day after the weekend or holiday.

Monthly ledgers that are complete, accurate, and have all supported documentation are processed by BEP staff within 10 business days of receipt.

1. The ledgers arrive at SSB/BEP. The ledgers are date stamped and given to the appropriate BEP district management coordinator for review. (1 business day)
2. The BEP district management coordinator reviews the ledgers. If the ledgers are complete, they are given to the BEP bookkeeper, who enters the data in the BEP software and creates a profit and loss statement. (1 to 5 business days)
3. If ledgers are determined to be incomplete, the BEP district management coordinator will promptly contact the Licensed Blind Vendor to let them know what is missing. The Licensed Blind Vendor then has five business days to make the corrections. If the Licensed Blind Vendor fails to make the corrections within five business days, the district management coordinator will make every attempt to complete the ledger audit. If corrections will take longer than five business days, the ledgers will be returned to the Licensed Blind Vendor for them to complete and resubmit.
4. The BEP bookkeeper tallies the reviewed ledgers and enters the data into the BEP software. A profit and loss statement is created which includes the operational charge assessment. (1 to 4 business days)
5. Once the ledgers are processed, the BEP bookkeeper returns the ledgers to the Licensed Blind Vendor with a copy of the profit and loss statement. A copy of the profit and loss statement is also provided to the appropriate district management coordinator.

### **7.15 Vehicle Mileage Logs**

The **BEP Vehicle Mileage Log** must be completed and submitted to support all vehicle expense entries. District management coordinators can provide Licensed Blind Vendors with a copy of the approved Vehicle Mileage Log.

### **7.16 Processing Payments**

Licensed Blind Vendors must provide monthly payment for the operational charge by the 25<sup>th</sup> of the succeeding month for the prior month. Monthly payments are considered in default if not received within 30 days of the due date.

If a Licensed Blind Vendor has two defaults in a six-month period, they are ineligible to bid on a BEP

business. The Licensed Blind Vendor will regain their eligibility when they cure the outstanding defaults and are without a default for six months after the defaults are paid.

Licensed Blind Vendors who have a merchandise loan with the BEP must pay it off in monthly intervals. The district management coordinator develops the loan agreement and the Licensed Blind Vendor and the director sign the agreement. The Licensed Blind Vendor makes monthly payments until the balance is paid in full.

#### Payment Procedure

The following procedure outlines how the BEP processes Licensed Blind Vendor operational charge and merchandise payments, as well as payments from other sources.

1. When BEP payments are received, the BEP bookkeeper records the date received on the front of check. If the payment is from a BEP Licensed Blind Vendor, the bookkeeper also writes the BEP business number and the type of payment (operational charge or merchandise) on the front of the check.
2. All checks are placed in a folder in a locked drawer in the bookkeeper's cubicle until they can be processed.
3. The bookkeeper processes the checks during the week by entering the information into the appropriate BEP software account.
4. When preparing the deposit the bookkeeper stamps the back of the checks with the DEED endorsement bank stamp.
5. The bookkeeper adds all the check totals on a calculator and completes a deposit slip form.
6. The bookkeeper places the calculator tape, checks and deposit slip in a blue safety pouch and records the pouch number. This information is sent weekly to DEED fiscal. SSB personnel lock the pouch and send the locked pouch via UPS to DEED Fiscal.

## Chapter 8: Key Security

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### General Policy

The BEP maintains a key inventory for locks on BEP vending machines. An audit of all keys is conducted annually at the end of each federal fiscal year. The purpose of the key audit is to:

- Number all keys and update the spreadsheet listing all keys and locations;
- Review the condition of each key and replace damaged keys;
- Lubricate locks and check the locks condition;
- Ensure each business has a unique key number; and
- Destroy damaged keys.

### 8.1 Securing Keys

BEP staff must secure keys per the following requirements:

- In state vans, the technician keys must be kept in a locked, secure box.
- Whenever district management coordinators are not using their district keys, the keys must be stored in the lock box assigned to them in the parts room.
- The key for the master lock box will be kept in a secured audit box.
- District management coordinators must not leave keys in vehicles overnight.
- Keys must never be left unattended in work desks or in cubicles.
- The district management coordinator will ensure that keys are in an area that is safe and secure at all times.

### 8.2 Key Requirements

1. Keys for new businesses will be the Medeco brand. Replacement locks will be evaluated on a case-by-case basis.
2. The second time and all subsequent times a Licensed Blind Vendor loses a set of keys, the operator will be responsible for the costs of re-keying and/or new locks.
3. Generic keys and locks will be given to Licensed Blind Vendors in rare circumstances
4. A key audit box is attached to a wall in the BEP parts room. Only the equipment technicians and director will have access to the box. The key audit box will be used to:
  - Store spare key and set-keys
  - Store keys used by technicians
5. An Excel spreadsheet is used to track all keys, including those taken from the audit box. The Excel spreadsheet is maintained by a technician on the BEP shared drive.
6. Keys assigned to a Licensed Blind Vendor business will not be given to any other enterprise, or contractors.
7. As part of the annual Preventative Maintenance (PM) review of each business, an assigned technician will take an inventory of all Licensed Blind Vendor keys.

### 8.3 Key Replacement

A Licensed Blind Vendor or student taking over the operation of a business is issued a set of vending machine keys. The district management coordinator will ensure that all keys assigned to the business are accounted for. All keys issued to the Licensed Blind Vendor are their responsibility; lost or stolen keys must be reported to a technician or district management coordinator immediately and all keys need to be returned when a vendor leaves a business. Licensed Blind Vendors may be charged for the cost of lost or stolen keys.

## Chapter 9: Licensed Blind Vendor Leaves of Absence

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### General Policy

The Licensed Blind Vendor must inform their district management coordinator and the director in writing when they plan to take a medical or general leave of absence. Minnesota Rule, Chapter 3321 requires a 60-day notice from the Licensed Blind Vendor to the BEP prior to the vendor taking a leave of absence. Medical leaves of absence where the Licensed Blind Vendor retains ownership of the BEP business are governed by Minnesota Rule, Chapter 3321.

Whether the Licensed Blind Vendor is on a medical leave, vacation, or taking a personal day, it is essential to the success of the BEP business that the service provided to the customer remains at a high level. If the Licensed Blind Vendor intends to take personal time away from their business, they must notify their district management coordinator in writing at least 5 business days in advance. The notification must describe how they will meet their customer's needs while they are away.

In addition to the leave requirements of the BEP, a Licensed Blind Vendor is also subject to any contractual agreements of the vending operation site, which may require the Licensed Blind Vendor to be present during certain hours of the day and days of the week.

The BEP recognizes there may need to be allowances and flexibility regarding leaves. The nature of a leave is individualized based on the Licensed Blind Vendor's business enterprise. The BEP will take into account the needs of the customer-base and the location when granting and structuring a Licensed Blind Vendor's leave. For example, one location may allow a leave of two weeks with no back-up operator, while another location may not allow the same flexibility.

### 9.1 General and Medical Leave Requests Procedure

The BEP uses the following procedure to manage general and medical leave requests:

1. The Licensed Blind Vendor submits a written notice 60 days in advance of the general or medical leave to the BEP director. The written notice must include:
  - The type of leave the Licensed Blind Vendor is requesting;
  - The reason for the leave;
  - A doctor's note for medical leave requests; and
  - The date and time the leave would begin.
2. The director acknowledges receipt of the request by sending the Licensed Blind Vendor a written response within one business day of receiving the written notice.
3. The director communicates with MC members to determine if they support the leave request. The determination is completed within one week of receiving the written notice.
4. The director notifies the Licensed Blind Vendor in writing within two weeks if the request was approved or denied.

### 9.2 Denying Leave Requests

If a leave request is denied, the Licensed Blind Vendor must continue to operate the BEP business while complying with the laws, rules and policies of the BEP. If a Licensed Blind Vendor disagrees with this decision, they can appeal it through the grievance process discussed in [Chapter 17](#) (Page 50).

### 9.3 Use of Third Party Vendor Agreements

One of the goals of the BEP is to have its Licensed Blind Vendors working in the public in an effort to enhance public perception of what is possible for blind people. Due to this, the BEP prefers that its Licensed Blind Vendors provide the day-to-day services required to operate an efficient and effective

vending business. The use of a third party vending agreement should be limited and needs to be approved by the district management coordinator and the director prior to any agreements between a third party and the Licensed Blind Vendor. The BEP will not be held to any contractual agreements entered into by a Licensed Blind Vendor.

## Chapter 10: Sponsorship to Conferences

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### **General Policy**

The BEP and MC support the attendance of Licensed Blind Vendors at local, state, and national conferences, and all Licensed Blind Vendors have an equal opportunity to attend.

The BEP will work with the MC to determine if they will sponsor Licensed Blind Vendors to attend a conference. If yes, they will work collaboratively to determine how many Licensed Blind Vendors will be sponsored and the amount of the sponsorship.

### **10.1 Prior Approval**

Any sponsorship to attend a conference requires the director to request approval from the Rehabilitation Services Administration (RSA). Once the director receives approval, the BEP and MC will work together to identify who will be sponsored at the specific event. If RSA does not approve the sponsorship request, the BEP will not provide sponsorship to Licensed Blind Vendors to attend the conference.

The director must follow the SSB Prior Approval Process by completing the Prior Approval Form and receive approval from RSA prior to any program sponsorship.

### **10.2 Funding for Conferences**

The BEP does not have the funds to send everyone to conferences and will limit the amount of funds attributed to this initiative. In those instances where the BEP and MC decide to sponsor more than one Licensed Blind Vendor, the approved stipend amount will be distributed evenly among the sponsored Licensed Blind Vendors.

## Chapter 11: Management Committee

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### General Policy

The Management Committee (MC) is an advisory committee. The MC does not have decision-making authority. There will be times when the BEP will seek feedback from the MC on major administrative decisions and policy and program development. This feedback will be taken into consideration before the BEP makes its final decision.

For the complete MC Bylaws, see Appendix B.

### 11.1 Roles and Responsibilities

- Actively participate with the SLA and provide feedback on administrative decisions, such as BEP policy development;
- Actively participate in, review and provide feedback on new and amended policies and procedures that impact the overall administration of the BEP;
- Receive and transmit grievances of licensed blind vendors to the state licensing agency and serve as their advocates;
- Actively participate with the state licensing agency in the administration of the transfer and promotion system for licensed blind vendors;
- Actively participate with the state licensing agency in developing training and retraining programs;
- Sponsor, with the assistance of the state licensing agency, meetings and instructional conferences for Licensed Blind vendors; and
- Actively participate with the state licensing agency in the approval or denial of Licensed Blind Vendor leave requests.
- Keep confidential information shared in conjunction with serving on the MC.

### 11.2 Composition

The composition of the MC membership is mandated through State and Federal statute. All members must be active Licensed Blind Vendors operating a BEP business.

Members of the MC are elected for a two-year term. No member may serve more than two consecutive full terms except when representation is not found through a normal election process. In this instance, the MC would pick a person from the district to serve and this person could be the individual who just completed serving two consecutive full terms. If a member completes any portion of a two-year term vacated by a previous member, it is considered a full term. Upon completion of two terms, members may be considered for reappointment after being off the MC for at least one year.

### 11.3 Professional Standards

All committee members are to present themselves professionally and with good conduct whenever they are representing the BEP MC. Members must follow the standards outlined in the Respectful Workplace policy.

### 11.4 Safeguarding Licensed Blind Vendor Private Data

In their role as a committee member, Licensed Blind Vendors may be provided private data of another Licensed Blind Vendor business. Licensed Blind Vendors are subject to the same data privacy laws that govern the program, regardless if they are a current or former committee member. Private information must never be shared. Licensed Blind Vendors who violate the data privacy laws are subject to disciplinary action, up to and including removal from the program, and potential litigation by other parties.

## Chapter 12: Fringe Benefits

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### General Policy

This policy is developed pursuant to Minnesota Statutes 248.07, subdivision 8(4). Fringe Benefits are provided pursuant to this policy from vending income collected from rest area commissions, which are not assignable to an individual. The fringe benefit amount is calculated on July 1<sup>st</sup> of each state fiscal year. A state fiscal year is July 1<sup>st</sup> through June 30<sup>th</sup>.

When Fringe Benefits are approved, the approved amount is credited to the Licensed Blind Vendor's BEP bank account. Questions about the credit process should be brought to the BEP bookkeeper.

### 12.1 Qualification for Fringe Benefits

The following items qualify for Fringe Benefit reimbursement if they are purchased by a Licensed Blind Vendors for themselves, their families, or employees of their business:

- Health insurance;
- Medical expenses and prescriptions;
- Retirement investments; and
- Life insurance.

Eligible participants for Fringe Benefits are all Licensed Blind Vendors licensed under Minnesota Rules Chapter 3321 except the following:

- A Licensed Blind Vendor on a general leave of absence - pursuant to section 3321.1000, subpart 3.E. - will be eligible for a pro-rated amount of Fringe Benefits for the upcoming year based on the number of months they operated a BEP business.

Example: A licensed blind vendor takes a general leave on May 1, 2018. They worked 10 out of the 12 months of the state fiscal year. They would be entitled to 5/6 of the Fringe Benefit amount calculated on July 1, 2018. This provision does not apply to persons on a six-month medical leave of absence. The Licensed Blind Vendor on a general leave or extended medical leave would not become eligible again for Fringe Benefits until they start to operate a BEP business again. In this situation, the Licensed Blind Vendors Fringe Benefit amount would be pro-rated for the following year based on the time they are operating the BEP business during the current state fiscal year.

- A Licensed Blind Vendor who retires, leaves the BEP, or removed from the BEP at any time during the state fiscal year will be eligible for a pro-rated amount of Fringe Benefits based on the number of months they operated a BEP business.

### 12.2 Determination of Fringe Benefit Amount

Each year the director shall determine the amount, if any, that may be available for Fringe Benefits for the next state fiscal year. The following formula shall be used to determine the amount available for Fringe Benefit reimbursement:

Description of Amount	Amount
1. Balance on June 30 <sup>th</sup> for State Fiscal Year	\$
2. Contingency Reserve  <i>Contingency reserve is used for emergency purposes, special projects, significant business opportunities or similar uses. If contingency reserve is used the amount used is replenished from the 60% "New Equipment" category.</i>	(\$75,000)
3. MN DOT Commissions This includes a 5% commission to MN DOT in dollars and 25% to be used for new equipment.	(\$ )
4. Liability Insurance	(\$ )
5. Fringe Benefits Reimbursement Declared, Not Yet Paid	(\$ )
6. Amount Available for Fringe Benefits and Other Expenses (Number 1 minus numbers 2-5.)	\$
7. Fringe Benefit Amount (40% of Number 6 plus \$10,000/year from Federal Commissions Account)	\$
8. Equipment Amount (60% of Number 6)	\$
9. Fringe Benefit Amount Per Vendor (Number 7 divided by number of eligible Licensed Blind Vendors)	\$

### 12.3 Individual Share

Upon determination that a Fringe Benefit credit amount is available for the next state fiscal year, an equal share for each Licensed Blind Vendor must be determined. Notice of this amount will be sent to each Licensed Blind Vendor. The individual share will be rounded to the nearest five-dollar increment.

### 12.4 Reimbursement

Each Licensed Blind Vendor must provide receipts to the BEP bookkeeper for allowable purchased expenses as outlined in [12.1](#) (Page 39) to receive that amount in Fringe Benefit credit. The expenses must be incurred in the same state fiscal year in which the individual share is awarded. The Licensed Blind Vendor will be credited up to the amount of the individual share. Receipts must be received no later than July 31<sup>st</sup> for the previous state fiscal year. If receipts are not submitted by July 31<sup>st</sup>, the Fringe Benefit credit will be deemed unused.

Upon approval of the receipts, the BEP bookkeeper will credit individual shares to the eligible Licensed Blind Vendor's account established pursuant to Minnesota Rules 3321.0800 (operational charge). The BEP bookkeeper and director will transfer an amount equal to the total of all individual shares reimbursed for the state fiscal year, to the fund established pursuant to Minnesota Rules 3321.0800 from the fund in which vending machine income is deposited.

#### **12.5 Termination of the Fringe Benefit Policy**

The BEP, Management Committee, and Licensed Blind Vendors will review and amend this policy prior to the end of each state fiscal year.

## Chapter 13: Business Reviews

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### General Policy

The purpose of the business review is to go over the vital areas (e.g. agreements, operational processes and financial information) of the BEP business to assess what is going well and where changes and improvements can be made to maximize the profitability of the BEP business.

Annually district management coordinators complete a BEP business review that is gone over with each Licensed Blind Vendor. District management coordinators will work collaboratively with Licensed Blind Vendors to schedule the business review at a time and place convenient for both parties.

See [Annual Business Review](https://mn.gov/deed/assets/annual-business-review_tcm1045-348349.pdf) (https://mn.gov/deed/assets/annual-business-review\_tcm1045-348349.pdf).

### 13.1 Business Review Process

1. The district management coordinator enters the financial information for the last two calendar years so he or she can review this information with the Licensed Blind Vendor
2. The district management coordinator and Licensed Blind Vendor work together to identify a convenient time to meet and go over the completed business review.
3. The district management coordinator reviews the business information with the Licensed Blind Vendor and documents feedback.
4. The district management coordinator and the Licensed Blind Vendor discuss the accomplishments and challenges in the last year and what anticipations for the upcoming year.
5. The district management coordinator updates the business review to reflect the answers and feedback provided by the Licensed Blind Vendor.
6. The district management coordinator sends the Licensed Blind Vendor a final copy of the business review within 10 business days after the meeting.

## Chapter 14: BEP Inventory Process

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### **General Policy**

An inventory is conducted when there is a change in ownership of a BEP business. A Licensed Blind Vendor or student acquires ownership of merchandise and supplies when inventorying into a BEP business.

The inventory process is arranged with the district management coordinator who has the BEP business in their district. The Licensed Blind Vendor, or student, who is taking over operation of the BEP business must determine what merchandise or supplies, they will purchase from the departing Licensed Blind Vendor and may enlist the assistance of the district management coordinator. In the case of a Licensed Blind Vendor, disagreement over the purchase of supplies or merchandise the BEP may intervene to make a final decision. The departing Licensed Blind Vendor is responsible for removing all merchandise or supply inventory not purchased.

The incoming and departing Licensed Blind Vendors are required to meet together and count the merchandise, cash, and supplies and provide the district management coordinator with the final inventory amount. Agency and personal representatives may assist in the inventory process. An agency representative will also assess the condition of equipment during the transfer.

The incoming Licensed Blind Vendor may utilize an interest free loan from the BEP to purchase the inventory from the outgoing Licensed Blind Vendor. Additional merchandise from suppliers may be purchased through the loan process with the assistance of the district management coordinator. Loans are paid back in monthly payments over a three-year period. Upon approval of the BEP, additional time may be granted in hardship cases to ensure that no individual be denied the opportunity to become a Licensed Blind Vendor because of the inability to purchase initial merchandise and supplies.

## Chapter 15: Asset Inventory

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### General Policy

Items purchased and owned by the State of Minnesota are not the property of the Licensed Blind Vendor and must remain with the business until removed by the BEP.

The BEP will maintain an inventory of all program equipment and vending machines, updated annually, with an original purchase value of \$1,000 or more.

### 15.1 Definition of State Assets

State assets are purchased and owned by the state. Assets may include:

- Vending machines
- Coin sorters
- Bill counters
- Cash registers
- Storage containers or shelving
- Carts

### 15.2 Asset Stickers on Equipment and Vending machines

All state assets with an original purchase value of \$999 or less will be tagged with the “RED” BEP State of Minnesota property sticker.

All state assets with an original purchase value of \$1,000 or more will be tagged with the “BLUE” BEP State of Minnesota property sticker. These items will also be listed and maintained on a BEP asset inventory spreadsheet maintained by technician.

### 15.3 Asset Sticker Placement

Asset stickers must be placed for easy visibility but in a reasonably protected spot. Tags should not be placed where they will be subject to wear.

- Vending machines: on the inside of the machine near the serial number tag if possible (never on the inside of the door);
- Storage cabinets: face, top right;
- Refrigerator/Freezer: inside, next to the serial number;
- All heavy counter top equipment: tag on the face or side;
- All easily lifted equipment: tag on any side, preferably not the bottom; and
- All other items: please refer to a technician for guidance.

The technician or district management coordinator will place the asset sticker on the asset within 10 days of the BEP receiving the asset. District management coordinators must inform the technicians of any purchases requiring a BEP asset sticker.

### 15.4 Asset Inventory

The district management coordinator must notify the technician via email with the following information when there are equipment changes:

- The model, serial and state property asset number,
- Where the asset currently located, and
- Where the asset was moved.

The technician will update the asset inventory spreadsheet within 10 business days of the change.

### **15.5 Non-State Property Assets**

Property owned by the Licensed Blind Vendor in their workplace is noted on a [Private Property form](https://mn.gov/deed/assets/private-property_tcm1045-348339.pdf) (https://mn.gov/deed/assets/private-property\_tcm1045-348339.pdf). It is the responsibility of the licensed blind vendor to notify the management coordinator when there are any changes to this form. The location reserves the right to determine what is kept on its property and as such has the final say on what is allowed.

The district management coordinator will review the [Private Property form](https://mn.gov/deed/assets/private-property_tcm1045-348339.pdf) (https://mn.gov/deed/assets/private-property\_tcm1045-348339.pdf) annually with the Licensed Blind Vendor as part of the annual business review.

### **15.6 Asset Invoicing and Tracking**

All assets are inventoried in an Asset Inventory Spreadsheet. The spreadsheet is updated annually and will be retained for seven state fiscal years.

#### Current Assets

This section contains a listing of current state assets with a purchase price of \$1,000 or more. Current assets are inputted into the spreadsheet once the item has been received.

#### Recycling Assets

When it is determined that an asset is no longer functional and needs to be disposed of or recycled, the district management coordinator will contact the assigned technician. If the technician agrees, they will contact the director to determine how to proceed. The BEP will strip all obsolete or recycled assets for parts to be used to support other BEP assets. The technician will work with Minnesota Surplus Services to determine if any assets will be auctioned.

Licensed Blind Vendors will inform their district management coordinator if an asset has been stolen or damaged. The district management coordinator will work collaboratively with Licensed Blind Vendor, technician, director, and location representative to resolve the issue.

A technician will track the recycling activity of all assets in the spreadsheet:

- Asset name
- Serial number
- Model number
- State property number
- Date asset is removed from inventory
- Brief description of how it was processed (e.g. stripped for parts, recycled at [specification location] for [cost])

### **15.7 Filing of Paid Invoices**

All paid invoices for BEP assets are filed by the BEP bookkeeper. Each purchasing vendor that the BEP does business with will have a separate file. Each file will contain invoices for that specific vendor for the state fiscal calendar year, July 1<sup>st</sup> through June 30<sup>th</sup>. Paid invoices will be retained for seven state fiscal years.

## Chapter 16: Vending Machines and Vending Machine Moves

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### General Policy

The BEP provides state-owned equipment and vending machines for each BEP business. The right, title, and interest in this equipment is vested in the State of Minnesota. No vending machines may be added, altered, or removed from the business except at the direction of the district management coordinator. The licensed blind vendor must exercise all possible care with the vending machines and must not make any alterations, changes, or additions.

Licensed Blind Vendors may use third party beverage vending machines with the approval of their district management coordinator.

One of the goals of the BEP is to dispel misconceptions about blind people by showcasing their abilities. The BEP prefers that Licensed Blind Vendors fill the third party vending machines. The BEP recognizes that there may be times where having the third party vendor to provide this service makes business sense. The Licensed Blind Vendor must receive approval from their district management coordinator before proceeding with the full-service option.

### 16.1 Vending Machine Moves

The following procedure will be followed for installation or removal of all vending machines from BEP businesses:

1. District management coordinator works with Licensed Blind Vendor to schedule the vending machine move. Both parties must agree on a move date prior to scheduling the move. Any changes to this move date must be conveyed to the other party no later than 24 hours before the move date whenever possible.
2. District management coordinator conducts a survey of the location to develop a plan for the move.
3. District management coordinator sends the director an email request to schedule the move. This request includes the estimated cost for the move.
4. The director approves or declines the request. If declined, the District Management Coordination will notify the Licensed Blind Vendor. If the Licensed Blind Vendor disagrees with the decision, they are encouraged to contact the director to discuss the decision.
5. Once approved, the district management coordinator contacts moving contractor to check available move dates.
6. District management coordinator obtains a purchase order from BEP bookkeeper with approved funds provided by the director.
7. District management coordinator sends moving contractor an email with the details of the move and purchase order number. Technicians, district management coordinators, and director are copied on this correspondence. District management coordinators must work collaboratively to combine moves whenever possible.
8. Licensed Blind Vendors must be present at the location when the move happens.
9. Licensed Blind Vendors must remove all product and personal items from any vending machine, equipment or fixtures being removed no later than the day before the vending machine move. If the Licensed Blind Vendor does not remove product from the vending machine, they will be responsible for the costs associated with the removal of the product, including additional time charges from the moving contractor.
10. The Licensed Blind Vendor will be required to complete vending machine training on unfamiliar equipment prior to delivery. .
11. A BEP representative must be present for all moves of state-owned vending machines.
12. The district management coordinator sends the technician an email within five (5) business

days of the move with the updated asset inventory information.

Vending machine moves are an arduous process, and it is imperative that all stakeholders work collaboratively to ensure a smooth transition.

## Chapter 17: Grievances

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### **General Policy**

Licensed blind vendors shall be informed in writing at the time they are licensed of their right to and the procedures to be followed for obtaining an informal administrative review or a full evidentiary hearing regarding an agency decision.

### **17.1 Informal Administrative Review**

An opportunity for an informal administrative review must be afforded to each licensed blind vendor dissatisfied with any action arising from the operation or administration of the business enterprise program. The procedures in items A to D must be followed in granting licensed blind vendors an informal administrative review.

A licensed blind vendor or the licensed blind vendor's designee (who need not be an attorney) may request an informal administrative review. This request must be in writing to the director of the state licensing agency within 15 calendar days of the occurrence of the action and must state the specific action with which the licensed blind vendor is dissatisfied. This informal administrative review must be conducted by supervisory staff of the state licensing agency who have not in any way participated in the state licensing agency action in question.

The informal administrative review must be held during regular agency working hours, at a district or local office location. An informal administrative review must be conducted within 30 calendar days of receipt by the state licensing agency of the written request.

Documentation as to written requests for informal administrative review and actions and decisions resulting therefrom shall be maintained as part of the official record of the informal administrative review process.

If an informal administrative review does not resolve a dispute to the satisfaction of a licensed blind vendor, the licensed blind vendor may request that the state licensing agency provide a full evidentiary hearing.

### **17.2 Full Evidentiary Hearing**

An opportunity for a full evidentiary hearing conducted pursuant to Minnesota Statutes, chapter 14, must be afforded to each licensed blind vendor dissatisfied with any action arising from the operation or administration of the business enterprises program. The procedures in items A to F must be followed in granting licensed blind vendors a full evidentiary hearing.

If a licensed blind vendor requests a full evidentiary hearing, the request must be made either within 15 calendar days after an adverse decision based on an informal administrative review or, in the absence of an informal administrative review, within 15 calendar days of the occurrence of the state licensing agency action with which the licensed blind vendor is dissatisfied.

A licensed blind vendor or the licensed blind vendor's designee must request a full evidentiary hearing in writing. This written request must be transmitted to the director of the state licensing agency. The request must specify the action being appealed.

The full evidentiary hearing shall be held at a time and place convenient and accessible to the licensed blind vendor requesting a full evidentiary hearing. A full evidentiary hearing held during regular state licensing agency working hours and located at the state licensing agency central office

must be deemed among the convenient times and places. Upon receipt of the request, the state licensing agency shall immediately request a hearing date from the state Office of Administrative Hearings, whose designee shall serve as the administrative law judge, and then notify the licensed blind vendor of the time and place for the full evidentiary hearing. The licensed blind vendor must be provided sufficient preparation time before the full evidentiary hearing. The licensed blind vendor shall be provided a copy of the hearing procedures and rules.

The licensed blind vendor has the right to be represented by counsel, and may present witnesses and cross-examine adverse witnesses.

A transcript of the proceeding must be available to the licensed blind vendor.

After receipt of the report of the administrative law judge, the director of the state licensing agency shall issue a final written decision within 15 calendar days.

### **17.3 Arbitration Panel**

If the licensed blind vendor is dissatisfied with the decision rendered after a full evidentiary hearing, the licensed blind vendor may request that an arbitration panel be convened by filing a complaint with the secretary of the Department of Education, as authorized by Code of Federal Regulations, title 34, section 395.13.

## Appendix A: Maintenance and Cleaning Checklist

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### **National Coffee Machines 637,657,677, GPL 670,674, USI 3205**

#### Daily Maintenance

- Replace burned-out or discolored light bulbs.
- Empty bill validator.
- Replenish coin tubes in the coin mechanism.
- Inspect and clean coin and scavenger mechanism.
- Clean and fill ingredient canisters
- Check water filter service limit.
- Thoroughly clean inside of merchandiser.
- Sanitize cup compartment.
- Inspect mixing bowls, run bowl rinse.
- Clean the front of merchandiser.
- Tap grinder delivery tubes to prevent clogging.
- Check filter paper quantity & operation (if equipped)

#### Weekly Maintenance

- Repeat daily maintenance instructions.
- Clean exhaust filter and vent screens.
- Inspect for overall cleanliness.
- Clean brewer mechanism.
- Sanitize product tubing and dispensing nozzles.
- Inspect and clean vacuum system.
- Sanitize mixing bowls and whipper housing.

### **National Snack Centers 157-8, 167-8, GPL 172,173, AP 932,933, USI 4000, 5000**

#### Daily Maintenance

- Replace burned-out or discolored light bulbs.
- Empty bill validator.
- Replenish coin tubes in the coin mechanism.
- Inspect and clean coin and scavenger mechanism.
- Clean (wipe out any residue) in spiral channel and fill empty spiral slots.
- Check operation of delivery door.
- Inspect plastic product labels for cracking (top selections crack first because of fluorescent light bulb).
- Wipe down outside of merchandiser, make sure window is clean.
- Make sure trays are pushed in properly, check for spring tension on trays for 157-8.

#### Weekly Maintenance

- Repeat daily maintenance instructions.
- Clean exhaust filter or vents.
- Check level of machine so product drops correctly.
- Inspect tray latches for proper operation.

## **National Shoppertron 431**

### Daily Maintenance

- Replace burned-out or discolored light bulbs.
- Empty the bill validator.
- Replenish coin tubes in the coin mechanism.
- Inspect and clean coin and scavenger mechanism.
- Test vend the merchandiser.
- Check temperature of the cabinet.
- Follow the daily sanitation procedures then reload the merchandiser.

### Daily Sanitation – refer to “Cleaning and Sanitation” at the end of this section

- Remove all past-date merchandise from the merchandiser.
- Check for liquid spillage on the merchandiser modules. If there is spillage, remove the module shelves and dividers affected, Wash and sanitize the shelves and dividers with a clean, damp disposable wipe or a clean soft-bristle brush. Rinse with clean hot water and dry thoroughly.
- Wipe the exterior of the merchandiser with a damp disposable paper wipe and dry thoroughly.

### Weekly Service

- Follow the daily maintenance instructions.
- Brush the vent screens.
- Inspect the condenser. Remove accumulated dust.
- Inspect the door fan filter. Clean and replace it before it becomes clogged.
- Inspect the coin mechanism and bill validator. Clean if necessary.

### Weekly Sanitation – refer to “Cleaning and Sanitation” at the end of this section

- Follow the daily sanitation instructions.
- Inspect the merchandiser for overall cleanliness, especially the corners.
- Wash and sanitize the merchandiser food compartment with a clean, damp, disposable paper wiper. Dry thoroughly.

### Monthly Service

- Follow the weekly service instructions.
- Clean the coin chute and coin mechanism
- Clean the bill validator.
- Remove the vent fan filters. Clean the screens with a dry cloth, then wash with a warm detergent solution. Rinse, dry, and reassemble.
- Clean merchandiser: For LEXAN signs and general cleaning a mild soap or detergent and lukewarm water is recommended.

### Monthly Sanitation – refer to “Cleaning and Sanitation” at the end of this section

- Follow the weekly sanitation procedures.

### Semi-Annual Service

- Follow the weekly service instructions.
- Inspect the merchandiser for worn parts and replace where necessary.

### Semi-Annual Sanitation – refer to “Cleaning and Sanitation” at the end of this section

- Follow the monthly sanitation instructions.

## **Coin Validator and Coin Chute**

- Inspect the coin validator and coin chute at regular intervals. Clean them at least monthly.
- Remove the coin validator assembly from the merchandiser.
- Clean the coin chute with a tube cleaning brush to remove any accumulated dust and foreign matter.
- Refer to the coin validator instruction booklet and follow the recommended cleaning procedure.

## **Bill Validator**

Refer to the bill validator instruction booklet and follow the recommended cleaning procedure.

### Annual Maintenance

- Check the condensing coil for obstructions.
- Check the condition of the door seals.
- Check the evaporator fans for operation.
- Check the condenser fan for operation.

## **Cold Beverage Machines (Cans/Bottles)**

### Daily Maintenance

- Empty bill validator.
- Replenish coin tubes in the coin mechanism.
- Inspect and clean coin and scavenger mechanism.
- Open door and check the inside of the vendor for water accumulation, rust marks, moisture around the edges of the inner door etc.
- Clean merchandiser: For LEXAN signs and general cleaning a mild soap or detergent and lukewarm water is recommended.
- Check product temperature for proper cooling.
- Empty condensation pan & check for proper drainage.
- Investigate any unusual sounds (fan blades hitting something, refrigeration lines rattling, etc.)  
Check operation of inner delivery door flap to prevent freeze ups.

### Monthly Maintenance

- Clean the condenser, free vanes of dirt, lint, etc. Routine cleaning is not necessary, but the Controller's area may be blown out with compressed air.
- For efficient operation, the Condenser and Evaporator Coils & screens must be kept clear of any dirt or foreign materials. Clean dirt and lint from the Condenser screen and Evaporator Coils with a brush, vacuum cleaner, or compressed air.
- Lubricate the latch strike nut periodically with petroleum base grease.
- The door gasket comes from the factory pre-lubricated but should be lubricated periodically with a silicone lubricant. Apply to the vertical piece of gasket on the hinged side of the inner door, which touches the vendor's main door. This will help prevent any peel back of the gasket, which can cause air leaks into the sealed cabinet resulting in freeze ups.
- Lubricate hinge pivot points (every 6 months or as needed.)
- Clean merchandiser: For LEXAN signs and general cleaning a mild soap or detergent and lukewarm water is recommended.

## **National 780, AP6500, AMS**

### Daily Maintenance

- Replace burned-out or discolored light bulbs.
- Empty the bill validator.

- Replenish coin tubes in the coin mechanism.
- Inspect and clean coin and scavenger mechanism.
- Test vend the merchandiser.
- Clean (wipe out any residue) in spiral channel and fill empty spiral slots.
- Check temperature of the cabinet.
- Follow the daily sanitation procedures then reload the merchandiser.

Daily Sanitation – refer to “Cleaning and Sanitation” at the end of this section

- Remove all past-date merchandise from the merchandiser.
- Check for liquid spillage on the merchandiser modules. If there is spillage, remove the shelves and dividers affected, wash and sanitize the shelves and dividers with a clean, damp, disposable wipe or a clean soft-bristle brush. Rinse with clean hot water and dry thoroughly.
- Wipe the exterior of the merchandiser with a damp disposable paper wipe and dry thoroughly.

**National 780 AP 6500 AMS Maintenance / Service**

Weekly maintenance

- Follow the daily maintenance instructions.
- Brush the vent screens.
- Inspect the refrigeration screen. Remove accumulated dust.
- Inspect the coin mechanism and bill validator. Clean if necessary.

Weekly Sanitation – refer to “Cleaning and Sanitation” at the end of this section

- Follow the daily sanitation instructions.
- Inspect the merchandiser for overall cleanliness.
- Wash and sanitize the merchandiser food compartment with a clean, damp, disposable paper wipe. Dry thoroughly.

Monthly Service

- Follow the weekly maintenance instructions.
- Clean the coin chute and coin mechanism.
- Clean the bill validator.
- Clean the screens with a dry cloth, then wash with a warm detergent solution. Rinse, dry, and reassemble.
- Clean merchandiser: For LEXAN signs and general cleaning a mild soap or detergent and lukewarm water is recommended.

**National 455 Frozen Food, USI Alpine 3000**

Daily Maintenance

- Replace burned-out or discolored light bulbs.
- Empty the bill validator.
- Replenish coin tubes in the coin mechanism.
- Inspect and clean coin and scavenger mechanism.
- Clean (wipe out any residue) in spiral channel and fill empty spiral slots
- Test vend the merchandiser.
- Check temperature of the cabinet.

Weekly service

- Follow the daily maintenance instructions.
- Brush the vent screens.

- Inspect the refrigeration screen. Remove accumulated dust.
- Inspect the coin mechanism, and bill validator. Clean if necessary.

### Monthly Service

- Follow the weekly service instructions.
- Check defrost cycle. (Refer to manual for procedure)
- Clean the coin chute and coin mechanism.
- Clean the bill validator.
- Clean and sanitize shelves as needed.
- Clean the screens with a dry cloth, then wash with a warm detergent solution. Rinse, dry, and reassemble.
- Clean merchandiser: For LEXAN signs and general cleaning a mild soap or detergent and lukewarm water is recommended.

**\*USI only** – Remove and replace condenser air filter.

## **Fastcorp Z-400 Frozen Food**

### Daily Maintenance

- Replace burned-out or discolored light bulbs.
- Empty the bill validator.
- Replenish coin tubes in the coin mechanism.
- Inspect and clean coin and scavenger mechanism.
- Test vend the merchandiser.
- Check temperature of the cabinet

### Monthly Service

- Scrape frost from freezer compartment with supplied scraper.
- Clean the coin chute and coin mechanism
- Clean the bill validator.
- Clean the screens with a dry cloth, then wash with a warm detergent solution. Rinse, dry, and reassemble
- Clean merchandiser: For LEXAN signs and general cleaning a mild soap or detergent and lukewarm water is recommended.

## **Appendix B: Management Committee Bylaws**

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### **ARTICLE I. Name and Establishment of the BEP Management Committee.**

Section 1.1: NAME - THE NAME OF THIS COMMITTEE SHALL BE THE MANAGEMENT COMMITTEE. (Hereinafter referred to as the MC.

Section 1.2: ESTABLISHMENT – The MC is established consistent with the Randolph-Sheppard Act and Minnesota Statute 248.07.

### **ARTICLE II. Purpose, Duties and Responsibilities of the MC**

Section 2.1: PURPOSE – The purpose of the MC shall be to represent all Licensed Blind Vendors within the state and actively participate as provided by in State and Federal statute.

Section 2.2: DUTIES – The MC duties are to:

- (a) Actively participate with the state licensing agency in major administrative decisions and policy and program development affecting the overall administration of all business enterprises;
- (b) Receive and transmit grievances of licensed blind vendors to the state licensing agency and serve as their advocates;
- (c) Actively participate with the state licensing agency in the administration of the transfer and promotion system for licensed blind vendors;
- (d) Actively participate with the state licensing agency in developing training and retraining programs;
- (e) Sponsor, with the assistance of the state licensing agency, meetings and instructional conferences for licensed blind vendors; and
- (f) Actively participate with the state licensing agency in the administration of Licensed Blind Vendor leave requests.

Section 2.3: RESPONSIBILITIES – The MC responsibilities are to:

- (a) Comply with all data privacy laws;
- (b) Call meetings and formulate agendas;
- (c) Ensure their district is represented by the views and ideas of their constituents;
- (d) Conducting all MC business as required by State and Federal statute
- (d) At the first meeting of the new calendar year review the MC Bylaws and sign the Bylaws agreement.

### **ARTICLE III: Membership Composition, Terms, Removal, Attendance and Filling of Vacancies**

Section 3.1: MEMBERSHIP COMPOSITION -The composition of the MC membership shall be as provided in State and Federal statute. All members must be active Licensed Blind Vendors operating a BEP business.

Section 3.2: TERMS - Members of the MC are elected for a two-year term. No member may serve more than two consecutive full terms except when representation is not found through a normal election process. In this instance, the MC would pick a person from the district to serve and this person could be the individual who just completed serving two consecutive full terms. If a member completes any portion of a two-year term vacated by a previous member, it is considered a full term. Upon completion of two terms, members may be considered for reappointment after being off the MC for at least one year.

Section 3.3: ATTENDANCE - In the event a member has two unexcused absences for general MC meetings in a twelve-month period, the Chair shall contact the member to inquire as to his or her willingness and ability to continue to serve on the MC. The Chair shall inform the MC of the results and the MC will vote to determine if the member should remain on the MC. If the vote is for removal, the Chair will send a letter to the member notifying them of the MC's decision prior to the next scheduled quarterly meeting. An "unexcused absence" is one in which a member of the MC does not notify the Chair of the MC of the reason for the absence, either before or after the meeting but simply fails to attend.

Section 3.4: VACANCIES - Except as provided by state and federal law, any vacancy occurring in the membership of the MC shall be filled in the same manner as the original appointment. The vacancy shall not affect the power of the remaining members to execute the duties of the MC.

#### ARTICLE IV: Compensation

Members of the MC shall be offered compensation as provided in State Statute. In addition, members of the MC shall be offered reimbursement for travel expenses associated with attendance at quarterly MC meetings.

#### ARTICLE V: Accessibility of Meetings and Materials

The location and the content of MC meetings will be fully accessible. Reasonable accommodations will be provided regularly for members of the MC and provided upon request for members of the public. All requests should be made at least two weeks prior to the meeting. Written material used at the meeting shall not be distributed at that meeting if materials in accessible, alternative formats are unavailable. Requests can be made by contacting the BEP office.

#### ARTICLE VI: Quarterly meetings, Record of Meetings, Decision Making, Conflict of Interest, Public Comment and Public Notice

Section 6.1: QUARTERLY MC MEETINGS - The MC shall meet quarterly each year. Written notice of the meeting and the meeting agenda will be provided to all Licensed Blind Vendors, in their preferred format, not less than five (5) days prior to the date of the meeting. In the case of a recess, all members of the MC shall be notified by the MC Chair of the place, day and hour of the reconvened meeting. A majority of the MC must be present in order to constitute a quorum to transact business. Quarterly MC meetings will be recorded. Summary meeting minutes of these meetings will be provided by the MC Secretary to all Licensed Blind Vendors. There may be times when emergency MC meetings will be called and circumstances do not allow for a one-week notice to all Licensed Blind Vendors. Quarterly MC meetings may be called at the request of the chairperson, DEED Commissioner, director or by written request to the chairperson by any four (4) members of the MC or 25% of all active Licensed Blind Vendors.

Section 6.2: DECISION MAKING - Unless otherwise provided for in these Bylaws, decisions of the

MC shall be made by a majority present and voting. There shall be no proxy voting. The MC may use telephone or other electronic means in the conduct of its meetings:

- (a) All members of the MC participating in the meeting, wherever their physical location, can hear one another and can hear all discussion and testimony;
- (b) members of the public present at the regular meeting location of the MC can hear all discussion and all testimony and all votes of members of the MC;
- (c) all votes are conducted by roll call so that each member's vote on each issue can be identified and recorded.

Section 6.3: CONFLICT OF INTEREST – MC Members must abstain from chairing a meeting, voting or making a motion on matters that may financially benefit the member or any organization in which they serve in a policy-making capacity. Members of the MC, its committees or task forces should voluntarily remove themselves from such matters, or may be removed, when there is an apparent conflict of interest, with the support of at least two-thirds of the members present and voting.

Section 6.4: PUBLIC COMMENT - Time will be made available at each regular meeting of the MC for public comment whether or not such comment is directly related to the agenda. Further, non-members attending MC meetings shall have the opportunity to comment concerning matters related to the agenda prior to formal action by the MC. Public comment may be extended or terminated by the chairperson or by a two-thirds vote of the members present and voting.

Section 6.5: RECORDS OF MEETINGS – Verbatim transcriptions of all MC quarterly meetings shall be retained on audio recording by the BEP as the MC's official record. Summary minutes, reflecting discussion and action taken by the MC, shall be prepared for general distribution. Because the MC is an advisory committee, any meeting with the MC is not required to follow open meeting laws.

Section 6.6: HEARINGS AND FORUMS - The MC is authorized to hold such hearings and forums as the MC may determine to be necessary to carry out the duties of the MC.

## ARTICLE VII: Officers and Elections

Section 6.7: ELECTIONS -The officers of the MC shall consist of a Chairperson and a Vice Chairperson and Secretary, elected by the MC from among its members. Officers shall be elected annually, during the first MC meeting of each calendar year, by a majority of the members of the MC present and voting by phone or in person.

Section 6.8: CHAIRPERSON OF THE MC - The chairperson of the MC shall preside at all meetings of the MC in a fair and impartial manner, fully participate in MC business except making or seconding motions, have voting privileges, and shall be an ex-officio member of all MC committees and task forces. In presiding over meetings, the chairperson shall assure the right of the minority to full and fair expression of its views and shall not allow such expression to defeat the will of the majority. In addition, the chairperson of the MC shall:

5. With the approval of the MC, appoint chairpersons for MC committees and task forces;
6. With the director or designated staff, develop agendas for MC meetings;
7. With the director or designated staff, orient new members of the MC and encourage their involvement in MC activities; and
8. Engage in effective communication with all members of the MC.

Section 6.9: VICE CHAIRPERSON OF THE MC - The vice chairperson of the MC shall aid the chairperson in the performance of his or her duties and in the absence of the chairperson, shall preside at meetings of the MC. If the chairperson is unable to serve, the vice chairperson shall assume the duties of that position but shall not officially occupy the chairperson's position unless elected to that position by the MC.

Section 7.0: TEMPORARY CHAIR - In the absence of the Chair and Vice Chair, members present at a meeting of the MC shall elect a temporary Chair for the duration of the meeting.

Section 7.1: SECRETARY OF THE MC – The secretary of the MC shall work collaboratively with the BEP staff to ensure summary minutes from MC meetings, reflecting discussion and action taken by the MC, are prepared for general distribution.

## ARTICLE VIII: Committees and Task Forces

Section 7.2: COMMITTEES AND TASK FORCES - The MC shall create committees and task forces it deems appropriate and necessary to carry out its purposes. Committees and task forces will be listed, with duties and dates for completion of duties at the time of assignment. Active Licensed Blind Vendors are eligible to participate on committees or task forces. Subcommittee and task forces meetings will not be recorded. There will be no decisions made in these type of meetings. The subcommittee or task force chairperson will provide a summary of the work completed at the next scheduled quarterly MC meeting.

Section 7.3: MC SUB-COMMITTEES - The subcommittees of the MC shall include, but are not limited to:

- (1) Elections
- (2) Grievances
- (3) Finance – audit and budgeting
- (4) Fringe benefits

Section 7.4: MC SUBCOMMITTEE CHAIR RESPONSABILITIES - Each subcommittee will have a chairperson. Members of the MC and active Licensed Blind Vendors are eligible to chair any subcommittee. Chair appointment to subcommittees will be made at the first meeting of the calendar year. Subcommittee Chairs will be appointed by members of the MC by a majority vote.

Subcommittee chairperson's responsibilities are as follows:

**ELECTIONS** – The chairperson of the elections subcommittee works with the director on administering elections and reporting results. The subcommittee chairperson provides information and results to the MC and Licensed Blind Vendors.

**GRIEVANCES** - The chairperson of the grievances subcommittee reports any current grievances associated with a Licensed Blind Vendor. This chairperson is responsible for providing the grieving vendor with information on the protocol for filing a grievance and may act as an advocate for the vendor filing the grievance at the vendor's request. The chairperson may act as a mediator on behalf of the MC if requested to do so by the vendor filing the grievance. In the mediator role, the subcommittee chair works with the director and the grieving Licensed Blind Vendor on reaching an effective and efficient resolution. The mediation is not intended to take the place of the grievance process and the grieving vendor should be instructed to follow the grievance process even if they are in agreement with participating in mediation.

FINANCE – (AUDIT AND BUDGETING) – The chairperson of the finance subcommittee works with the director in providing BEP summary financial data to the MC each quarter. The chairperson will determine what information will be provided and will work with the director on acquiring the information.

FRINGE BENEFITS - The chairperson of the fringe benefits subcommittee works with the director on the formulation and administration of the Fringe Benefits Policy each year. The chairperson provides information and results to the MC and Licensed Blind Vendors.

#### ARTICLE IX - MC Elections

The director and the Elections subcommittee chairperson will conduct an annual election using the following process:

- Nominations will be solicited for two representatives for each of the following districts:

1. DISTRICT #1 – Northern Minnesota
2. DISTRICT #2 – Central Minnesota
3. DISTRICT #3 – Southern Minnesota

- The MC will work with the director to ensure the districts are comprised of a similar number of BEP businesses so there is equal representation for all active Licensed Blind Vendors. If a member of the MC ceases to operate a BEP business (general leave, retirement, resignation or removal), the MC will take the steps to appoint a new member from the former member's district.
- The Elections chairperson will work with the director on administering the election process. Elections shall be conducted by sending mail ballots to active Licensed Blind Vendors.
- Each district will nominate and elect its own representatives, by majority vote.
- There will be two seats in each district. The terms of the seats will be staggered so only one seat is up for election each year.
- An MC member transferring districts during their term will continue to represent the district they were elected to for the remainder of their term.
- The MC will work with the director to determine the date for committee elections. Elections will take place after July 1<sup>st</sup> and before November 1<sup>st</sup> each year.
- Licensed Blind Vendors wishing to cast a vote will return the ballot to the BEP offices by the date the ballots are due. The due date will be established by the MC and the director each year.
- The Elections chairperson and the director will meet to tally the votes.
- Ties in voting will be decided by the flip of a coin. The Elections chairperson will flip the coin and report the results.
- In the event a district does not offer a candidate for election, the MC shall appoint an active Licensed Blind Vendor from the respective district. If this is not possible, the MC will appoint an active Licensed Blind Vendor from another district.