



SCHOOL DISTRICT OF OKALOOSA COUNTY

TECHNICAL ASSISTANCE MEMORANDUM

FINANCE

FINANCE TAM: 2012-046

CONTACT: Julie Perry, Director or
Cindy Harris, Accountant

TELEPHONE: 833-5850

TO: School Principals
FROM: Rita R. Scallan, Chief Financial Officer
DATE: May 25, 2012
SUBJECT: Sales Tax Update

A handwritten signature in blue ink, reading "Rita R. Scallan".

The purpose of this memorandum is to provide the latest sales tax information for schools with internal funds. The "Sales Tax" attachment contains the following information:

- I. General Provisions
- II. Examples of Tax Exempt Items
- III. Sales Specifically Exempt from Sales Tax
- IV. Examples of Taxable Purchases/Sales
- V. Taxable Revenue
- VI. Special Situations
- VII. How to Make a Tax Exempt Purchase
- VIII. Sales Tax Payable Account
- IX. Sales Tax Accounting Software Examples
- X. How to File and Pay Florida State Sales Tax

Please pay special attention to the new rules for concession stands and prepared dinners. When a school has a concession stand or dinner available to the public, it must pay sales tax on the total sales amount. Currently, schools are only paying sales tax on the purchased price of the items for sale. Examples include concession stands at festivals, concession stands at sporting events, and pancake breakfasts open to the public. If the concession stand or dinner is for a private school function, the school will continue to pay sales tax on the purchase price of the items. An example of a private school function is a dance that is only attended by students and their guests. Complete details, including two new forms to aid bookkeepers in sales tax calculation, are included in the attachment (*Section VI. Special Situations – E. Concession Sales/Dinners*).

We have been informed that leases and/or rentals of real property are taxable. For example, if an outside organization that is not tax exempt leases or rents school facilities, sales tax will need to be charged to the organization and paid to the State. Please see *Section V. Taxable Revenue* and *Section VI. Special Situations – A. Lease/Rental or License to Use Real Property* for information and examples.

Reminder: Any purchase that is required to be sales tax exempt must be paid for with a District or School Internal Funds check. Individuals may not purchase items with personal checks and/or cash and use the sales tax exempt certificate. Further information is in *Section VII – How to Make a Tax Exempt Purchase*.

Should you have any questions or require further information, please do not hesitate to contact Julie Perry at 833-5850.

cc: Executive Staff
School Bookkeepers

SALES TAX

School District of Okaloosa County

I. General Provisions

- A. Schools do not pay sales tax on the purchase of goods and services necessary for instructional and extra-curricular activities, unless those items are purchased for resale. (See Section VII – How to Make a Tax Exempt Purchase)
- B. Sales tax must be paid on all items purchased for resale unless specifically exempt. (See Section III – Sales Specifically Exempt from Sales Tax)
 - 1. If a school pays sales tax when purchasing the items for resale, it does not pay sales tax on the profit; therefore, the tax exempt certificate should not be used when making these purchases.
 - a. Exception: Items for concessions and/or dinners being sold to the public should be purchased using the tax exempt certificate as sales tax is due on the total sales. (See Section VI – Special Situations Section E)
 - 2. If the vendor does not charge sales tax at the time of purchase, the school should request a new invoice that includes Florida sales tax.
 - 3. If the vendor does not collect Florida sales tax, such as an out-of-State vendor, the school must set the sales tax aside in a Sales Tax Payable account and remit the funds to the State of Florida. (See Section VIII – Sales Tax Payable Account and Section IX – Sales Tax Accounting Software Examples)
- C. Sales tax may be required to be paid on certain revenue received by the school such as lease/rental revenue, vending revenue, or admission revenue. (See Section V – Taxable Revenue)
- D. The State of Florida has extended the school's tax exemption to PTOs and Booster Clubs, meaning that those goods and services necessary to the PTOs and Booster Clubs are tax exempt.
 - 1. This tax exemption only applies to PTOs and Booster Clubs that account for their funds within the internal accounts of the school.
 - 2. PTOs and Booster Clubs that account for their funds outside the internal accounts may not use the school's tax exempt certificate. These outside organizations must meet the following conditions:
 - a. Maintain separate tax identification number and bank account;
 - b. Adopt by-laws which shall be approved by the school principal and include a provision for an annual audit of funds;
 - c. Provide monthly financial reports to the school principal in the format prescribed by the principal to include, at a minimum, details of revenue and expenses; and

SALES TAX

School District of Okaloosa County

- d. Annually provide the principal a copy of the organization audit. An organization audit is performed in accordance with generally accepted auditing standards and is consistent with *The Financial and Program Cost Accounting and Reporting for Florida Schools Manual* ("Red Book") and the *Okaloosa County School District Internal Accounting Manual*. An organization audit is prepared by a CPA licensed in the State of Florida and delivered to the Principal within 120 days of the fiscal year end.
- E. Faculty funds are not owned by the school; therefore, all purchases with faculty funds are subject to sales tax. These funds are held in the internal accounts as an accommodation.

II. Examples of Tax-Exempt Purchases

- A. Instructional supplies and services,
- B. Extra-curricular supplies and services,
- C. Awards, gifts, and prizes,
- D. Clothing and equipment with ownership and title remaining with the school,
- E. Food or drinks purchased at a grocery store to be given to and consumed by students or faculty, and
- F. Prepared foods purchased to be given to and consumed by students or faculty.

III. Sales Specifically Exempt from Sales Tax

- A. School books used in regularly prescribed courses of study in schools, including textbooks and workbooks.
- B. Publications distributed by schools such as yearbooks, magazines, newspapers, directories, bulletins, programs, commemorative DVDs.
- C. General grocery items that are purchased to sell as a fundraiser. Examples include bakery items (cheesecakes, cookie dough, cookies, etc.), fruit, meat, cheese, and frozen foods. Prepared meals are not considered general grocery items.
- D. Admission to athletic or other events held or sponsored by schools, grades K-12, when only student or faculty talent is used. If talent is not limited to students or faculty, admission charges are exempt when:
 - 1. The risk of success or failure for the event lies completely with the school sponsoring the event;

SALES TAX

School District of Okaloosa County

2. The funds at risk for the event must belong completely to the school sponsoring the event; and
 3. The event is held in a convention hall, exhibition hall, auditorium, stadium, theater, arena, civic center, performing arts center, or publicly owned recreational facility.
- E. Magazine subscription fundraiser where the magazines are being delivered by mail.

IV. Examples of Taxable Purchases/Sales

- A. School materials and supplies purchased for resale to students and/or staff – sales tax paid on purchase price,
- B. Extra-curricular supplies purchased for resale – sales tax paid on purchase price,
- C. Fundraiser merchandise purchased for resale – sales tax paid on purchase price,
- D. Clothing or other items purchased for resale to students and/or staff – sales tax paid on purchase price,
- E. Food, drinks, and products purchased for resale at a concession stand (See Section VI – Special Situations Item E to see if sales tax is due on purchase price or total sales), and
- F. Ingredients purchased to prepare meals for sale, such as spaghetti suppers (See Section VI – Special Situations Item E to see if sales tax is due on purchase price or total sales).

V. Taxable Revenue

- A. Sales tax must be paid on revenue received by the school for lease/rental or license to use real property. (See Section VI – Special Situations Item A for additional information) Examples include:
 1. The lease or rental of school materials, supplies, equipment, etc.,
 2. The lease or rental of school facilities to an outside organization that is not tax exempt, and
 3. Commissions on full-service vending machines.

SALES TAX

School District of Okaloosa County

B. Sales tax must be paid on sales of items that are donated to the school for the specific purpose of resale. (See Section VI – Special Situations Item C for additional information) Examples include:

1. Books donated for a Used Book Fair,
2. Items donated for a 'garage sale,' and
3. Items donated for an auction.

VI. Special Situations

A. Lease/Rental or License to Use Real Property

1. Lease or Rental of School Materials and Supplies

- a) The lease or rental of school materials, supplies, equipment, etc., is subject to sales tax if these items were purchased tax exempt.
- b) The appropriate sales tax must be set aside in the Sales Tax Payable account when funds are received.

2. Vending Machines

- a) If a vending company, such as Coca-Cola, Pepsi, or Rem-Vend, places its vending machine at a school and pays the school a commission, this commission is subject to sales tax as it is considered a lease or license to use real property.
- b) Some vending companies, such as Coca-Cola and Pepsi, have a Direct Pay Permit, meaning they deduct the sales tax from the school's commission prior to paying the school. In this instance, schools are not responsible for sending the sales tax to the State of Florida.
- c) When receiving funds for vending commissions from smaller companies that do not have a Direct Pay Permit, tax must be set aside in the Sales Tax Payable account. This is done at the time the commission is received by transferring the appropriate portion of the commissions to the Sales Tax Payable account.
- d) Sales tax does not apply to machines operated by Food Service in the dining area of the school.

SALES TAX

School District of Okaloosa County

3. Booth Rentals

- a) Booth rentals for events such as craft fairs and flea markets are also subject to sales tax as a lease or license to use real property.
- b) The appropriate sales tax must be set aside in the Sales Tax Payable account when funds are received.

4. Facility Usage

- a) If school facilities are rented to an outside organization that is not tax exempt, the school must collect sales tax based on the rental fee.
- b) The school will deposit the facility usage fee into a '6' trust account and the sales tax into the Sales Tax Payable account. This is a two line receipt entry.
- c) The school will then write a check to the District for the remaining facility usage fee and send the check with a Cash Transmittal to Accounting & Financial Services. The funds will be deposited into the school's Discretionary reserve account.

B. Selling Taxable and Non-Taxable Items as a Package

1. When a student pays one price for a 'package' of items, sales tax must be paid on the purchase price of the items that are being kept by the student.
 - a. Example: Cheerleading charges \$200 for uniform fees (use of school uniform, socks and shoes for student to keep). The socks and shoes are the only items being kept by the student and cost \$45. The school will pay sales tax on purchase of the socks and shoes.

C. Selling Items That Were Donated for the Purpose of Resale

1. When items are donated to a school organization for the purpose of resale, the school must pay sales tax on the amount of the sales.
2. The selling price should be listed as "sales tax included," and the amount of the tax must be "backed out" of the total sales and transferred to the Sales Tax Payable account. See Section IX Sales Tax Accounting Software Examples Section C for further information.

D. Concession Sales/Dinners

1. Concessions open to the public, such as festivals and sporting events
 - a. Sales tax is due on the total sales price of the items; therefore, items should be purchased tax exempt.

SALES TAX

School District of Okaloosa County

- b. The selling price should be listed as “sales tax included,” and the amount of the tax must be “backed out” of the total sales and transferred to the Sales Tax Payable account. See Section IX Sales Tax Accounting Software Examples Section C for further information.
 - c. If tax is paid when some of the items are purchased, the school may deduct this amount from the total tax owed.
 - d. “Internal Funds Concession or Dinner Sales – Sales Offered to Public” (MIS 3512-A) must be completed to verify compliance. This form provides a method to calculate sales tax owed to the State if sales tax was paid on the purchase price.
2. Concessions at private school events, such as dances
- a. Schools may pay sales tax on the purchase price of the items; therefore, any profit is tax exempt.
 - b. If the items were purchased tax exempt, calculate the amount of tax owed based on the purchase price.
 - c. If tax was paid on some of the items, this amount may be deducted from the total tax owed.
 - d. “Internal Funds Concession or Dinner Sales – Private School Function” (MIS 3512-B) must be completed to verify compliance. This form provides a method to calculate sales tax owed to the State because vendors do not charge sales tax on food items.
3. Dinners, such as spaghetti suppers
- a. If the dinner is open to the public, follow the same rules as “Concessions open to the public, such as festivals and sporting events.”
 - b. If the dinner is open to students and/or faculty only, follow the same rules as “Concessions at private school events.”

VII. How to Make a Tax Exempt Purchase

- A. There is one sales tax exemption certificate that is used by the District offices and all schools of the District.
- B. Each school shall copy the Purchaser’s Exemption Certificate on its letterhead. This certificate shall be signed by the Principal and given to vendors as appropriate. (See Sample Purchaser’s Exemption Certificate)
- C. Any purchase that is to be sales tax exempt must be paid for with a District check or School Internal Funds check. **Individuals may not purchase items**

SALES TAX

School District of Okaloosa County

with personal checks and/or cash and use the sales tax exempt certificate. Sales tax exempt purchases must be made in one of the following ways:

1. County Purchase Order (Paid with District check),
 2. School Internal Funds Purchase Order (Paid with School Internal Funds check),
 3. District VISA (Paid with District check), or
 4. School Internal Funds Check to Vendor.
- D. Reimbursements should be kept to a minimum. If a Petty Cash reimbursement is required, the principal may authorize employees to make purchases up to \$50.00 without prior approval. Any reimbursement over \$50.00 should be approved in advance by the principal.
- E. Individuals and sponsors requesting reimbursement for a purchase which includes sales tax will not be reimbursed sales tax if the purchase would have been tax exempt had it been made by the school. Examples include:
1. Supplies – Tax Exempt – No reimbursement of sales tax allowed,
 2. Awards/Incentives given away – Tax Exempt – No reimbursement of sales tax allowed, and
 3. Concession stand items for resale – Tax Required – Sales tax reimbursement is allowed.

Sample: Purchaser's Exemption Certificate

PURCHASER'S EXEMPTION CERTIFICATE											
<small>THE UNDERSIGNED HEREBY CERTIFIES THAT THE ITEMS LISTED ON THE ATTACHED ORDER ARE BEING PURCHASED FOR THE PURPOSE OF CUSTOMARY EDUCATIONAL ACTIVITIES AND USED BY THE ABOVE NAMED EDUCATIONAL UNIT, A UNIT OF THE SCHOOL BOARD OF OKALOOSA COUNTY, A POLITICAL UNIT OF OKALOOSA COUNTY, STATE OF FLORIDA, UNDER THE PROVISIONS OF RULE 12A-1001 (3).</small>											
<small>PLEASE NOTE: MERCHANDISE PURCHASED FOR RESALE TO THE STUDENTS OR GENERAL PUBLIC IS NOT WITHIN THE CERTIFICATE OF EXEMPTION.</small>											
<small>THIS CERTIFICATE IS TO CONTINUE INFORCE UNTIL REVOKED BY WRITTEN NOTICE.</small>											
AUTHORIZED SIGNATURE: _____											
DATE: _____											
CERTIFICATE NUMBER 85-8012622245C-5 ***** EXPIRATION DATE 12/31/2011											
<div style="display: flex; justify-content: space-between; align-items: center;"><div style="text-align: center;"> <small>OFFICE OF THE COMPTROLLER OF REVENUE</small></div><div style="border: 1px solid black; padding: 2px; text-align: center;">Consumer's Certificate of Exemption <small>Issued Pursuant to Chapter 212, Florida Statutes</small></div><div style="text-align: right;"><small>DR-14 R. 04/05 10/06/06</small></div></div> <table border="1" style="width: 100%; border-collapse: collapse; margin-top: 5px;"><tr><td style="width: 33%; text-align: center;"><small>85-8012622245C-5</small></td><td style="width: 33%; text-align: center;"><small>12/11/2006</small></td><td style="width: 33%; text-align: center;"><small>12/31/2011</small></td><td style="width: 33%; text-align: center;"><small>COUNTY GOVERNMENT</small></td></tr><tr><td style="text-align: center;"><small>Certificate Number</small></td><td style="text-align: center;"><small>Effective Date</small></td><td style="text-align: center;"><small>Expiration Date</small></td><td style="text-align: center;"><small>Exemption Category</small></td></tr></table> <p style="margin-top: 5px;"><small>This certifies that</small></p> <p style="text-align: center; margin-top: 10px;"><small>OKALOOSA COUNTY SCHOOL BOARD 120 LOWERY PL. SE FORT WALTON BEACH FL 32548-5547</small></p> <p style="font-size: 8px; margin-top: 10px;"><small>is exempt from the payment of Florida sales and use tax on real property rented, transient rental property rented, tangible personal property purchased or rented, or services purchased.</small></p>				<small>85-8012622245C-5</small>	<small>12/11/2006</small>	<small>12/31/2011</small>	<small>COUNTY GOVERNMENT</small>	<small>Certificate Number</small>	<small>Effective Date</small>	<small>Expiration Date</small>	<small>Exemption Category</small>
<small>85-8012622245C-5</small>	<small>12/11/2006</small>	<small>12/31/2011</small>	<small>COUNTY GOVERNMENT</small>								
<small>Certificate Number</small>	<small>Effective Date</small>	<small>Expiration Date</small>	<small>Exemption Category</small>								

SALES TAX

School District of Okaloosa County

VIII. Sales Tax Payable Account

- A. If a school is responsible for paying sales tax, such as items for resale, and the vendor does not collect the tax, the school must transfer the appropriate funds into a '6' Sales Tax Payable account.
- B. Funds may be placed in the Sales Tax Payable account using either of the following methods:
 1. Sales tax may be set-aside in the Sales Tax Payable account when writing the check to the vendor.
 2. Sales tax may be transferred to the Sales Tax Payable account with a journal entry/transfer.
- C. All sales tax owed and payments made to the State must be entered into this trust account.

IX. Sales Tax Accounting Software Examples

A. Sales Tax Paid to Vendor When Item Purchased

1. When paying sales tax directly to the vendor, the sales tax may either be listed as a separate line item or be included in the description. Listing the sales tax as a separate line item provides easy verification that your school is in compliance with State sales tax laws.
2. Example: Vendor bills school for shirts (\$100.00) and sales tax (\$6.00) – total due \$106.00

OCSD Test School

Admin Data Files Checks Receipts JE's PO's Registers Reports Bank Reconciliation Admin Functions Help

OCSD TEST SCHOOL

Pay to the order of: VENDOR: AAA T-Shirts QUICK VENDOR ADD CHECK NUMBER: PRINT

ADDRESS: 123 Main Street Full Vendor Setup

CITY: Niceville

STATE, ZIP: FL 32578

CASH/CHECKING BALANCE: \$16,217.58

CHECK AMOUNT: \$106.00

EXACTLY ONE HUNDRED SIX DOLLARS AND ZERO CENTS

Description	Purchase Order	PO Liq. Amt	Invoice	Account	Balance	Amount
T-Shirt for Resale			00124	3.301.010 1st Grade T-Shirt Sales	-\$200.00	\$100.00
Sales Tax - T-Shirts			00124	3.301.010 1st Grade T-Shirt Sales	-\$6.00	\$6.00

New Row New Check Save Print Proof Listing Close Report

SALES TAX

School District of Okaloosa County

3. The above entry shows two line items in the 1st Grade T-Shirt Sales account – one to show the cost of the shirts and one to show the tax paid. It is also permissible to make only one line entry for \$106.00 and change the description to “Shirts-Resale + Tax.”

B. Sales Tax Set Aside in Payable Account When Items are Purchased

1. When setting aside sales tax, the sales tax may either be a separate line item or be included in the description. Listing the sales tax as a separate line item provides easy verification that your school is in compliance with State sales tax laws.
2. Example: Vendor bills school for shirts (\$100.00) – total due \$100.00

The screenshot shows a web application titled 'Create Check - Microsoft Internet Explorer'. The browser address bar shows 'http://finance-srv1.ocsd.okaloosa.k12.fl.us/sfo/CheckNew.aspx'. The application is for 'OCSD TEST SCHOOL' and shows a check dated 8/19/2010. The vendor is 'AAA T-Shirts' with address '123 Main Street, Niceville, FL 32578'. The check amount is \$100.00. The line items table is as follows:

Description	Purchase Order	PO Liq. Amt	Invoice	Account	Balance	Amount
T-Shirt for Resale			00124	3.301.010 1st Grade T-Shirt Sales	-\$200.00	\$100.00
Sales Tax - T-Shirts			00124	3.301.010 1st Grade T-Shirt Sales	-\$6.00	\$6.00
1st Grade T-Shirts			00124	6.699.000 Sales Tax Payable	\$0.00	-\$6.00

At the bottom, there are buttons for 'New Row', 'New Check', 'Save', 'Print Proof Listing', and 'Close Report'.

3. The above entry shows two line items in the Drama account – one to show the cost of the shirts and one to show the tax paid. It is also permissible to make only one line entry for \$106.00 and change the description to “Shirts-Resale + Tax.”
4. The entry also includes a third line to ‘move’ the sales tax to the Sales Tax Payable account. The check is for the correct amount (\$100.00), the Drama Department has been charged appropriately (\$106.00), and the Sales Tax Payable account shows the tax owed for the transaction (\$6.00).
5. When paying tax, a general ledger for the Sales Tax Payable account will be used as backup. The check numbers are noted on the general ledger, making it unnecessary to keep extra copies of the invoices in a Sales Tax Payable file.

SALES TAX

School District of Okaloosa County

C. Sales Tax Set Aside in Payable Account for Public Concessions or Dinner Sales

1. Sales tax must be paid based on the total sales of public concessions or dinner sales. The sales tax amount must be “backed out” of the total sales. To “back out” sales tax, the sales are divided by one-plus-tax rate.
 - a. Sales = \$100.00
 - b. Sales Tax Rate = 6%
 - c. $\$100.00 / 1.06 = \94.34
 - d. $\$100.00 - \$94.34 = \$5.66$ Sales Tax Payable
2. Public concessions may be short-term (sold for a few days, such as Mullet Festival) or for a long-term (sold for few months, such as Football).
3. When the short-term public concessions or dinner sales are complete, the bookkeeper will run a report to determine the total sales. The bookkeeper will then use the “Internal Funds Concession or Dinner Sales – Sales Offered to Public” (MIS 3512-A) to calculate the sales tax owed for public concessions or dinner sales.
4. When long-term public concessions are sold, a report should be run at the end of each month to determine the total sales for that particular month. The bookkeeper will then use the “Internal Funds Concession or Dinner Sales – Sales Offered to Public” (MIS 3512-A) to calculate the sales tax owed for public concessions.
 - a. Example: Band purchases items in July, August, September, and October for Football concessions. Concession sales are made in August, September, October, and November.
 - i. At the end of August, the bookkeeper would run a report showing the August sales. MIS XXX would be completed listing August sales, July purchases, and August purchases.
 - ii. At the end of September, the bookkeeper would run a report showing the September sales. MIS XXX would be completed listing September sales and September purchases.
 - iii. At the end of October, the bookkeeper would run a report showing the October sales. MIS XXX would be completed listing October sales and October purchases.
 - iv. At the end of November, the bookkeeper would run a report showing the November sales. MIS XXX would be completed listing November sales.
5. Once sales tax payable is calculated using MIS XXX, the bookkeeper will provide a copy of MIS XXX to the sponsor and request a Check

SALES TAX

School District of Okaloosa County

Requisition/Transfer Form to authorize the transfer of sales tax to the Sales Tax Payable account.

6. The bookkeeper will then enter a journal entry/transfer to reduce the sales account and increase the '6' Sales Tax Payable account.

D. Sales Tax Set Aside in Payable Account for Private Concessions or Dinner Sales

1. Sales tax must be paid on all items purchased for resale at private concessions or dinner sales. Since stores do not charge sales tax on most food products, the bookkeeper will need to complete "Internal Funds Concession or Dinner Sales – Private School Function" (MIS 3512-B) to calculate the sales tax owed for private concessions or dinner sales.
2. Once sales tax payable is calculated using MIS XXX, the bookkeeper will provide a copy of MIS XXX to the sponsor and request a Check Requisition/Transfer Form to authorize the transfer of sales tax to the Sales Tax Payable account.
3. The bookkeeper will then enter a journal entry/transfer to reduce the sales account and increase the '6' Sales Tax Payable account.

E. Sales Tax Set Aside in Payable Account for Lease or License on Real Property

1. When rental income is received for facility usage (from an outside organization that is not tax exempt), booth rentals, or commissions received from vending companies without a Direct Pay Permit, use a two-line receipt entry to deposit the funds into the appropriate accounts.

The screenshot displays the SFO (Two Thousand Eleven) ReceiptNew.aspx web application. The interface includes a navigation menu with options like Admin, Data Files, Checks, Receipts, JE's, PO's, Registers, Reports, Bank Reconciliation, Admin Functions, and Help. The main form is titled 'Official Receipt' and contains fields for 'Received From' (Jane Doe), 'ADDRESS' (123 Rivet), 'CITY' (FWB), and 'STATE, ZIP' (FL 32548). It also includes a 'DATE' field (5/31/2012), a 'RECEIPT NUMBER' field, and a 'CASH/CHECK BAL.' field (-\$3,179.44). The 'AMOUNT OF RECEIPT' is \$106.00. Below this, a table lists the receipt items:

Description	Beg Receipt #	End Receipt #	Account	Balance	Amount
Facility Usage - Joe's Giants	001234	001234	6 660 000 Facility Usage - Taxable	\$100.00	\$100.00
Sales Tax-Facility-Joe's Giant	001234	001234	6 660 000 Facility Usage - Taxable	\$6.00	\$6.00

At the bottom, there is an 'Unposted Receipt Register' table:

Receipt Number	Date	Amount	Receiptee
PRINT	5/24/2012	\$5.00	Jane Doe

SALES TAX

School District of Okaloosa County

X. How to File and Pay Florida State Sales Tax

- A. All Florida sales tax returns must be filed online.
- B. To determine how often a Sales Tax Return must be filed, it is necessary to check the “Collection Period” on the “Sales and Use Tax Return.” This may be done by logging onto the website and viewing the form on-line.
- C. The “Collection Period” is located in the upper left-hand corner. If the period is one month, such as “September 2010,” the return will be due no later than the 20th of October. If the period is for one quarter, such as “January 2011 – March 2011,” the return will be due no later than the 20th of April. Please note that online returns must be filed at least one (1) business day prior to the 20th of the month no later than 2:45 p.m. central time.
- D. A Sales Tax Return must be filed when due, even if the amount is zero. If the return is not filed, the State may charge a penalty fee.
 1. All sales tax collected shall be transferred to the Sales Tax Payable account. This may be done automatically when writing the check to pay for the taxable items. (See Section IX – Sales Tax Accounting Software Examples)
 2. **After closing the last month in the collection period,** print a **Sales Tax Payable General Ledger**. *The balance in the Sales Tax Payable account would be the “Total Tax Collected.”*
 3. File the online sales tax return using the User ID and Password issued by the State of Florida.
 - a. An electronic version of the **State of Florida Sales and Use Tax Return** will appear. Enter the following information:
 - 1) Contact Information
 - 2) Gross Sales = “Total Tax Collected” (Balance on general ledger) Divided By Current Sales Tax Rate (Example: 0.06)
 - 3) Exempt Sales = 0
 - 4) Taxable Sales/Purchases = Gross Sales
 - 5) Discretionary Sales Surtax Information = 0
 - 6) Total Tax Collected = “Total Tax Collected” (Balance on general ledger)
 - 7) Less Lawful Deductions = 0
 - 8) Less DOR Credit Memo = 0

SALES TAX

School District of Okaloosa County

- 9) Total Tax Due = (Automatically filled in)
 - 10) Less Collection Allowance = "Total Tax Collected" Multiplied by .025
(Total Collection Allowance may not exceed \$30.00 per month)
 - 11) Amount Due with Return = (Automatically filled in)
 - b. Click Next and the final Sales and Use Tax Return will be onscreen. Follow instructions to submit.
 - c. When making the payment, there is a place to choose 'use information on file.' This will automatically fill in the school's bank information.
 - d. When finished, you will be given an option to print a copy for your records.
4. When the return is submitted, the "Amount Due with Return" will be automatically withdrawn from the school's checking account. Print a copy of the sales tax payment and place in folder for bank reconciliation.
5. Once the bank statement has been received and the payment is verified, the bookkeeper will enter the following into the accounting software using the appropriate bank date.
- a. A journal entry/adjustment reflecting the payment of the sales tax will be entered decreasing the checking account and decreasing the '6' Sales Tax Payable account by the amount that was actually paid to the State.
 - b. If the return was filed by the 20th, a collection allowance may be deducted from the sales tax owed. A journal entry/transfer will be required to decrease the '6' Sales Tax Payable account and increase the '9' General account.
 - c. The **Sales and Use Tax Return** and the **Sales Tax Payable General Ledger** will serve as backup to the above entries.
 - d. See **JOURNAL ENTRIES – TRANSFERS & ADJUSTMENTS Section III. F. and G.** for examples.
6. File a copy of the Sales Tax Return, General Ledger, Adjustment (payment), and Transfer (collection allowance) in the Sales Tax folder.

**SCHOOL DISTRICT OF OKALOOSA COUNTY
FINANCE DEPARTMENT
INTERNAL FUNDS CONCESSION OR DINNER SALES
SALES OFFERED TO PUBLIC**

**MIS 3512-A
06/12**

(A) SCHOOL NAME:

(B) EVENT:

(C) DATE(S):

(D) SALES BREAKDOWN:

RECEIPT NO. & DATE	TOTAL SALES
TOTAL	\$ -

(E) SALES TAX PAID TO THE FOLLOWING VENDORS:

CHECK NO. & DATE	VENDOR NAME	AMOUNT OF TAX
TOTAL		\$ -

(F) TOTAL SALES: \$ -

SALES TAX DUE ON TOTAL SALES: \$ -

LESS SALES TAX PAID TO VENDOR(S): \$ -

SALES TAX TO TRANSFER TO "SALES TAX PAYABLE" ACCOUNT: \$ -

INSTRUCTIONS:

COMPLETE SECTIONS (A) THROUGH (E). SECTION (F) IS CALCULATED AUTOMATICALLY.

SCHOOL DISTRICT OF OKALOOSA COUNTY
FINANCE DEPARTMENT
INTERNAL FUNDS CONCESSION OR DINNER SALES
PRIVATE SCHOOL FUNCTION

MIS 3512-B
06/12

(A) SCHOOL NAME:

(B) EVENT:

(C) DATE(S):

(D) ITEMS PURCHASED:

DATE	VENDOR NAME	TOTAL PURCHASE	SALES TAX PAID
TOTAL		\$ -	\$ -

(E) TOTAL PURCHASE PRICE: \$ -

LESS SALES TAX PAID: \$ -

NET PURCHASE OF ITEMS FOR SALE (INCLUDES PAPER PRODUCTS): \$ -

SALES TAX DUE ON NET PURCHASE: \$ -

LESS SALES TAX PAID TO VENDOR(S): \$ -

SALES TAX TO TRANSFER TO "SALES TAX PAYABLE" ACCOUNT: \$ -

INSTRUCTIONS:

COMPLETE SECTIONS (A) THROUGH (D). SECTION (E) IS CALCULATED AUTOMATICALLY.

SCHOOL DISTRICT OF OKALOOSA COUNTY
FINANCE DEPARTMENT
INTERNAL FUNDS CONCESSION OR DINNER SALES
SALES OFFERED TO PUBLIC

MIS 3512-A
06/12

(A) SCHOOL NAME: ABC SCHOOL

(B) EVENT: FOOTBALL CONCESSIONS

(C) DATE(S): APRIL 1, 2011

(D) SALES BREAKDOWN:

RECEIPT NO. & DATE	TOTAL SALES
#4382 - 4/1/11	\$ 625.00
TOTAL	\$ 625.00

(E) SALES TAX PAID TO THE FOLLOWING VENDORS:

CHECK NO. & DATE	VENDOR NAME	AMOUNT OF TAX
#1234 - 3/29/11	SAM'S CLUB	\$ 12.35
#1235 - 3/30/11	REIMB JANE DOE - WALMART	4.52
TOTAL		\$ 16.87

(F) TOTAL SALES: \$ 625.00

SALES TAX DUE ON TOTAL SALES: \$ 35.38

LESS SALES TAX PAID TO VENDOR(S): \$ (16.87)

SALES TAX TO TRANSFER TO "SALES TAX PAYABLE" ACCOUNT: \$ 18.51

INSTRUCTIONS:

COMPLETE SECTIONS (A) THROUGH (E). SECTION (F) IS CALCULATED AUTOMATICALLY.

**SCHOOL DISTRICT OF OKALOOSA COUNTY
FINANCE DEPARTMENT
INTERNAL FUNDS CONCESSION OR DINNER SALES
PRIVATE SCHOOL FUNCTION**

**MIS 3512-B
06/12**

(A) SCHOOL NAME: ABC SCHOOL

(B) EVENT: SCHOOL DANCE

(C) DATE(S): APRIL 1, 2011

(D) ITEMS PURCHASED:

DATE	VENDOR NAME	TOTAL PURCHASE	SALES TAX PAID
3/29/2011	SAM'S CLUB	\$ 84.38	\$ 3.21
3/30/2011	REIMB JANE DOE - FOOD WORLD	25.17	1.24
TOTAL		\$ 109.55	\$ 4.45

(E) TOTAL PURCHASE PRICE:	\$ 109.55
LESS SALES TAX PAID:	\$ (4.45)
NET PURCHASE OF ITEMS FOR SALE (INCLUDES PAPER PRODUCTS):	\$ 105.10
SALES TAX DUE ON NET PURCHASE:	\$ 6.31
LESS SALES TAX PAID TO VENDOR(S):	\$ (4.45)
SALES TAX TO TRANSFER TO "SALES TAX PAYABLE" ACCOUNT:	\$ 1.86

INSTRUCTIONS:

COMPLETE SECTIONS (A) THROUGH (D). SECTION (E) IS CALCULATED AUTOMATICALLY.