

3304:1-21-08

~~The monthly operating report~~ **Reports and records, service charge, and inventory adjustment charge.**

(A) The operator shall be responsible for submitting reports to the BSVI area office, on forms prescribed by BSVI. Such reports shall include, but not be limited to, the following reports:

(1) A monthly operating report completed in accordance with paragraph (H) of this rule; and

(2) Each January and July, a detailed inventory of facility merchandise, submitted with the operating report noted in paragraph (H)(1) of this rule. Additional inventories may be required when the BE assistant manager deems them necessary for reasonable business purposes.

(3) A vehicle expense report submitted with the monthly operating report for any month that vehicle expenses are listed as a deductible expense.

(4) The operator shall be responsible for completing a daily cash report.

(B) At the discretion of BSVI, an operator shall report, on a form prescribed by BSVI, the subtotals of designated sources of gross monthly receipts.

(C) Each pay period, the operator shall give each employee a payroll earnings statement and the operator shall retain copies of these statements for his/her records.

(D) The BE specialist shall instruct the operator in the preparation of the reports and records required by paragraph (A) of this rule.

(E) The operator shall, upon request, provide to the BSVI local office all records and reports, or copies of the requested records or reports, related to the facility for review and/or audit purposes.

(F) Facility records shall be retained for five years.

(G) Facility-related transactions shall not be executed through the operator's personal checking and savings accounts.

~~(A)~~(H) In a format prescribed by BSVI, each operator shall submit to the BSVI area office a detailed, accurate, and balanced monthly report for that operator's each facility for which that operator is responsible under a bureau-operator agreement. Terms to be used in the monthly report shall be as follows:

(1) "Gross monthly receipts" means all ~~payments~~, sales, sales tax collected, discounts (~~when credited to other than the facility~~), gifts, ~~donations~~, rebates, federal vending machine income as described in paragraph (C)(1) of rule 3304:1-21-16 of the Administrative Code, ~~commissions~~ income from

subcontracted facility sales, promotional considerations, and bonuses, either monetary or in kind, which the operator has the power to obtain and control the disposition thereof, accrued from operation of a facility to any of the following:

- (a) The operator or facility;
 - (b) A representative of the operator;
 - (c) An organization of which the operator is a member or with which the operator is associated;
 - (d) Any person or entity directly or indirectly designated by the operator.
- (2) "Gross annual receipts" means the total gross monthly income in a federal fiscal year.
 - (3) "Net monthly proceeds" means the gross monthly income less deductible expenses, stock, and wages.
 - (4) "Wages" means pay to employees, paid leave time, and other fringe benefits paid to employees.
 - (5) "Stock" means merchandise purchased for resale as defined in paragraph (C) of rule 3304:1-21-05 of the Administrative Code.
 - (6) "Deductible expenses" means costs personally paid by the operator for the following goods and services necessary to operate a facility; an operator may subtract such costs from the gross monthly income if the expenses are documented by cancelled checks, receipts, or other documentation, and are paid within the report's period. A deductible expense shall be subject to review and approval by the BE specialist.
 - (a) "Supplies" means expendable items which are necessary for day-to-day facility operation, but are not for resale as defined in paragraph (B) of rule 3304:1-21-05 of the Administrative Code.
 - (b) "Janitorial service" means a commercial firm or independent contractor to clean the facility; or to remove trash. Such costs are deductible unless the bureau-grantor agreement, facility permit, or other BSVI agreement assigns such responsibility to someone other than the operator.

- (c) Business licenses.
- (d) "Telecommunications charge" means the costs for any required business telephone services.
- (e) Cost of uniforms, rented or owned, and laundry charges only when used for the business.
- (f) "Business advertising" means the reasonable costs of advertising and promotional activities intended to support and/or increase facility sales.
- (g) Premiums for insurance coverage for off-site storage facilities.
- (h) Rent/commission to grantor, if required by agreement for location.
- (i) Expense for storage space.
- ~~(j)~~(j) Utilities for the facility when not included in rent.
- ~~(j)~~(k) Employer contribution for social security.
- ~~(k)~~(l) Workers' compensation premiums.
- ~~(l)~~(m) Ohio unemployment taxes.
- ~~(m)~~(n) Federal unemployment taxes.
- ~~(n)~~(o) Sales taxes.
- ~~(o)~~(p) ~~Short term~~Pre-approved training expenses of ~~reasonable cost for operators and employees~~up to one thousand dollars per year; such training must be directly related to the job.
- ~~(p)~~(q) Temporary/~~proxy~~ operators on bureau-temporary/~~proxy~~ -operator agreements on fee.
- ~~(q)~~(r) Vehicle expenses to be used only if a vehicle is required for a facility. Any vehicle expenses listed on the monthly operating report shall require an additional vehicle expense report to be completed and

submitted with that monthly operating report.

Only one method of expensing the vehicle shall be allowed each calendar year, unless a new vehicle is acquired during the year. Commuter miles, personal use of vehicle and/or depreciation costs must be excluded in either method.

Method one - actual costs shall include the business percentage of the following expenses: vehicle insurance, vehicle registration, gasoline, oil, other maintenance costs, and monthly lease or payment.

Method two - standard mileage rate, as allowed by the internal revenue service for that calendar year for each business mile.

~~(r)~~(s) Pre-approved miscellaneous expenses. Documentation for these expenses may be requested to accompany the monthly operating report.

~~(s)~~(t) Business dues.

~~(t)~~(u) Professional merchandise delivery services.

~~(u)~~(v) Pest exterminator services.

~~(v)~~(w) Bookkeeping/accounting services.

~~(w)~~(x) The purchase of a computer and/or equipment ~~business-related~~ computer expenses.

~~(x)~~(y) Business legal fees (not associated with any adversarial procedures against RSC).

~~(y)~~(z) Air conditioner, filter, and fire suppression services and/or security system costs.

~~(z)~~(aa) Banking fees.

~~(aa)~~(bb) Documented refunds to customers.

(7) Each month's report shall be due on the tenth calendar day of the following month. A detailed, extended stock inventory is required to accompany June and December's monthly operating report. If such day is a Saturday, Sunday, or legal holiday, the due date is the next BSVI workday. The report shall be

late if not received by the BSVI area office or post-marked by the due date. The operator shall be subject to penalties for late reports as noted in paragraph ~~(C)~~(A) of this rule 3304:1-21-09 of the Administrative Code.

~~(B)~~(I) Each month, each operator, except as noted in paragraph ~~(B)~~(1)(F)(1) of rule ~~3304:1-21-15~~3304:1-21-07 of the Administrative Code, shall submit a service charge to BSVI.

(1) "Service charge" means the total of the fee assessed by BSVI upon the operator's net monthly proceeds and the co-payment for maintenance and repair labor charges. The service charge shall be assessed in this manner:

(a) Ten per cent of net proceeds up to one thousand dollars; plus

(b) Fifteen per cent of net proceeds ~~from~~ over one thousand ~~and one~~ dollars up to two thousand five hundred dollars; plus

(c) Twenty per cent of net proceeds ~~above~~ over ~~two~~ thousand five hundred ~~one~~ dollars; plus

(d) Co-payment fee on maintenance and repair service calls, which include on-site labor and/or mileage charges, except in the following cases:

(i) For fifteen calendar days after a piece of equipment is reassigned to a new location; or

(ii) For thirty calendar days after an operator is reassigned to a new location.

(e) Prior to October first each year, the total amount of the co-payment per service call shall be determined by BSVI in consultation with OVRC.

(2) The service charge shall be determined from the information submitted on the monthly report as described in paragraph ~~(A)~~(H) of this rule, ~~unless~~ If a closing monthly operating report is outstanding thirty days after its due date; then BSVI shall prepare a written estimate of service charges due and shall send the operator a copy of the estimate.

(3) Full payment of the service charge shall be postmarked by the fourteenth calendar day following the mailing date on the invoice. ~~However, if~~ When the fourteenth day is a Saturday, Sunday, or legal holiday, then the due date ~~is~~ shall be the next BSVI ~~work-day~~ workday. The operator shall be subject to

penalties for late or partial service charge payments as noted in paragraph ~~(C)(A)~~ of ~~this~~ rule 3304:1-21-09 of the Administrative Code.

- (4) If the operator disagrees with a portion of the service charge, he/she must notify the ~~area~~assistant manager in writing of the disputed portion by ~~correspondence postmarked on or before~~ the due date of the disputed service charge. The correspondence ~~should~~shall explain and, if possible, provide supporting documentation to verify his/her dispute. If the operator has paid the undisputed portion of the service charge, then the operator shall not be subject (for the disputed portion) to the penalties contained in paragraph ~~(C)(A)~~ of ~~this~~ rule3304:1-21-09 of the Administrative Code.
- (5) Service charges received by BSVI shall be used for:
- (a) Maintenance and replacement of facility equipment;
 - (b) Purchase of new facility equipment;
 - (c) Management services including inspection, supervision, quality control, consultation, regulation, in-service training, and related services as provided to operators by BSVI.
- (6) Service charges received by BSVI may also be used for the following benefits, except for any operator who has outstanding program debts. For those operators, any benefit payments shall be applied to pay off all program debts prior to distribution.
- (a) Assuring a fair minimum return to ~~operators~~, an operator under a permanent-operator agreement, whose facility has been temporarily closed for more than two weeks for purposes of remodeling or by extraneous factors such as strike or disaster, may submit an invoice to BEP for payment of a stipend during the remainder of such temporary closing. The amount of this stipend shall be annually established by BSVI and OVRC and is contingent on availability of funds. A service charge shall not be levied against this amount nor shall it be shown on the monthly operating report.
 - (b) ~~A~~Contributing to a benefit fund such as a pension fund for operators, health insurance, paid sick leave, and paid vacation, ~~if so determined by a majority vote of the licensed operators~~. The amount of any such contribution from service charge shall be established annually by BSVI and the OVRC and shall be contingent on ~~fund~~ and the availability of

~~service charge funds. Invoices for pension fund contributions must be received by BSVI, central office no later than February fifteenth each year, in order to be eligible for previous year's contribution. Benefit payments will be made to eligible operators from the benefits fund on or about the end of February following the end of the federal fiscal year.~~

- (7) BSVI shall maintain a record of collections and expenditures of service charges. These records shall be subject to review by state and federal auditors.
- (C) ~~Late reports, late semi-annual inventories, late or partial service charge payments, or service charge checks returned for insufficient funds, shall be cause for penalty charges and action as follows:~~
- ~~(1) The first time in any federal fiscal year an operator is late with a report or payment, or has a check returned for insufficient funds, he/she shall receive written notice from the area office that subsequent occurrences during the federal fiscal year shall be cause for monetary penalties and shall affect his/her future application for promotion/selection to facility vacancies.~~
 - ~~(2) The second time in any federal fiscal year an operator is late with a report or payment, or has a check returned for insufficient funds, a penalty of twenty five dollars shall be added to the next billing invoice for service charge.~~
 - ~~(3) The third time or more in any federal fiscal year an operator is late with a report or payment, or has a check returned for insufficient funds, a penalty of penalty of fifty dollars shall be added to the next billing invoice and the operator shall be served written notice from the area manager that another late occurrence may result in the implementation of the disciplinary procedures of rule 3304:1-21-13 of the Administrative Code.~~
 - ~~(4) In applying the above cited penalties it shall be the total number of acts which have occurred during the federal fiscal year which shall be used as the basis for the penalty. It is not the intent of this provision that an identical act must be repeated within the same fiscal year to warrant a higher penalty.~~
 - ~~(5) In addition to the above cited penalties and actions the operator will be charged twenty five dollars service fee for checks returned for insufficient funds. An operator who has one check returned for insufficient funds shall be required to submit a certified check or money order for all subsequent payments for the remainder of the federal fiscal year.~~
- (D) ~~"Inventory adjustment charge" means a reimbursement requested due to a difference between the value of facility goods on hand and the value of facility goods initially provided. Inventory adjustment charges which are due to BSVI and are outstanding~~

~~for forty five days or more after BSVI has mailed advisement of these charges, may be cause for license revocation in accordance with rule 3304:1-21-13 of the Administrative Code. In addition these charges will be forwarded to the state of Ohio, attorney general's office, collection recovery unit in accordance with Chapter 131.02 of the Revised Code.~~

~~If the operator has disagreed with a portion of the inventory adjustment charge according to the procedures noted on rule 3304:1-21-14 of the Administrative Code, and has paid the undisputed portion of the inventory adjustment charge, the operator shall not be subject (for the disputed portion) to this penalty until thirty days after being notified of any dispute resolution.~~

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Certification

Date

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