

NOTICE OF REVISION**TO****POLICY & PROCEDURE MEMORANDUM NO. 9**

SUBJECT: MERCHANDISE FOR RESALE

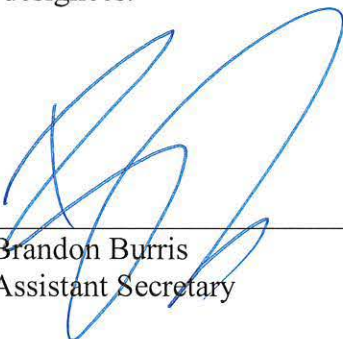
TO: ALL POLICY AND PROCEDURE MEMORANDUM HOLDERS

EFFECTIVE DATE: DECEMBER 19, 2023

REVISION DATES: OCTOBER 31, 2001; FEBRUARY 4, 2008; JUNE 1, 2009;
DECEMBER 8, 2009; APRIL 28, 2023

This is the sixth revision to this PPM with an original effective date of March 2, 1979.

This revision updates the responsibility of merchandise reorders to site managers and/or their designees.



Brandon Burris
Assistant Secretary**IMPORTANT:**

Insert this revision notice in PPM's file preceding all other information on this subject in order to maintain a current document file.

POLICY AND PROCEDURE MEMORANDUM NO. 9**SUBJECT: MERCHANDISE FOR RESALE****TO: ALL POLICY AND PROCEDURE MEMORANDUM HOLDERS****EFFECTIVE DATE: DECEMBER 19, 2023****POLICY:**

The Louisiana Office of State Parks (OSP) recognizes the value of merchandise for resale to enhance visitors' experience and to raise park revenues for increased self-sufficiency. For this reason, the reselling of merchandise as it relates to park revenues dictates the establishment of certain criteria necessary to operate merchandise resale venues. The intent of the Office of State Parks is to provide a service to the visiting public selling promotional and convenience items. If the selling of merchandise is contracted with a private entity, this policy/procedure does not apply.

PROCEDURE:

The procedure for operating merchandise for resale venues is defined in this policy. Each separate resale venue is operated according to the criteria established herein. Any merchandise for resale outside this policy must be requested, in writing, to the appropriate district manager and forwarded to the assistant secretary or their designee for approval, in writing, prior to the requested activity.

1. Terminology:

- a. Merchandise – Merchandise should maintain a high standard consistent with the values and mission of the Office of State Parks. Items sold should maintain an appropriate standard consistent with educational, interpretive, promotional, and ancillary products for customer convenience.
- b. Merchandise Resale Venues – Merchandise should be mission appropriate and reflect the Office of State Parks and/or each venues unique attributes. All merchandise resale venues shall be open during day-use operating business hours.
 - i. State Park Resale Venue – A state park holding designated in La. R.S. 56:1685 (C). The park manager will be responsible for the overall operation of the resale venue including the accountability of merchandise, inventories, sales accounting, exchanges, customer satisfaction, and overall promotion of the venue. A park manager may designate an employee for the overall operations of the resale venue, but the assistant secretary or their designee must approve the request in writing.
 - ii. State Historic Site Resale Venue – A state park holding designated in La. R.S. 56:1685 (B). The site manager will be responsible for the overall operation of the resale venue including the accountability of merchandise, inventories, sales accounting, exchanges, customer satisfaction, and overall promotion of the venue. A site manager may designate an employee for the overall operations of the resale venue, but the assistant secretary or their designee must approve the request in writing.

- c. Vending Machines – State vending is any vending machine the venue rents, purchases the products, and collects the income.
 - i. Vendors associated with the Randolph-Sheppard Act have the right of first refusal on any vending opportunities prior to contracting outside parties. The administrative office will forward the venues request to operate vending machines to a Randolph-Sheppard representative at the Louisiana Workforce Commission.
 - ii. State Parks' vending may be approved on a case-by-case basis if the Randolph-Sheppard Management Agent, through the Louisiana Workforce Commission, declines the opportunity first. The site manager will forward a proposal justifying the need and location of the vending machine to the district manager for approval. The proposal from the site manager should include an estimated annual quantity of vending items sold and an estimated annual profit for bids sent to established vendors. The district manager will forward the proposal and recommendation to the assistant secretary or their designee for final approval prior to a vending contract being signed.
- d. Sales and Marketing Administrator – The assistant secretary or their designee shall appoint a Sales and Marketing Administrator (SMA). The SMA is responsible for performing market research and cost analysis on potential resale products and purchasing merchandise after receiving written approval from the assistant secretary or their designee. The SMA will also conduct quarterly quality assurance audits on all merchandise resale venues. The SMA will work closely with sites and the administrative office to implement and maintain resale venues, serving as an advisor on all merchandising and resale items.

2. Purchasing:

- a. All new merchandise shall be approved by the assistant secretary or their designee prior to purchase.
- b. All merchandise will be ordered in accordance with OSP PPM #2 – Purchasing.
- c. The initial order of merchandise will be completed as follows:
 - i. The SMA will enter the item/description into the POSS system upon finalized purchase of new merchandise.
 - ii. The site manager or their designee must notify the SMA the shipment was received within 48 hours of arrival.
 - iii. The site manager or their designee is responsible for inspecting all goods received and verifying that they conform to specifications. In addition, these persons are responsible for enforcement of all policies necessary for the internal control of these assets.

- iv. Quantities received must be compared to the receiving report (packing slip or invoice) and to the original order document. Initial and date receipt of items on the receiving report, noting any discrepancies in type, quantity, and/or quality of merchandise.
 - v. Report any discrepancies to the SMA. The SMA will achieve resolution (i.e., replace defective merchandise, return, receive credit for defective merchandise, etc.).
 - vi. The site manager or their designee will enter the total inventory and place the merchandise out for sale once all items listed in 3.c. have been completed.
- d. Site managers and/or their designees will reorder merchandise once 75% of the initial quantity has been sold.
- i. Merchandise reorders must be placed with the original vendor using the original order specifications including, but not limited to: style, size, color, etc. Any deviation must be approved via the New Merchandise Request Form (attached) following the procedure detailed in 2.e.
 - ii. All items are to remain in stock unless approved in writing by the SMA.
 - 1. Discretion should be used prior to reorder of an item. For example, if an item took over a year to sell 75% of the initial quantity, the item should not be reordered.
 - a. Inventory will be cataloged by size in regard to clothing. For example, if 500 shirts (100 each for S – XXL) were in the initial order and the site has 80 each of S-XL but only 25 XXLs left, only the XXL size should be reordered for restock.
 - 2. Site managers and their designees should consult with the district manager if a concern arises in the reorder process.
 - iii. Site managers and their designees will use the following process for merchandise reorders.
 - 1. The site manager or their designee is responsible for inspecting all goods received and verifying that they conform to specifications. In addition, these persons are responsible for enforcement of all policies necessary for the internal control of these assets.
 - 2. Quantities received must be compared to the receiving report (packing slip or invoice) and to the original order document. Initial and date receipt of items on the receiving report, noting any discrepancies in type, quantity, and/or quality of merchandise.
 - 3. Any discrepancies (i.e., replace defective merchandise, return, receive credit for defective merchandise, etc.) must be addressed within 48 hours of merchandise's arrival
 - 4. The site manager or their designee will enter and update the total inventory in the POSS system and place the merchandise out for sale once all items listed in 3.c. have been completed.
 - iv. Site managers and their designees must select the most economical, fiscally responsible method of shipping for merchandise reorders. Every effort is expected and required to avoid shipping fees.

- e. A resale venue may submit a request, in writing, to purchase merchandise not currently sold to their district manager and the SMA via the New Merchandise Request Form (attached). The SMA will review the request and forward to the assistant secretary or their designee for consideration if the SMA determines the item is suitable for the resale venue and in compliance with OSP standards.
 - i. Recommendations sent to the assistant secretary or their designee must use the New Merchandise Request Form. A physical sample of the item is preferred, when possible. A photo can be submitted in lieu of a physical sample when a physical sample is not attainable.
 - ii. If approved, the merchandise will be purchased by the SMA.
 - iii. The SMA will confirm with the resale venue's designee on the requested merchandise's approval.
 - iv. Resale venues should strive to follow an 80/20 rule on products for sale: 80% of merchandise within a resale venue should be sold system-wide, 20% should be unique to the resale venue's site.

3. Distribution and Sales:

- a. The SMA will determine economic feasibility of new merchandise shipping. When economically feasible, new merchandise will be shipped directly to the resale venue. When not economically feasible, merchandise can be shipped to the administrative office and the SMA will coordinate the delivery to the resale venue. The SMA will provide shipping invoices and order details to site designees for inventory verification upon arrival.
- b. Merchandise will be displayed in the location designated by the SMA. Where possible, using structures already on site is preferred. When a specific building is not available, entrance stations will be used. Displays will be organized and stocked with clear pricing signage.
- c. Merchandise will not be offered for sale until the following steps are completed and documented:
 - i. All discrepancies with a shipment are resolved. Items from a shipment with a discrepancy cannot be sold until a resolution is achieved.
 - ii. Price of the merchandise is correct in the POSS.
 - iii. SMA and/or site manager/designee confirms total inventory is accurate in the POSS.
 - iv. Barcode is affixed to the item.
 - v. Price is on display on the item's display shelf/counter.
- d. The "Miscellaneous" feature in the POSS will only be used as a last resort. When used, the site must enter the item description in the system or document on a merchandise log during the sale. The site manager or their designee is responsible for ensuring all inventory counts remain accurate when the "Miscellaneous" feature is used.

- e. The SMA will determine what items are selling well at sites and consider transferring inventory accordingly.

4. Pricing:

- a. The SMA will determine the price of all merchandise sold and will consider the direct charges related to the items when calculating the price. Generally, OSP will use keystone pricing, at a minimum, meaning the retail price will be double the wholesale price. Careful analysis should be used to properly price merchandise considering the market at a resale venue. The manufacturer suggested retail price may be considered.
- b. The retail price should be rounded up to the nearest dollar or greater. All state and local taxes will be included in the sale price until the POSS is reconfigured. When the POSS is updated, all state and local taxes will be added to the final retail price.
- c. A resale venue can request a pricing adjustment request by emailing the Merchandise for Resale Inventory Pricing Adjustment Form (located on the “P” drive, inside the “Shared” folder, under the “MDSE for Resale” folder, titled “E-4”) to the SMA no later than the 10th of the month. The request type must be “Markdown.” Upon approval by the SMA and assistant secretary or their designee, the adjustment will be made by the SMA and sent to the business section. All adjustments will be effective on the date indicated on the approved pricing adjustment form. These adjustments can be as follows:
 - i. Increase in Pricing: When the wholesale price of merchandise sold increases 10% or more, any like-items currently in stock will be remarked with the new selling price at each resale venue and in the POSS. The SMA will coordinate and disseminate the change in price to each resale venue manager for updated pricing in each venue and in the POSS.
 - ii. Decrease in Pricing: When merchandise cannot be sold at a retail price due to age, damage, market rejection, merchandise may be marked down and sold at a “sale price.” The utmost discretion will be used in keeping good management practices, and such markdowns will not be used solely to reduce inventory at the end of the fiscal year due to overstocking. The SMA can obtain approval from the assistant secretary or their designee to reduce the merchandise price by 10% -25% per quarter, not to go below the wholesale cost.
- d. Resale items shall not be given away free of charge.
- e. All state employees are required to pay the same prices as the general public for any resale items.
- f. The extending of credit to any employee or to anyone else for any resale item is strictly prohibited.

5. Transactions:

- a. Standard Sales – Park staff must provide a receipt for all transactions.
- b. Returns and Refunds – Requests for refunds must include the sales receipt for proof of purchase. Returned items should be in the original packaging and appear unused and be placed back in inventory. Refunds will be the same form of transaction as the original purchase (cash, credit card, gift card).
- c. Exchanges – Returned goods for exchanges must include the sales receipt for proof of purchase. Goods must be in the same condition as sold and be placed back in inventory. Merchandise being returned for exchange must be entered into the POS system as a return and the new item will be entered into the POS as a sale.
- d. Sites will follow procedures included in PPM #39 – Revenue Collection.

6. Inventory:

- a. The site manager or their designee are responsible for ensuring the accuracy and submission of all required reports. The site manager or their designee is responsible for weekly, monthly, and annual inventory.
- b. Weekly and Monthly
 - i. The Merchandise for Resale Spreadsheet must be completed weekly and monthly to account for inventory throughout the fiscal year.
 - 1. The spreadsheet is located on the “P” drive, inside the “Shared” folder, under the “MDSE for Resale” folder, and separated for each site by fiscal year and month.
 - 2. The spreadsheet must be saved upon completion within the site’s folder.
 - 3. The Merchandise for Resale Forms attachment on page 9 details how to use the spreadsheet.
 - ii. The Merchandise for Resale Spreadsheet must match the “Resale Report” from the POSS system.
 - 1. The report can be found under the “Administration” dropdown of the Brandt system by clicking “Reports” and searching for “Resale Report.”
 - 2. The Resale Report will be saved in the same folder as the Merchandise for Resale Spreadsheet.
 - iii. All damaged/spoiled/unaccounted items must be documented on the Merchandise for Resale Adjustment Form (E-4) with either “Damaged/Spoilage Disposal” or “Inventory Adjustment” as the request type. Form must be signed off by site manager, district manager and appointing authority then mailed to the business section with signatures, and saved within the site’s folder.
 - 1. The form is located on the “P” drive, inside the “Shared” folder, under the “MDSE for Resale” folder, titled “E-4.”

2. Site managers or their designees must maintain a list of all perishable items and their expiration dates to ensure prompt removal.
3. Upon expiration, all perishable items must be removed, destroyed, and disposed of by the site manager or their designee. Form E-4 must be submitted as verification of removal.

c. Annually

- i. Covers the period of July 1st through June 30th of the following year. The site manager, district manager, and/or their designee must complete a physical inventory on June 30th. The business section will request the site complete the "Year End Inventory" spreadsheet. A copy of the verified inventory will be kept at the park, the original forwarded for signatures to the business section to be received by the 10th of the next month, and the spreadsheet saved upon completion within the site's folder.

7. Quality Assurance

- a. The SMA is required to complete a quarterly quality assurance audit of all merchandise resale venues.
 - i. The SMA, in coordination with site managers, designees, and/or district managers, will ensure consistent placement of merchandise and pricing signage across all sites.
 - ii. The SMA will address discrepancies with the site manager or their designee and the district manager.
 - iii. Documentation of audits will be saved on the "P" drive.

8. Expectation

- a. As OSP expands merchandise offerings, these processes will evolve. The agency expectation is that all park staff will contribute to the improvement of procedures by communicating suggestions and needs in a timely, courteous manner.

ATTACHMENTS:

- Merchandise For Resale Forms
- New Merchandise Request Form

Merchandise for Resale Forms

Questions regarding all Excel forms should be directed to the business section.

JULY WORKSHEET

ITEMS tab – Form E1

- In July you will place the Department, PLU and item description for each item you carry. This description should match to the description in the POS system.

RECAP tab – Form E3

- Type only in the shaded areas
- Quantity Items – Put the total quantity of your starting inventory
- Total Cost – Put the total cost of these items (if you have 10 items at \$1 each, put \$10)
- Unit Retail – Put the individual Retail amount for each item
- Physical Count – at the end of the month, put the amount of items left in your inventory.
- The Purchases and Sales will roll from the Sales-Purchases form and give a monthly total
- Ending Inventory will roll to the next month's form

SALES-PURCHASES tab – Form E2

1. Sales

- Type in the shaded area only
- Do each week separately
- Put the amount of the items sold each week
- Retail amount will pull from the Recap sheet
- The totals will roll to the Recap Sheet

2. Purchases

- Type in the blue shaded area
- Do each week separately
- Put the total amount of items purchased
- Put the total cost for these (if you purchased 10 items at \$1 each, put \$10)
- The totals will roll to the Recap Sheet

AUGUST – JUNE WORKSHEETS

ITEMS tab – Form E1

- Rolls from Previous month
- Only type in new items at bottom of list

RECAP tab – Form E3

- The only area you will fill in on this form is the end of the month physical count
- If you have a new item that you do not have a retail amount on, contact the SMA via email

SALES-PURCHASES tab – Form E2

- Same as July



New Merchandise Request Form

Prior to submission, please review Policy and Procedure Memorandum No. 9 to ensure the proposed item meets the required standards of quality for Office of State Parks merchandise.

Vendor: _____

Item Name: _____

Item Description (if applicable): _____

Site(s) to sell proposed item: _____

Quantity: _____

Wholesale Cost: _____

Suggested Retail Price (excludes taxes): _____

Shipping (to Headquarters or to Site): _____

A sample (when available) or photo (when sample unavailable) of item is required for consideration. Attach all supporting documents to this request form.

Submitter: _____ Date: _____

District Manager: _____ Date: _____

If approved for assistant secretary review:

Sales and Marketing Administrator: _____ Date: _____

If approved for purchase:

Assistant Secretary: _____ Date: _____