



## **Master Gardener Plant Sales Procedures and Best Practices Related to Selling and Inventory**

The Florida Master Gardener program is a part of the University of Florida and UF/IFAS Extension. As such, Extension is responsible for how group activities are conducted and reported. The primary purpose of this document is to provide county Extension personnel and volunteers with procedures, guidelines, and best practices for handling financial and compliance issues related to plant sales.



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## I. Background

The University of Florida IFAS Cooperative Extension Service (hereinafter referred to solely as Extension) has a responsibility to conduct its programs in such a way as to maintain the public trust and safeguard the positive image of the University. Because so many of Extension's programs are delivered in conjunction with local volunteers, it is imperative that all parties understand their roles and responsibilities regarding Extension activities.

All revenue related to the Master Gardener program will be managed at the University. This document will serve to communicate the processes related to conducting plant sales under the guidelines and procedures of Extension and the University of Florida.

## II. Relationship

The Florida Master Gardener program is a part of the University of Florida and UF/IFAS Extension. Therefore:

- a. Extension personnel and volunteers must follow Extension's guidelines as outlined in this document and elsewhere in Extension's policies and guidelines, including those for handling cash and making expenditures.
- b. The Florida Master Gardener program enjoys the same federal income tax exempt status as Extension. This means that funds are exempt from income tax and no financial reporting to the IRS is required.

## III. Revenue Definition

Revenue is money generated from activities other than those directly budgeted from Extension related to the delivery of Extension programs and the fulfillment of the University's mission. Activities in this category are often fundraising in nature. Examples include, but are not limited to, money derived from donations, local dues, fundraising activities (such as plant sales), or fees collected to support activities of group members.

## IV. Handling of Funds

Best business practices for handling of funds will provide direction in the collection of funds by clearly defining responsibilities.

- a. All appropriate Extension cash handling procedures must be followed. This includes:
  1. Segregation of duties
  2. Receipts as outlined for sales
  3. Use of restrictive endorsement
  4. Adequate safeguards for handling and transporting of cash
  5. No payments to individuals or vendors should be made with cash proceeds from your till on the day of the plant sale, this includes paying for security. If you need to

pay a business or individual for their services, reach out to Extension Business Services prior to the plant sale for appropriate payment options.

- b. University of Florida Finance and Accounting Directives and Procedures on cash handling can be found at:

<https://www.fa.ufl.edu/directives/cash-and-check-handling/>.

## V. Plant Sale Procedures

- a. Before the Sale: Identify taxable and non-taxable plants.
  - 1. The definition of a taxable plant is a plant that is considered "ornamental" by basic definition. Examples of taxable plants include Indian hawthorns, boxwoods, and oak trees.
  - 2. The definition of a non-taxable plant is a plant that is considered "edible" by basic definition. Examples of non-taxable plants are tomatoes, herbs, blueberry bushes, and pear trees.
- b. Inventory: An inventory of plants ensures proper accountability for your sales. Inventory all plants before AND after the sale. The elements of that inventory process consist of:
  - 1. Creating an inventory list of all plants that are to be sold at the sale
  - 2. This inventory can be as detailed as necessary for your records but at minimum contain the following elements:
    - Total plants broken down by:
      - i. Taxable and non-taxable
      - ii. Plant quantities by category cost of plant with or without the addition of the color-coding system if used
      - iii. Beginning and ending quantities
      - iv. Total amount sold
  - 3. The following is an example of a before and after sale inventory that may be modified for use:

Pre-Sale Inventory			After-Sale Inventory				
Taxable			Taxable				
Color Code	Plant Cost	Quantity	Plant Cost	Quantity Remaining	Quantity Sold		
Green	\$ 2.00	300	\$ 2.00	50		250	
Lavender	\$ 3.00	250	\$ 3.00	25		225	
Yellow	\$ 4.00	500	\$ 4.00	10		490	
White	\$ 5.00	300	\$ 5.00	25		275	
Blue	\$ 6.00	200	\$ 6.00	30		170	
Pink	\$ 8.00	150	\$ 8.00	5		145	
Orange	\$ 10.00	125	\$ 10.00	10		115	
<b>Total Pre-Sale Inventory</b>		<b>1,825</b>	<b>Total After-Sale Inventory</b>		<b>155</b>	<b>Total Inventory Sold</b>	<b>1,670</b>

  

Pre-Sale Inventory			After-Sale Inventory				
Non-Taxable			Non-Taxable				
Color Code	Plant Cost	Quantity	Plant Cost	Quantity Remaining	Quantity Sold		
Green	\$ 2.00	100	\$ 2.00	10		90	
Lavender	\$ 3.00	200	\$ 3.00	20		180	
Yellow	\$ 4.00	500	\$ 4.00	25		475	
White	\$ 5.00	300	\$ 5.00	10		290	
Blue	\$ 6.00	150	\$ 6.00	50		100	
Pink	\$ 8.00	400	\$ 8.00	25		375	
Orange	\$ 10.00	200	\$ 10.00	30		170	
<b>Total Pre-Sale Inventory</b>		<b>1,850</b>	<b>Total After-Sale Inventory</b>		<b>170</b>	<b>Total Inventory Sold</b>	<b>1,680</b>

c. Sales Tax: Sales tax applies to the sale of taxable items and services in Florida, unless the transaction is specifically exempt.

1. The sales tax is added to the price of the taxable goods or services and collected from the purchaser at the time of sale.
2. If a discount is offered, tax is charged on the discounted price of the item, not the original price.
3. Collecting the right amount of tax is important. Florida’s state sales tax rate is 6%. Additionally, most counties also have a local option discretionary sales surtax.

$$[State\ Sales\ Tax\ Rate] + [Your\ County\ Surtax\ Rate] = [Total\ Tax\ Rate]$$

4. Sales tax and discretionary sales surtax are calculated on each taxable transaction. Effective July 1, 2021, the bracket system for calculating sales tax and discretionary sales surtax in the State of Florida was replaced by a rounding algorithm.

Dealers (departments) must use a rounding algorithm that:

1. Carries the tax computation to the third decimal place; and
2. Always rounds up to the next whole cent when the third decimal place is greater than 4.
  - a. Example: \$5.045 rounds to \$5.05. \$3.213 rounds to \$3.21.
5. University of Florida tax resources are available at:

<https://www.fa.ufl.edu/directives/sales-and-use-tax/>.

d. Recording and Receipting Sales: A system must be in place that accounts for each sale to a customer.

1. When using a “chit” sheet as part of the checkout system, the taxable and non-taxable items should be separated. It is helpful to have a minimum of two checkout lines, one for chit sheet calculations and the other for collecting payments.

i. The following is an example of a chit sheet that may be modified for use:

	Price	Quantity Taxable	Quantity Non-Taxable
Green	\$ 2.00	3	2
Lavender	\$ 3.00	3	
Yellow	\$ 4.00		
White	\$ 5.00	1	1
Blue	\$ 6.00		
Pink	\$ 8.00	1	
Orange	\$ 10.00		
Other			
Totals		8	3

- ii. The chit sheet should be completed prior to the customer entering the payment line. Tally or hash marks cannot be used to count items on the chit sheet. Enter amounts for quantity as whole numbers.
  - iii. The customer will provide the cashier with a completed chit sheet to enter into the cash register.
  - iv. Save the chit sheet as supporting documentation for the after-sale inventory.
2. It is recommended that Master Gardener plant sales be conducted using a cash register to collect payment. Use of a cash register calculates taxes automatically and helps ensure tax is charged and recorded correctly. Extension Business Services does not have a specific cash register recommendation; however, if you purchase a cash register it must be programmable for sales tax and cannot have an attached credit card reader. If you use cash register, please follow the below guidelines.
- i. Calculate total sale by entering chit sheet information for taxable and non-taxable items.
  - ii. If paying by cash, verify the amount received is the amount due and provide change as necessary.
  - iii. If paying by check, verify the amount received is the amount due and ensure the written amount and number amount on the check are the same. Verify check is made out to the "University of Florida" and restrictively endorse the check with the stamp provided. You can restrictively endorse all checks at the end of the day.
  - iv. All cash, checks, and credit card sales should be receipted via a cash register.
  - v. Provide the cash register receipt to the customer.
  - vi. The total receipt (z-tape) will be printed at the end of the day.
3. Credit card sales can be accepted if using a UF approved credit card terminal. If you are interested in obtaining a credit card terminal, please contact Extension Business Services. Credit card machines can now be borrowed from the University of Florida.

Please plan on requesting a loaner machine as soon as you can since there are a limited number of loaner terminals available.

- i. Calculate total sale by entering chit sheet information for taxable and non-taxable items into the cash register.
- ii. Process credit card payment through the UF credit card terminal.  
Note: Anyone who is going to process credit card payments must complete additional training (TRM 125).
- iii. Keep the signed credit card receipt from customer.
- iv. Provide the customer with the credit card terminal receipt, AND either the cash register receipt or uniform cash receipt as applicable.

e. Closing the Sale:

1. Reconcile funds collected to the either the cash register z-tape which includes all cash, check, and credit card sales or a manual count of the uniform cash receipt books.
  - i. Oftentimes, customers will donate the change from their purchase. This will affect your ending balance. If this is the case, your ending balance will be greater than the balance recorded on your z-tape or uniform cash receipt book. Make note of this on your reconciliation.
  - ii. A second person must verify funds collected.
2. Settle the UF credit card terminal, if applicable.
3. Complete the after-sale inventory.
4. Store funds for deposit. Funds should be given to the designated individual and secured using the two-lock minimum rule. This means that the funds must be in a locked safe behind a locked door, locked in a desk behind a locked door, etc.