

Date of Issue:

Revision date: February 29, 2012



INTRODUCTION

1. This chapter outlines the controls and procedures that are unique to Special Services.

TYPE OF OUTLETS

2. This category pertains to all miscellaneous business activities that do not belong to one of the other categories. These activities include, but are not limited to, food outlets, barber shops, beauty shops, theatres, pharmacies, financial services, vending machines, ATM, Golf Course, Kit Shops, and other concessions.
3. Special Services can be delivered by either an NPP entity or through a concession. Although in general, concession revenue is reported under Special Services, exceptions are made where the concession forms an integral part of a CANEX or other NPP outlet (i.e. the outlet incurs expenses in support of the concession).
4. Most special services are operated as concessions. Concessionaires have full control over their sales and expenses but are required to remit monthly fees according to the concession contract between the concessionaire and the NPP entity. These monthly remittances are reported as revenues on the special services statement. Any charges incurred by entity for the benefit of the concession are reported as expenses on the special services statement.

CANEX AND OTHER NPP ENTITY OPERATED SPECIAL SERVICES

DEPARTMENTALIZATION

5. Sales shall be departmentalized in accordance with Chapter 41 (CANEX and other Retail Outlet Department Structure).

INVENTORY ACCOUNTABILITY

6. The method for maintaining and controlling inventories is dependent on the type of special service. CFO should be consulted when the method to be used is in question. Inventory maintenance and control for concessions is the responsibility of the particular concessionaire.
7. For further information on the various inventory valuation methods see Chapter 25 (Inventory Valuation).

PURCHASES

8. Procedures for the ordering and receiving of merchandise along with the processing of invoices are outlined in Chapter 51 (Purchases – CANEX and Other Retail Outlets and Central Billing).

TRANSFERS

9. Transfers shall be made in the manner outlined in Chapter 22 (Transfers).

SALES

10. The accounting for sales and the submission of Daily Sales Reports (DSRs) to the NPPAM shall be as outlined in Chapter 18 (Cash and Other Receipts).

REPORTS AND RETURNS

11. The following schedule of reports and returns represents the minimum acceptable frequency of reporting from CANEX and other retail outlets operated special services. All month-end paperwork must be submitted to NPPAM within two working days following the month-end date. Where volume of transactions is such that more frequent reporting is necessary, a revised schedule acceptable to CANEX Management and the NPPAM may be introduced:
 - a. Daily Sales Reports. These are completed and forwarded to the NPPAM daily as per Chapters 6 (Control of Accountable Documents) and 18 (Cash and Other Receipts);
 - b. Invoices. Suppliers' invoices (with PO and Receiving reports attached) and credit notes are submitted to the NPPAM as per Chapters 6 (Control of Accountable Documents) and 21 (Purchases); and
 - c. Transfers. Merchandise Requisitions (CF 603) are entered at cost when issued or received. Merchandise Requisitions are submitted to the NPPAM as per Chapters 6 (Control of Accountable Documents) and 22 (Transfers).

STOCKTAKING

12. Stocktaking shall be carried out in accordance with the general stocktaking procedures in Chapter 26 (Stocktaking) along with the detailed stocktaking procedures outlined in the CANEX Policy and Procedures Manual – Section 3 – Operations 430 and the CANEX stocktaking SOP.

CONSIGNMENT GOODS

13. Consignment of goods is defined as a trading arrangement in which a seller sends goods to a NPP retail operation. The NPP retail operation does not pay the seller until the goods are sold. The seller remains the owner (title holder) of the goods until they are paid for in full, and after a specified time period has lapsed, takes back the unsold goods.
14. For consignment of goods, no entry to inventory is required since goods remain the property of the seller. Once the goods are sold and the seller is notified (usually a representative of the selling company will do an inventory count) the seller will submit an invoice for payment.