

GPI Pitcairn Island General Store Operations Policy

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Signed:
Policy Portfolio Holder

Policy Name: Pitcairn Island General Store Policy

Policy Number: GPI 005

Rationale: The Pitcairn Islands General Store operates under the authority of the Government of Pitcairn Islands (GPI) and must meet the requirements of GPI and its partners. The Government of Pitcairn Islands is committed to ensuring that the store operations are undertaken in an efficient, reliable and honest manner.

Policy Objectives: The aim of this policy is to guide the efficient delivery of services, accounting practices and staff management of the Pitcairn Island General Store with the intention to generate an acceptable level of profitability to facilitate future development.

Definitions: For the purposes of this document “The Store” refers to both the Store building selling mostly grocery items and the Warehouse building selling hardware items.

Activities:

1. Store Structure

- 1.1 The Store will trade under the title “Pitcairn Island General Store” or “The Store” in brief.
- 1.1 The Store is a GPI entity and is a Government department in the Division of Finance and Economics.
- 1.2 The Store Manager submits a monthly report on Store operation and financials to Council and PIO via the Division Manager of Finance & Economics. It is acknowledged that the store has a core debt to PIO which is currently non-interest bearing.
- 1.3 The store will make regular quarterly payments to PIO until the debt is at the level required to cover the purchases for one supply ship only.

2. Management

- 2.1 The Store will be managed in line with agreed budgets between the Store Manager, PIO and the Division Manager of Finance and Economics.
- 2.2 Staff will be recruited according to the Store’s needs and budgetary constraints.
- 2.3 The role and duties of each staff member is found in their relevant Job Descriptions.
- 2.4 Other assistants may be engaged from time to time to assist in busy periods as the Store budget dictates.
- 2.5 The Store Manger shall hold regular monthly staff meetings with all staff. Additional meetings may be called by staff via the Store Manager when necessary.
- 2.6 A minute book will be kept recording the proceedings of all Store meetings.
- 2.7 The store staff will be managed by, and their performance measured, using the GPI performance management policy.

3. Staff Conduct

- 3.1 All Store staff must adhere to relevant GPI policies and procedures and the GPI code of conduct.
- 3.2 Serving staff will be friendly and courteous to the public at all times.
- 3.3 Store staff will arrive for work clean and smartly dressed and long hair is to be tied back.
- 3.4 No staff member under the age of 18years may sell alcohol without supervision of senior staff.
- 3.5 A staff member cannot serve themselves or any immediate member of their family.
- 3.6 At least two Store staff must be present during normal opening and closing times of the store.
- 3.7 During after-hours the Store staff and customer must both enter and leave at the same time.
- 3.8 Customers going downstairs must be accompanied with another store staff.

- 3.9 Any staff member found to be or suspected of committing a store related criminal offence will be reported to the Police Officer for investigation and suspended until the investigation is complete.
- 3.10 If a staff member is found to be guilty of theft, fraud or other serious offence with regards to their employment at the Store, they will be dismissed.
- 3.11 Disputes between staff members on duty and the public should be referred to the administration and store manager to be settled in good spirit where possible.
- 3.12 Disputes relating to non store business must be handled off the premises and the store manager has the right to ask the offending party(ies) to leave the premises.

4. Trading

Hours

- 4.1 The Store will open at least three times per week for a minimum of half an hour each time.
- 4.2 Openings for individuals or visitors will be at the discretions of the key holders.

Sales

- 4.3 The store shall mark up stock at a rate between and including 20% and 35% on the cost price.
- 4.4 Freight charges will be calculated per supply ship at the rate between \$350 and \$455 per cubic metre to ensure all that freight charges are covered.
- 4.5 The Store staff, at their discretion, may reduce the sales price of damaged items to cost. This must be recorded in the “damaged goods” log. If items are unsalable or damaged on arrival, they must also be recorded in the log.
- 4.6 Items may be reduced to cost, just prior to, or on the date of expiry to try to clear the stock.
- 4.7 Other discounts or specials are to be approved by the Store Manager.
- 4.8 The Store will refund or exchange food items found to be contaminated or deteriorated at time of purchase. Other items may be exchanged or refunded if they are in good unused condition or found to be faulty.
- 4.9 The manager may limit sales to no more than six items of one kind to be purchased per customer in any trading day if they believe that the stock will be depleted before the arrival of new stock.
- 4.10 The Sale of tobacco products and alcohol beverages can only be sold to customers legally able to buy them.
- 4.11 Every customer will be issued a transaction receipt. If necessary a hand written receipt will be generated recording at minimum, Date, Customer Name, Total Amount of Sales and/or Total Amount Paid and staff signature
- 4.12 All shelf items will display current retail price. An appropriately displayed sign will advertise Freezer items and current retail prices.

POS System

- 4.13 All sales are to be made using the POS system.
- 4.14 In the event of POS System failure customer ‘Day Books’ will be used to record a detailed transaction of items sold and payments made.
- 4.15 No one outside of store staff shall access, make configuration changes or adjust the POS System in any way whatsoever without the explicit permission of Store Manager and Division Manager Finance and Economics.
- 4.16 The POS system will be backed up after each opening. The backup is to be stored on a suitable media. Media excludes the computers running the POS system.
- 4.17 The POS system is to be kept updated at all times with stock cost prices, sales prices and inventory levels.

- 4.18 Ordering of store stock is to be decided by the Store staff using previous sales records or re-order points as a guide for appropriate stock levels. There should be a minimum of 3 stock turns per year.
- 4.19 A mirrored back-up of the primary PoS System Admin computer will be stored in the Government Treasury safe for the sole purpose of system restoration in the advent of major computer failure.
- 4.20 During and after openings the cash draw keys are to be kept in a secure location controlled by Store Manager or Admin Assistant. They are not to be left in cash draws during openings. Access to cash draws is by POS transaction only.

Banking

- 4.21 The till floats shall be checked at the beginning and close of each trading day.
- 4.22 It is the duty of counter staff to notify the Administration Manager if change is required for each till so he/she can arrange sufficient funds for the next day's trading.
- 4.23 The individual cashier meets any financial shortfall in daily takings after the Administration Manager has investigated all legitimate reasons for the shortfall.
- 4.24 Banking of cash will be done at the first opportunity after the trading day.
- 4.25 Banking of cash at the end of the month is to be done before the GT balance to minimize exchange rate losses where possible.
- 4.26 The Store is not in the business of cashing of cheques. All cheques must be undated to be accepted as payment.
- 4.27 Staff members on duty are to fill in the day sheet to keep a manual record of all cash received each trading day.
- 4.28 Rounding: All prices of goods are calculated exactly. When rounding is required the following formula will be applied:
 - 1 – 4 Round down
 - 5 – 9 Round up

Accounts

- 4.29 No customer is permitted store credit in excess of NZ\$200 on their regular account without the Store Manager's approval
- 4.29.1 General accounts will be cleared within 3 Store working days of Government Treasury wage payout
- 4.30 All goods used for Store operations will be entered in the store use account.
- 4.31 Monthly statements of accounts are to be sent out to all debtors.
- 4.32 The Store is audited according to the Island Auditors audit programme. Copies of the audit are to be sent to the store and the Finance Division Manager along with PIO.
- 4.33 Government Departments are bound by the same trading terms as public customers.

5. Private Orders

- 5.1 Private orders will only be placed for perishable goods and items that cannot be regularly stocked at the store.
- 5.2 Perishable goods will be sold to customers at the rate of 15% mark-up on cost plus freight.
- 5.3 Items that cannot be regularly stocked at the store will be sold to customers at the rate of 20% mark-up on cost plus freight.
- 5.4 Tools, white-goods, electrical items and furnishings will be ordered according to the same conditions as the personal loan application unless paid for as soon as invoiced by the store.
- 5.5 Customers placing private orders must accept all items that have been ordered when they arrive in good condition.
- 5.6 On supply ship day, only perishable goods will be released to customers. Other items will be released after all stock has been accounted for by the store staff.
- 5.7 The Store will issue invoices for private orders within 2 weeks of supply ship delivery.
- 5.8 Private orders must be paid for within 90 days (1 supply ship turnaround) on receipt of goods

- 5.9 Private orders that have not been paid for after **1** subsequent supply ship will incur monthly interest charges at the rate of 10% per annum and a regular monthly payment will be required from the customer from the interest bearing month.
- 5.10 It is a condition of having store credit that the debt must be repaid within 12 months. The customer, in agreeing to store credit, accepts that if a debt is incurring interest, the store has the authority to deduct a regular monthly payment from the customer's GPI wages. All customers wishing to hold an account will sign the store conditions of credit document. (Annex 1)
- 5.11 Private orders will not be accepted from customers, for non essential items, with outstanding accounts except by special arrangements with the Store Manager.

6 Record Keeping

- 6.1 The Store must keep a journal recording all its transactions.
- 6.2 An additional spreadsheet recording all store income and expenditure debtor level and inventory value is to be kept also.
- 6.3 A minute book recording the place, date and time of all general and Staff meetings, the names of all attending and proceedings.
- 6.4 Books and records will be kept on Store premises for a minimum of 7 years. Both electronic and hardcopy documentation should be kept. Backups of financial records must be done as records change and stored on the same media accompanying POS backups.
- 6.5 The Finance Division Manager will keep a copy of Store monthly financial statements for the public archive.

This Policy is approved by: Council Portfolio Holder

Date:

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