

# School-Based Enterprise Toolkit

## Introduction

This toolkit is intended to support educational institutions with planning and launching a school-based enterprise and to connect readers with additional resources to learn more.

## What are school-based enterprises?

School-based enterprises are a **work-based learning** experience where students have the opportunity to run a school store. School-based enterprises provide students with an opportunity to develop professional skills and career skills as students learn the different roles and aspects of a successful business while directly managing the school store. When carefully planned and managed by an educator, school-based enterprises simulate real world business experiences that can lead to direct skill development and authentic learning. School-based enterprises should prepare students through content learning in the classroom with a hands-on opportunity as outlined in the expectations provided by the Department.

To ensure the school-based enterprise is following industry expectations an industry partner professional(s) should evaluate and provide consultation on an annual basis. The educator should review and follow [Iowa Code 298A](#) and if applicable, [Smart Snacks guidelines](#).

Note: No special endorsements are required to instruct and oversee a school-based enterprise. The definition provided in this toolkit originated from the [Career-Connected Learning Guide](#).

## What is the value of a school-based enterprise?

- Creates a business atmosphere for students to apply skills and knowledge.
- Enhances student knowledge with first-hand experience.
- Promotes industry procedures, business-focused attitudes and professional behaviors to prepare students for success.
- Gives students an opportunity to provide a good or service valuable to students, school/college staff and the community.

## Examples of School-Based Enterprises:

- School Store
- Online Merchandise Store
- Restaurant
- Coffee Shop
- Greenhouse
- Product Development and Manufacturing
- IT Help Desk

Note: These are a few examples of school-based enterprises, not a comprehensive list to choose from.

## Community Consideration

As your program considers the diverse school-based enterprise opportunities, be mindful of existing and established businesses and service providers within your community. Evaluate the impact your new enterprise may have on local businesses and service providers. Customer purchases from a school-based enterprise cost less and could draw customers away from local businesses. Make product and business decisions that will positively impact the community, not eliminate local businesses.

## Meeting Work-Based Learning Expectations in School-Based Enterprises:

School-based enterprises provide valuable entrepreneurial and career learning experiences in a particular career path. These programs need to follow the three essential elements to meet work-based learning expectations.

### 1. Academic Preparation

Prepare students before they actively participate in operations for the school-based enterprise. Preparation should come through classroom learning around standards in operation, product service management, pricing, distribution channel management and promotion. Standards and learning outcomes reflecting these components are outlined in this toolkit.

### 2. Partnership Between Education and Industry

Education and industry will partner to ensure the experience is a valuable reflection of similar operations in the community. Education's role is preparing students, supporting the operation and providing academic follow-up to ensure student learning. Industry's advisement role provides expertise in an area identified by education. The partnering industry representative(s) do not need to be in an identical business to the enterprise but should provide valuable learning essential to the enterprise's success.

### 3. Academic Follow-up

Incorporating academic follow-up in the form of a reflection activity affords students the opportunity to make informed decisions on how the experience relates to their future. This follow-up can be implemented throughout the experience or at the end.

Reflection examples could include:

- Student self-reflection on their operational role followed by a similar evaluation by the educator or instructor
- Student survey on what went well and what they learned

## School-Based Enterprise Standards

Students are best prepared for the school-based enterprise (SBE) after intentional classroom instruction, including lessons and activities connected to appropriate standards. At a minimum, cover standards on the following instructional units: operations, product services management, pricing, distribution channel management and promotion. Details of these standards are outlined below and on the following page.

### • Operations

- Follow instructions for use of equipment, tools and machinery.** Example: Are instructions for equipment (such as food heating stations or POS systems) conveniently displayed? For virtual SBEs/websites, are there instruction manuals for employees to reference when updating the site? Explain why proper adherence to equipment instructions is important. *MBA Research Performance Indicator: Follow instructions for use of equipment, tools and machinery (OP:006) (PQ)*
- Describe health and safety regulations in business.** Example: Describe the health and safety regulations (such as federal/state/district food safety guidelines, fire escape routes or other safety procedures) followed by your SBE. *MBA Research Performance Indicator: Describe health and safety regulations in business (OP:004) (PQ)*
- Explain routine security precautions.** Example: Describe measures routinely taken to ensure overall security in your SBE (such as locking up merchandise, locking doors when not in use, counting cash after hours, site encryption for online stores/virtual SBEs). *MBA Research Performance Indicator: Explain routine security precautions (OP:013) (CS)*

- **Product Services Management**

- **Identify components of a retail image.** Example: How do customers view your SBE (as a community-oriented, service-oriented or price-oriented business)? What aspects of your business contribute to how customers view it? *MBA Research Performance Indicator: Identify components of a retail image (PM:243) (SP)*
- **Choose vendors.** Example: What questions do you ask when considering new vendors for your store? What questions do you ask when considering new merchandise? *MBA Research Performance Indicator: Choose vendors (PM:263) (SP)*
- **Plan merchandise assortment.** Example: What are your product lines? What mix of brands do you carry? How did you decide what products to offer (e.g., styling, sizes, quantities and colors)? Describe the width and depth of your various product lines. *MBA Research Performance Indicator: Plan merchandise assortment (e.g., styling, sizes, quantities, colors) (PM:254) (SP)*
- **Determine stock turnover.** Example: What is the average turnover for your different product lines? How do you avoid overstocking and, conversely, inadequate inventory levels? *MBA Research Performance Indicator: Determine stock turnover (PM:224) (SP)*
- **Plan reductions.** Example: When and why does your merchandise go on sale (e.g., anticipated markdowns, employee/other discounts, stock shortages, etc.)? Do you offer discounts? Have you seen a correlation between markdowns and quicker inventory turnover? Explain. *MBA Research Performance Indicator: Plan reductions (e.g., anticipated markdowns, employee/other discounts, stock shortages) (PM:063) (SP)*

- **Pricing**

- **Determine cost of product.** Example: Discuss break-even point, ROI and markup for a specific product within your store. Provide numbers in addition to written explanations. *MBA Research Performance Indicator: Determine cost of product (breakeven, ROI, markup) (PI:019) (MN)*
- **Describe pricing strategies.** Example. Describe the various pricing strategies and explain how you implement them in your school store. Do you have seasonal pricing strategies? How do they impact sales? *MBA Research Performance Indicator: Describe pricing strategies (PI:045) (MN)*
- **Evaluate pricing decisions.** Example: Describe the effectiveness of the pricing strategy implemented for a specific product in your store. Do you feel that you maximize your opportunity for profitability or would you have done something differently? *MBA Research Performance Indicator: Evaluate pricing decisions (PI:057) (MN)*

- **Distribution Channel Management**

- **Explain the relationship between customer service and distribution.** Example: Discuss how timing of orders, stock rotation and availability of product ultimately affects your SBE's ability to provide customers with goods for purchase. *MBA Research Performance Indicator: Explain the relationship between customer service and distribution (OP:523) (CS)*
- **Explain the receiving process.** Example: Describe how you handle the receipt of new merchandise. *MBA Research Performance Indicator: Explain the receiving process (OP:384) (CS)*
- **Complete inventory counts.** Example: Describe how your SBE conducts inventory (physical, perpetual, a combination of the two) and how often it does so. *MBA Research Performance Indicator: Complete inventory counts (OP:409) (CS)*
- **Determine inventory shrinkage.** Example: Account for loss of inventory due to shrinkage (damage, theft, sample product). Discuss how shrinkage affects your store's bottom line. *MBA Research Performance Indicator: Determine inventory shrinkage (OP:415) (SP)*

- **Promotion**

- **Plan a promotional strategy.** Example: What are your promotional objectives for the year? What is your promotional budget for the year? How do you incorporate the promotional mix? *MBA Research Performance Indicator: Plan promotional strategy (PR:343) (MN)*
- **Explain the use of visual merchandising in retailing.** Example: How does the way products are displayed encourage or discourage customers to purchase them? *MBA Research Performance Indicator: Explain the use of visual merchandising in retailing (PR:358) (SP)*
- **Use cross-merchandising techniques.** Example: How do you promote products from different categories to build sales? *MBA Research Performance Indicator: Use cross-merchandising techniques (PR:358) (SP)*
- **Plan special events.** Example: Describe a special event that your SBE planned and the resulting impact it had on your business. *MBA Research Performance Indicator: Plan special events (PR:360) (SP)*
- **Measure success of promotional efforts.** Example: Provide an example of how you evaluated the effectiveness of a promotional strategy used by your SBE. *MBA Research Performance Indicator: Measure success of promotional efforts (PR:339) (MN)*

## Additional Resources

More standards to guide student learning in a school-based enterprise can be found in the following resources:

- [DECA's website](#)
- [MBA Research's State Connection](#)



## Course Administration for Data Collection

In order to efficiently streamline work-based learning data collection on school-based enterprises, course codes have been identified for districts to use. The secondary CTE reporting application pulls data from SRI each year which includes courses and their accompanying codes. By coding the course holding the school-based enterprise in a particular way, the data will automatically populate at the state level. Consider using the appropriate code below to identify the school-based enterprise experience provided to your students. The list provides a miscellaneous code to account for school-based enterprises not delivered by a CTE teacher.

### School-Based Enterprise Course Description

School-based enterprise courses provide students the opportunity to learn about and manage an entrepreneurial operation related to [subject area] within a school setting. Students will develop interpersonal and professional skills. Topics may include operations, product services management, pricing, distribution, and marketing.

### School-Based Enterprise Course SCED Codes

Content Area	SCED Code
Information Technology – School-Based Enterprises	10993
Communication and Audio/Visual Technology – School-Based Enterprises	11993
Business and Marketing – School-Based Enterprises	12993
Manufacturing – School-Based Enterprises	13993
Health Care Sciences – School-Based Enterprises	14993
Public, Protective, and Government Services – School-Based Enterprises	15993
Hospitality and Tourism – School-Based Enterprises	16993
Architecture and Construction – School-Based Enterprises	17993
Agriculture, Food, and Natural Resources – School Based Enterprises	18993
Human Services – School-Based Enterprises	19993
Transportation, Distribution, and Logistics – School-Based Enterprises	20993
Engineering and Technology – School-Based Enterprises	21993
Miscellaneous – School-Based Enterprises	22902

If your school-based enterprise is unique and does not appear to fall under the categories and SCED codes listed, please contact the Department's [work-based learning consultant](#).

## Strategies for Starting a Quality School-Based Enterprise

1. Brainstorm school-based enterprise ideas with your CTE advisory council for ideas on a school-based enterprise to start at your educational institution.
2. Review DECA's quick start guide, [5 Steps to Start a School-based Enterprise](#).
  - a. This document will guide important decision-making during the development stage.
  - b. Use DECA's comprehensive [Guide for Starting and Managing School-Based Enterprises](#) for more details on starting your program.
3. Make local decisions on which course to integrate a school-based enterprise.
  - a. Use the appropriate SCED code (listed in the prior section) to signal the course includes a quality school-based enterprise experience.
4. Review funding and food guidelines for your enterprise.
  - a. Discuss with your district team how to handle funding decisions to ensure you are adhering to [Iowa Code 298A](#).
    - i. More information is on the next page for applying and using STEM BEST Grants when starting your school-based enterprise.
    - ii. Information on how to use state funding and federal Perkins funding for school-based enterprises is in the next section.
  - b. If you will be selling food, review the [Smart Snacks guidelines](#).
    - i. More information on Smart Snacks is below.
5. Identify the lessons to best prepare your students while following the minimum standards outlined in this resource.
  - a. Lessons are available on [DECA's website](#) through the Advisor Resource Center.
    - i. Filter the resources using the menu on the left.
      1. Under Category – select “Classroom Resources.”
      2. Under Subcategory – select “School-based Enterprises.”
  - b. Similar lessons are available through [MBA Research's State Connection](#).
6. Identify any materials you might need to support your venture.

## Understanding Smart Snacks

[Smart Snacks](#) are federal requirements that all schools operating the National School Lunch Program (NSLP) must follow and are applicable to any food and beverages sold to students during the school day. Smart Snacks' guidelines are applicable from 12:00 am on the school day until 30 minutes after school has finished that same day. If your school-based enterprise is considering selling food, develop a menu that follows the guidelines to ensure it is compliant.

If your school-based enterprise will only be selling food to adults, then Smart Snacks guidelines do not apply.

If you have specific questions regarding food and beverages for sale with your school-based enterprise, please contact the Department's [consultant overseeing Smart Snacks](#).

## STEM BEST Grant Funding for Starting your School-Based Enterprise

There are many costs associated with starting your school-based enterprise. STEM BEST (Businesses Engaging Students and Teachers) awards support schools that want to build an authentic learning opportunity for students through school and business partnerships. STEM BEST grants align with the goals of a school-based enterprise, and can be a great resource for initial funding. With a focused goal to support developing work-based learning programs, STEM BEST Grants provide considerable flexibility with how funds are spent to allow you to build your enterprise.

STEM BEST Grants can cover school-based enterprise costs such as:

- Time for planning (instructor time, substitute stipends).
- Time for travel and exploration to other school-based enterprises or STEM BEST programs.
- Industry-grade equipment.
- Initial start-up costs or fees associated with required certifications.
- Consumables required for school-based enterprises.
- Marketing materials and
- Upgraded or new equipment to efficiently run school-based enterprises

STEM BEST awards and timeline:

- Award amounts: up to \$40,000
- Timeline
  - Application opens in October
  - Application closes in December
  - Awards to schools in February

Applicants must be an established public or private school of Iowa. For more details on the application, deadlines, and more resources on how to apply, visit [iowastem.org/STEMBEST](http://iowastem.org/STEMBEST). For information on state and federal funding that can be used for school-based enterprises, review the next section.

## State General Fund and Federal Perkins Funding Questions

1. Can state or federal Perkins funding be used to **purchase equipment** needed for starting a school-based enterprise?

**State Funding:** Yes, equipment may be purchased from the general fund or a capital projects fund, if the amount exceeds \$500. Equipment may also be purchased from other special revenue (e.g., student activity fund sources) or other restricted sources (e.g., donations) if specifically allowed.

**Federal Perkins funding:** Yes, equipment ( $\geq$ \$500) and supplies ( $<$ \$500) that are unique to CTE may be purchased using Federal Perkins. The school district assumes responsibility for all consumables. [Seek prior approval.](#)

2. Can state or federal Perkins funding be used to **replace equipment** needed for starting a school-based enterprise?

**State funding:** Yes, equipment may be purchased from the general fund or a capital projects fund, if the amount exceeds \$500. Equipment may also be purchased from other special revenue (e.g., student activity fund sources) or other restricted sources (e.g., donations) if specifically allowed.

**Federal Perking funding:** Yes, if the equipment was previously purchased using Perkins funds. There are some exceptions. [Seek prior approval.](#)

3. What are the requirements for **disposing of equipment** no longer used for the school-based enterprise?

**State funding:** School boards must follow board policy to dispose of property, consistent with Iowa Code section 297.22.

**Federal Perkins funding:** For equipment that is no longer used, school districts are obligated to follow the sequence of disposition guidelines set forth in the Education Department General Administrative Regulation (EDGAR) 200.313 (See Column “N”, “Disposition Method” of the [Perkins Inventory](#)

[Template](#)). Perkins equipment in working condition must go through the federal determined sequence of disposition, to ensure that other federal programs have access to the property.

Notes:

- School districts with multiple middle and high school buildings and school districts within a consortium, are obligated to include member schools and districts in the sequence of allowable disposition actions of the equipment.
- If equipment is broken, school districts may use Perkins funds for repair costs, but only if the equipment was purchased with Perkins.
- If the equipment is unusable, or beyond repair, the CTE program must follow school board policy to dispose of property, consistent with Iowa Code section 297.22 and note the disposition method on the federally-compliant Perkins inventory form.
- At no time may equipment or supplies be donated or gifted to students, parents, school personnel, or non-profit organizations, entities, or institutions (implies value).

4. How should **proceeds from** sales of equipment be handled?

**State funding:** Proceeds from the sale of disposition of real or other property should be receipted to the fund that accounted for the purchase unless the school board determines the proceeds are earmarked for another use through board policy or specific board action (Iowa Code § 297.22).

**Federal Perkins funding:** Proceeds from the sale of Perkins-funded equipment must be reinvested in CTE programs for Perkins purposes. Use the following coding for equipment proceeds:

Source 5314 (Sales of Equipment and Material with Project 4531 (Perkins) in Fund 10 (General Fund).

5. How are **proceeds from sales of Perkins-funded** equipment **different** from the **revenue generated** from a student-based enterprise?

Equipment sales: Proceeds are not considered to be school-based enterprise program income by the Office of Career and Technical and Adult Education and may not be added to the current fiscal year Perkins allocation.

Enterprise Proceeds: Revenue generated from a student-based enterprise is coded to a different account based on the activity generating the revenue. Examples may include:

- Source 1751 Student Construction (generally fund 64)
- Source 1752 School Farm/Greenhouse (generally funds 68 or 69)

Contact the [CTE Bureau](#) to determine the source codes and fund numbers aligned to the enterprise activity, and for **prior approval** of Perkins-funded equipment.

6. Can **proceeds** from school-based enterprise sales be used to **fund other student opportunities**?

**State funding:** The local school board has the authority to determine how proceeds from school-based enterprise sales will be used. They may be used to replace funds used to generate the sales opportunity, retained for future program use, or for some other use as determined appropriate by the school board. If any portion of the sale is advertised or communicated to the public as a fundraiser, the board is obligated to spend those funds for the purpose of the fundraiser pursuant to Iowa Code section 565.6.

**Federal Perkins funding:** No. Proceeds from Perkins-funded equipment must be returned to CTE programs.



Note: Proceeds and revenue may be used to purchase otherwise federally-restricted items, e.g., consumables that sustain the program. Contact the Department's [Perkins Claim Consultant](#) for additional information.

## Professional Development

If you are looking for other educators overseeing school-based enterprises to work with, consider these professional development opportunities to learn, collaborate and network:

- [DECA](#): School-Based Enterprise resources and academy
- [MBA Research](#): Conclave Conference
- [Iowa Association of Career and Technical Education](#): Best Practices Conference
- [Association of Career and Technical Education](#): Resources and Conference
- [Iowa Work-Based Learning Coordinators](#): Annual spring conference
- CTE: Service area conferences