

Administrative Decisions

Before you launch the Youth Marketplace, you will need to make a few decisions:

1. Decide when to start the Youth Marketplace program in the classroom and when to hold the Youth Marketplace event.
 - a. Allow at least 3 to 5 hours of classroom time for each of the first four units. Speakers will be invited to the classroom to kick off each of the four main units: Entrepreneurship, Business Plans, Finance, and Marketing. Coordinate speakers, allowing ample time between sessions for all groups to finish one unit before moving on to the next unit.
 - b. Because different students and different classes will progress through the curriculum at different paces, depending on abilities, motivation, and classroom schedules, make sure teachers are prepared with other activities for those students who have completed units. The teacher workbook offer suggestions of entrepreneurial projects students may work on in addition to their own business ideas.
 - c. Set the event date *at least* a couple weeks after the scheduled completion of the last unit to allow students time to complete product development, marketing materials, and to prepare for the event.
2. Communicate the proposed calendar to parents, school administration, speakers, and others to ensure activities will not conflict with other school or community events and to ensure everyone involved will plan to be at the event.
3. Decide how the school will deal with student profits.

Students Keep Profits:

 - a. If it is decided that students will be allowed to keep business profits, then steps need to be taken immediately to establish student businesses as legitimate companies in the state. All of the student businesses may be registered as one unit by filing a BUSINESS TAX REGISTRATION FORM (see the Iowa Department of Revenue & Finance website to download forms at www.state.ia.us).
 - b. It usually takes a few weeks before the school receives the actual sales tax permit. Keep this permit in a safe place. The same permit will be used each year you continue to run the Youth Marketplace as long as you file your annual returns.
 - c. The State will automatically send you computer generated sales tax filing documents, but DO NOT SUBMIT THESE FORMS as they will trigger unnecessary activity. Obtain an ANNUAL SALES TAX RETURN FORM and file it at the end of the program each year. Be sure to record your sales tax permit identification on the form.
 - d. Because the students will be purchasing materials they will use to make and sell their own products, they WILL NOT NEED TO PAY SALES TAX on goods purchased. You may send a copy of the sales tax permit along with students when they go to stores to purchase their supplies and materials, and they will receive materials as a wholesaler (tax exempt). A cover memo will also help explain this (see Sample Sales Tax Exemption Letter).

- e. Make sure you research taxes in your specific city and county, as some areas may impose a local option sales tax. Students and teachers should be aware of all of the sales taxes they will be responsible for depending on the location of their businesses.
- f. FILE AN ANNUAL SALES TAX RETURN FORM each year you run the Youth Marketplace. YOU MUST KEEP TRACK OF ALL SALES FOR EACH BUSINESS PARTICIPATING in order to determine the appropriate sales tax amounts.

School Keeps Profits

- a. If the school or classroom intends to keep all profits generated from the Youth Marketplace event, then no Sales Tax Permit needs to be filed. The school will handle profits as described in the school's organizational guidelines.
- b. Students WILL NOT PAY SALES TAX on materials purchased to create the goods that they will sell at the Youth Marketplace. The school may wish to provide a copy of the school's sales tax exemption certificate to students before they go to purchase supplies

Purchasing Tax Exempt Items

Whether under the sales tax permit or through the school's exemption certificate, students (and/or parents helping) should be prepared to show proof of exemption and should be prepared to sign the retailer's book or journal documenting the purchase. REMIND STUDENTS TO SAVE THEIR RECEIPTS!

- 4. Determine a location and date for the Youth Marketplace Event. Will the event be held in a mall or community building so that students sell their products and services to the general public? Will the event be held in a school facility, perhaps in conjunction with another school event, where the students will sell their products and services primarily to parents and teachers from that school? It may be helpful to arrive at the event early to help the students set up their displays. A half an hour early should be adequate.