**Policy**

The Bureau of Services to the Blind and Visually Impaired will ensure that the Program Chief monitors the purchases of Operators to ensure that ordinary and necessary expenses of the business of an operator do not include costs of markup of an item of merchandise which is over the actual cost of the item, and the item was purchased from a firm in which the operator has a fiscal interest and the markup prior to invoicing the BEN facility directly or indirectly benefits the operator.

**Procedure**

Operators must report any purchase of goods, supplies and /or services from any business or other entity in which they have financial or ownership interest on the monthly Profit and Loss Statement. All such purchases must be documented in an attachment to the Profit and Loss Statement. BEN staff will monitor operator purchases of such goods, supplies, and/or services by:

1. Determining the fair market value for the goods, supplies and/or services (three comparisons).
2. Verifying the purchase price of the goods, supplies and/or services through examination of operator receipts and comparing it to the original purchase price.
3. Determining if the purchase price directly or indirectly benefits the operator.

Upon receipt of this information from the BEN staff person, the Program Chief will notify the operator if those costs are or are not allowable.