

FOR YOUR INFORMATION

GIFT OF PUBLIC FUNDS...

As a public agency, school districts are subject to the constitutional prohibition of gifts of public funds.

Expenditures of school funds must be for a direct and primary public purpose to avoid being a gift. In determining whether an appropriation of public funds or property is to be considered a gift, the primary question is whether the funds are to be used for a "public" or a "private" purpose.



Examples of prohibited gifts of public funds:

- Flowers* and candy
Flowers* purchased as part of an awards ceremony or as decorations at a public event have a public as opposed to a personal character.
- Souvenirs, memorabilia, or other promotional gifts, such as T-shirts, caps, tote bags, key chains.
- Items that are given for personal use

To avoid being a gift of public funds, expenditures of all funds must be for a direct and primarily public purpose.

Expenditures that most directly and tangibly benefit students' education are more likely justified.

Expenditures driven by personal motive are not justified even if they are longstanding custom or based on benevolent feelings

The best test to use when determining whether the expenditure is appropriate is called the "public scrutiny test:"

- ◆ Would the tax-paying public view the expenditure as necessary to support public education?
- ◆ How will the purchase benefit the education of the students in the district?

If you are already questioning whether the expenditure is appropriate, it may not be!

NOTE: To justify an expenditure of public funds, a district's governing board must determine that the expenditure will benefit the education of its students. If the governing board has reasonably determined that a particular type of expenditure serves a legitimate, and approved, public purpose, and is within the scope of the District's jurisdiction and purpose, courts will generally defer to the board's decision.

District staff is in the process of developing policies and procedures to submit to the Board for approval regarding "Prizes, Awards, and Incentives." More to come!

Micro-Purchases–Small Purchases-Bid Limits

Procurement standards: 7 CFR 226.22(i)(1) identifies a small purchase threshold for purchases costing an **aggregate dollar value of no more than \$10,000** unless a more restrictive state or local dollar limit applies (under \$10,000). Board Policy and Board Rule 3310 align with this standard.

This means that purchases over \$10,000 and below the bid threshold of \$96,700 (for 2021) are required to have 3 quotes.



- ⇒ **New Vendor Request form**—Required for ALL vendors not established in QSS https://resources.finalseite.net/images/v1622148884/lodiusdnet/kpym1hazsznwdpuc7iii/NewVendorForm_Fillable.pdf
- ⇒ **ALL Custom items** require proof of artwork attached to requisition in QSS.
- ⇒ **Attachments**—are for backup only and are not submitted with PO. All pertinent information must be included on the purchase order.
- ⇒ **Documents are constantly updating and changing**—Don't save, go to the link



Policy & Procedures for Prizes, Awards and Incentives

New Services Agreements

