

Dexter Community Schools
Unlawful Expenditures by a Governmental Unit
General Information

What is the purpose of this information?

As governmental entities, school districts do not enjoy the same freedoms as private sector entities with respect to expending funds. To comply with Michigan law, specifically the Revised School Code, school funds must only be expended for purposes reasonably related to: (1) educating pupils and (2) operating a school district.

Does this information apply only to General Fund?

The term “public funds” generally includes “all fees and funds of whatever kind or character coming into the possession of any public officer by virtue of that office.” Their source is irrelevant. Funds held or controlled by a school district are public funds that may only be expended by the district in accordance with the law. This includes General Fund, Food Services Fund, Community Services Fund, Athletic and Athletic Team funds, Student/Schools Activity Fund, Debt Funds, and Capital Projects Funds.

What type of expenditures are Unlawful Expenditures by a Governmental Unit?

Contributions or appropriations which are not specifically authorized by the Constitution or State Statute cannot be authorized regardless of the worthiness of the cause. An abridged list of prohibited expenditures are as follows:

- o Contributions to churches, veterans, non-profit organizations
- o Donations, including use of property or equipment to Little League, Scouts, Big Brothers/Sisters
- o Donations to community organizations
- o Coffee, food, or office refreshments (but not including food provided for a public or business meeting or similar function)
- o Picnics and other recreational events for staff
- o Presents to officials and employees or retirement recognition events
- o Flowers to the sick or departed

More detailed information can be found in a release entitled “Determining Lawful Expenditures,” prepared and released by the Michigan Department of Treasury at:

https://www.mml.org/resources/publications/one_pagers/lawful_expenditures.pdf