

Purchasing Tip #6: Memorandum*Gift of Public Funds*

As a general rule, a gratuitous donation or gift by a school district is **prohibited** by the Texas Constitution, Article III, §52, and Article XI, §3.

Any expenses that are personal in nature and not related to District business, should be funded with fund 890 (Faculty Funds) or personal funds only.

The memo below explains the guidelines to determine the type of expenses not related to District business.

***** Memorandum *****



MEMORANDUM

Julie Lee, CPA, RTSBA
Executive Director of Budget and Financial Support Services

Date: June 1, 2018
From: Julie Lee
Re: Gifts of Public Funds

As a general rule, a gratuitous donation or gift by a school district is **prohibited** by the Texas Constitution, Article III, §52, and Article XI, §3, which, in part, states that the legislature may not authorize any county, city, or other political subdivision of the State to lend its credit or grant public money or anything of value in aid of an individual, association or corporation.

A political subdivision can however, purchase small gifts, such as plaques or flowers for employees, if the political subdivision determines that such expenditures accomplish a public purpose, such as enhancing employee morale. The District has determined that such gifts are permitted for an award recognition or staff attendance incentive purchase. These types of purchases may use fund 199 or 461 with the object code 6499, but should not exceed \$50 per employee.

Any expenses that are personal in nature and not related to District business, such as birthdays, showers, retirements, or funerals should be funded with fund 890 (Faculty Funds) or personal funds only. Please **do not** use District Funds (Fund 199 or 461) for these type of expenses.