

TO: ALL ADMINISTRATORS, DIRECTORS, and OFFICE PERSONNEL

**FROM: Dennis Van Horn, Associate Superintendent for Business Affairs
Dwayne Odvody, Director of Purchasing
Jill Pauley, Director of Accounting**

Subject: PURCHASE OF GIFT CERTIFICATES AND GIVING PERSONAL GIFTS

All funds held by the District are public funds, whether the funds are derived from taxes, funds raised by students through fundraising activities, or funds generated by the sale of soft drinks. The Board of Education is responsible for all funds in the custody of the District and the appropriate use of these funds.

I. Gift Certificates For, or Purchased By, Staff

Gift certificates are not to be purchased for staff with District funds. Such a purchase would have certain accountability and disclosure issues, as well as potential taxation issues.

In addition, gift certificates may not be purchased to provide a token of appreciation for an individual or organization that has volunteered their time and/or services to the District. Because gift certificates are virtually indistinguishable from providing a person with cash, there would be potential taxation issues.

Buying gift certificates to be used to extend the time in which purchases can be made beyond the fiscal year is not allowed. Purchased gift certificates generally have an individual's name on them (and not the District's); the transaction would effectively convert public funds to private value.

LPS will not reimburse staff for purchases made using a gift certificate. Gift certificates are generally not negotiable and LPS has no way to determine the origin of a gift certificate. Since reimbursement with public funds requires the individual seeking the reimbursement to have made an expenditure, payment for items with a gift certificate will not be a reimbursable form of payment (also, see BA #26 – Reimbursements to Staff and Students).

II. Personal Gifts For, or On Behalf Of, Staff

Per Board Policy 8250, the Superintendent or his/her designee must “determine when and to whom plaques, certificates of achievement, or other items of value shall be granted, provided that no such plaque, certificate or other item of value to be awarded shall cost more than \$100.”

Pursuant to the Miscellaneous Expenditures Act, purchases of memorial gifts or flowers for an employee-related illness or death are not acceptable uses of public funds.

III. Gift Certificates and Personal Gifts For Students

Gift certificates or personal gifts to students are not encouraged. However, if the funds were raised specifically for this purpose and the school principal approves the expenditure, a small token of appreciation for a student's participation (including a gift certificate) may be purchased as long as the amount per student per incident does not exceed \$20.

Memorial gifts or flowers for a student illness or death are acceptable uses of activity funds or special grant funds, if the money was specifically raised for such a purpose.