

DONATIONS & GIFTS

DONATIONS BY THE DISTRICT (includes donated items)

BOARD POLICY **CE (LEGAL)** states, “The District shall not lend its credit or gratuitously grant public money or things of value in aid of any individual, association, or corporation.”

This Policy prohibits donations of district funds, services, personal property or things of value to individuals, associations, or corporations.

DONATIONS TO THE DISTRICT

BOARD POLICY **CDC (LEGAL)** states, “All bequests of property for the benefit of the public schools shall, when not otherwise directed by the grantor, vest the property in the Board. Funds or other property donated, or the income therefrom, may be expended:

1. For any purpose designated by the donor that is in keeping with the lawful purposes of the schools that are to benefit from the donation; or
2. For any legal purpose if the donor designated no specific purpose. Once accepted, donations (items or funds) cannot be returned to the donor.

Criteria for Acceptance:

The Superintendent or designee shall examine and evaluate offers of gifts to the District and is authorized to accept them when the gifts:

1. Have a purpose consistent with District purposes;
2. Place no restrictions on the school program;
3. Do not require the endorsement of a business product;
4. Do not conflict with policies or actions of the Board or public law;
5. Do not require extensive District maintenance.”

ADMINISTRATIVE POLICY REQUIREMENT

1. The Superintendent has designated the Executive Director of Financial Services as the employee authorized to accept donations on the District’s behalf. Approval should be received prior to acceptance of the donation.
2. Prior approval is required from:
 - a. The School Resources Division (IT Department) for all computer related items such as hardware, software and peripherals.
 - b. The Facilities & Transportation Division for all building and grounds

modifications/improvements including playground equipment, marquees, carpeting, concrete work, landscaping, etc. The campus/department accepting the donation will pay for additional costs associated with the acceptance of the donated item.

3. Donations are accepted on behalf of the District. However, the District's administration has historically assigned the donated asset (personal property/cash) to the campus/department asking for the donation approval.
4. The "[Donation Approval Request](#)" form is used to document:
 - a. The description, type, quantity and value of the donated items.
 - b. The purpose of the donation.
 - c. The District's acceptance of the donation which implies the transfer of ownership from the person/entity making the donation to the Canutillo Independent School District.
5. The district employee requesting acceptance completes the "Donation Approval Request" form and obtains the principal's approval. The completed form is sent to Executive Director of Financial Services, who reviews and approves/denies the donation. If additional approvals are required, the form is then forwarded to School Resources or Facilities. A copy of the completed, signed form is the original to the Campus.

The Financial Services Division will place the donated items on the Board Agenda of the Monthly Regular Board Meeting. The Board of Trustees will approve all donation requests.

6. The campus office manager should ensure that the correct account (where the cash donation will be recorded) is illustrated on the donation form.

RECORDING DONATIONS & GIFTS

CASH DONATIONS

1. The office manager/business agent receipts the cash donation in accordance with the District guidelines. The description in the office receipt should reflect "Donation" and should include the purpose and ownership.
2. All monetary donations to the school are recorded in the campus activity account. All monetary donations to clubs are recorded in the club accounts which will incur the disbursements.
3. The principal and office manager/business agent must ensure that the disbursements of donated cash are in compliance with the purpose illustrated on the Donation Approval Request.

Per Unit Value of \$5,000 or More: *"Non-Monetary Donations"* or assets with a unit value of \$5,000 or more and a minimum life of one year are recorded as Capital Assets in the District's Asset Database.

Per Unit Value of Less than \$5,000: *"Non Monetary Donations"* or assets with a unit value of \$500 but less than \$5,000 and a minimum useful life of one year are recorded as Controlled Assets in the District's Asset Database.

ACCEPTANCE OF DONATION WITHOUT APPROVAL

1. Principal must be notified and donation should be accepted (with principal's approval).
2. Donor should be informed that the acceptance process will be initiated immediately.
3. If the donation is "cash/check," the office manager/business agent should receipt and deposit the donation. The Office Receipt should include: a note which illustrates that the donation is pending approval; and the date the Donation Approval Request was submitted for approval.
4. The district employee requesting acceptance should prepare and submit a completed Donation Approval Request.
5. The office manager/business agent should document that the donation has been received and is pending approval by checking YES on the Donation Approval Request and identify the Office Receipt number on the form.
6. If the donation is not cash, the item(s) being donated should be stored in the vault or other secure location.

DONATION IS NOT APPROVED

The Superintendent and designees reserve the right to refuse the acceptance of certain donations. If a donation is not accepted then the principal must ensure that the office manager/business agent:

1. Informs the donor immediately.
2. If the donation has been received, then it must be returned immediately.
3. If the donation has been received, then the donor must confirm in writing, that the donation has been returned. This document should contain a description of the item and date returned.
4. If the donation received is "cash/check," then a check must be issued. A copy of the respective Office Receipt should be forwarded to the Finance Department Accountants for documentation purposes.
5. If the donation was a check, then the check must clear the bank before the refund can be processed.

DISPOSAL OF DONATED ITEMS

Disposal of donated items must be in accordance with the District's asset management guidelines and procedures.

Also, refer to TEA Financial Accountability System Resource Guide, which states:

“Retirement of fixed assets, because of sale, scrapping or changes to capitalization guidelines, should require certain approvals to guard against the disposal of equipment which could be used by other departments and to guard against an illegal unauthorized disposition.”

REPORTING REQUIREMENTS

The office manager/business agent is required to submit a Cash Donations Summary Work paper. This report compares the actual use of donated funds with the purpose illustrated on the Donation Approval Request form. This report is a part of the financial records submitted at fiscal year end.

UTILIZATION OF DONATIONS AS AWARDS/INCENTIVES

1. The donor must designate, on the Donation Approval Request that the donation is to be used for incentives/awards.
2. The donation cannot be accepted if the donor designates “by name” the specific student(s) receiving the incentive/award.
3. The donation can be accepted if the specific student(s) receiving the incentive/award is/are selected by the District or by a recognized independent organization sponsoring a competition or contest on the basis of achievement or merit.
4. The five criteria illustrated in Board Policy CDC (LOCAL) would not be violated “by acceptance of a gift to the District, on the condition that the gift be in turn used as an award or incentive for outstanding student performance, so long as no other rule was violated (e.g., UIL rules restricting awards to students competing in UIL activities).”

TAX STATUS

Some donors require proof of the school's tax-exempt status as a condition for a donation. A letter on the District's Tax Status IRS Determination Letter 501 (c) (3) may be used when soliciting donations for the school and the donor requests such clarification. It should not be used by the booster clubs, reunion committees or other outside groups.

Donations to the District or a campus general fund qualify as charitable donations for tax purposes. The donor making a donation to a club account should check with his/her tax accountant to determine if it qualifies as a charitable contribution.