

## **Appropriate Use of Public Funds**

### **Public Purpose**

District funds are to be expended only for legitimate public purposes and not for private personal gain for which services of comparable value have not been rendered to the District. This is a requirement of the Iowa Constitution.

All funds received by the District are considered public funds and must be used to support the educational mission of the District. The best test to use when determining whether the expenditure is appropriate is called the “public scrutiny test.” The test is simple and merely asks whether the tax-paying public would view the expenditure as necessary to support public education. If you are already questioning whether the expenditure is appropriate, it may very well not be appropriate. Contact your supervisor if you have any questions about appropriate expenses.

The Board supports appropriate expenditures of District funds for District officers, directors, employees, and volunteers, as these are commonly granted benefits in public and private organizations which aid in recruitment of personnel, promote improvement of staff morale and cooperation, and assist in building a commitment to the District, thus assisting in creating a more productive learning environment. The following are considered appropriate expenditures provided they are awards or tokens from the District; NOT from the department or building level:

1. Food items, refreshments, and/or mementoes from the District for employee recruitment or recognition for service to the District
2. District retirement appreciation function and or item to recognize retiring employees
3. recognition item upon the end of service by a Board member
4. volunteer appreciation; District event
5. food items and refreshments for Board members and staff during Board meetings and / or work sessions
6. food items and refreshments for Board committees, superintendent committees, or committee meetings that include participation from the public during the meeting

District awards or tokens of recognition shall be determined by the Superintendent/designee in advance and shall be paid for with “central” District funds under the control of the Superintendent or designee. Public funds should not be used for the purchase of department or building level staff awards or tokens of recognition.

### **Sales Tax Exempt**

The District is Iowa sales tax exempt. All items purchased by a public school for the school’s own use, qualify for an exemption from sales tax if the items purchased relate to the educational process. When making purchases, the staff member must inform the vendor that the purchase is sales tax exempt. A vendor can request a tax exemption form from the district’s Purchasing Department. The District will not reimburse for sales tax paid on purchases made on behalf of the school district.

When purchasing meals in Iowa, an effort must be made to have the meal purchase Iowa sales tax-exempt. Staff members must inform the restaurant before the order is placed that you are with the Cedar Rapids School District and that the purchase should be sales tax exempt. If the restaurant is unable to comply and the purchase is within the district meal limits (Board Regulation 705.1), the purchase will be an appropriate expense for reimbursement.

### **Examples of Appropriate and Inappropriate Use of Public Monies**

This section identifies specific practices and procedures to be followed by all District employees when using public funds. The following list is intended to provide examples and may not be all inclusive.

#### **FOOD AND REFRESHMENTS**

##### **A. Alcohol**

The purchase of alcohol is never an acceptable use of public monies.

#### B. Meetings, Trainings, and Professional Development

Meals and snacks are normally a personal expense. Any meal or snack paid for with public funds must be a reasonable price and an integral part of employment duties.

Meals and snacks can be paid for with public funds if:

1. The meeting is four (4) hours or more and separate breaks would be disruptive to the meeting objectives.
2. The meeting is a breakfast, lunch or dinner meeting where the meeting is shorter than four hours in duration and attendance during meal time(s) is a requirement of an employee's job duties. The amount paid per meal shall not exceed \$14 per person; exceptions may be approved by the Superintendent.
3. Tips for meals are allowed but should not exceed 15%.

The Food Purchase Authorization Form must be completed and included with the food purchase receipt(s). All food receipts must be itemized.

#### C. Board of Education Meetings

The Board of Education meets at a time that is intended to be convenient for the general public. Meetings routinely span the normal dinner hour. Serving meals of reasonable value to Board members and staff required to attend Board meetings is considered an appropriate expense.

#### D. Coffee and Beverages

Coffee and other beverages are normally a personal expense. A voluntary collection can be made from those who desire to have coffee and other beverages in the school/department. Except for meetings, trainings, and professional development (Item B), Board of Education meetings (Item C), and public areas (Item H)), coffee and beverages shall not be purchased with public funds.

#### E. Employee Break Room Supplies

Public funds should not be used to stock supplies such as plastic ware and paper products in employee break rooms. A voluntary collection can be made from those who desire to have such supplies.

#### F. Individual Receptions

Receptions for individual employees should never be paid from public funds. This includes retirement dinners, staff meals, welcome aboard receptions, and similar gatherings where food and/or refreshments may be served. Voluntary collections can be taken from those attending such gatherings.

#### G. Acceptable Occasions

The Superintendent may determine that the serving of food or refreshments is appropriate for selected occasions. The annual retirement reception for all District employees is one example.

#### H. Public Areas

In some cases, a building or part of a building is routinely open to the public for conducting District business. The Superintendent's Office and school administrator's offices are such locations. Having refreshments of nominal value available to members of the public, such as coffee and other nominal snacks/beverages, are considered a courtesy and are authorized in these specific locations.

#### I. Student Incentives

Incentives purchased for qualifying groups of students from public funds as part of an initiative, program, or recognition (e.g., rewards, honor roll) shall be of nominal value and authorized by the school administrator.

## GIFTS

### **A. Employee Gifts**

Expenditures of public funds for gifts or gift cards to staff and employees are not authorized. This includes gifts purchased for staff birthdays or other personal occasions. Voluntary collections from staff would be an acceptable way of purchasing employee gifts.

### **B. Tokens/Clothing**

The purchase of tokens of appreciation, or personal clothing (e.g., coffee mugs, pens, tote bags, T-shirts/apparel, etc.) is not authorized.

## FLOWERS

### **A. Sympathy and Congratulations**

The use of public funds for the purchase of flowers is restricted to exceptional occasions where a public expression of sympathy or congratulations has been determined by the Superintendent to be in the best interests of the District. Written expressions of condolence are encouraged for all other occasions where flowers are not appropriate.

### **B. Individual Achievements**

Unless they are part of an award or graduation ceremony, flowers are not appropriate for individual achievements.

### **C. School Activities**

Flowers/decorations purchased for proms, dances, homecomings, etc., may be purchased out of school activity funds if authorized by the school administrator.

## AWARDS AND RECOGNITIONS

### **A. District Awards and Recognitions**

At times, awards or recognitions are appropriate for presentation to District staff for years of service. District awards or recognitions shall be determined by the Superintendent/designee in advance and shall be paid for with District funds. Public funds should not be used for the purchase of department or building level staff awards or recognitions.

### **B. External Awards and Recognitions**

At times, awards are appropriate for presentation to people (e.g., volunteers) or organizations external to the District. External awards or recognitions shall be determined by the Superintendent/designee in advance.

## BREAK ROOM EQUIPMENT

Microwaves, refrigerators, coffee pots, toaster ovens and other similar equipment items may be procured with public funds for use in public reception areas and employee break rooms. Otherwise, these items must be purchased with personal funds. In all instances, all fire marshal safety restrictions must be observed. These items are not authorized in classrooms and offices.

## HOLIDAY PARTIES, DECORATIONS AND CARDS

### **A. Holiday Decorations**

Office holiday decorations shall not be purchased with public funds.

### **B. Holiday Cards**

Holiday cards shall not be purchased with public funds.

### **C. Holiday Parties**

Staff holiday parties and meals are a personal expense. Voluntary collections may be taken to fund holiday events. Public funds shall not be used for holiday parties.

#### STUDENT ACTIVITY FUNDS

Student Activity Funds are public funds and are to be used to finance a program of co- curricular school activities supplementing, but not replacing, the activities provided by the District. Student Activity Funds are derived from the student body as a whole and shall be so expended to benefit the student body as a whole. General principles governing the appropriate use and management of Student Activity Funds is found within the District's Secondary School Activity Fund Accounting Manual.

Approved: 04-08-19  
Revised: 12-13-21