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To: Members of the Board of Education
From: Doug Larson
Re: Policy Readings
Date: February 1, 2018

Policy and Legal Services will present one Second Reading during the next Board of Education meeting. A description of the policies identified is provided below.

Article V.C.8 Donations and Other Resource Development

After further discussions with the Director of Accounting, there were a few updates made to the policy. Stylistic modifications were made to eliminate redundant provisions and some clarifying language was added to other provisions. Substantively there were two additions to the policy. First, the policy was modified to include direction regarding running student stores and concessions. Lastly, the policy was modified to include a provision on grant administration. Primarily, Administrative Memo 113 and the Fiscal Policy Manual govern grant administration, but the added provision is intended to link those policies together to provide continuity.

Article V.C.8 Donations and Other Resource Development

A. Statement of Purpose

Fiscal administrators may pursue development opportunities and accept resources from third parties in the form of donations, gifts, business partnerships, and other revenue streams consistent with applicable District policies. Resources may be accepted from private individuals, companies, organizations, clubs, foundations, and other appropriate entities. Resource development is distinguished from student fundraising activities, which are subject to the provisions of Article V.C.11. Student Fundraising.

B. Statement of Policy

1. Funds or other resources received in the form of donations, gifts, partnerships, and other sources of revenue are public and shall be used for the benefit of students and never for the personal benefit of a District employee. Examples of benefits to students include, but are not limited to, enhancing District programs that serve students; obtaining equipment, supplies, or facility upgrades for schools; and providing for student activities such as field trips, assemblies, competitions, graduation, etc. The fiscal administrator at each site has the authority to determine best use subject to other District policies.
2. Funds secured from third party individuals or entities may not be used to hire regular classroom teachers thereby altering staffing ratios. However, schools are free to use such resources to hire classroom assistants, coaching assistants, or specialists of any kind, including individuals who may hold educator licenses as long as employment is processed through the District's Human Resources Department. Resources to fund such positions, however, shall be donated to a program, school, division, or department—not directly to individuals.
3. Funds secured from third party individuals or entities shall not be used to directly or indirectly augment an employee's remuneration beyond that associated with the salary schedule of the employee's position.
4. Resource development activities are prohibited if they include or require promotion or advertising of tobacco or alcoholic products or any other materials or products that are illegal for use or consumption by school-age children or that violate state laws, District policies, or school rules. Further, development activities are prohibited if they are potentially harmful to the health and welfare of students, exploitive, unduly intrusive into the classroom or home, detract from or interfere with student learning, conflict with the educational mission of the District, or commercialize or damage the image of the District or its schools.
5. Marketing information related to resource development activities shall not be distributed by schools as stand-alone flyers with the exception of forms for schoolbook programs and business partnerships. (Note: for other limitations on access to students and patrons, please refer to Board Policy, Article V.C.10. Access to Students by Non-School and Non-District Entities.)

6. The District reserves the right to decline or restrict donations, gifts, partnerships, or other sources of revenue if they create inequitable environments in the school, violate Title IX or other state or federal laws, are not economically in the best interest of the District, interfere with educational goals, or for any other reason determined by the District or school.
7. Schools shall ensure against co-mingling of any school/District funds or funds generated through resource development activities with the funds of any other individual or entity (e.g. booster organizations, commercial organizations, athletic programs, etc.).¹

C. Types of Resource Development

1. Donations

- a. The District or one of its schools may receive donations. Receiving donations is not considered a fundraising activity.
- b. Students may not be involved in the direct solicitation of donations, but the Granite Education Foundation, Board of Education, fiscal administrators, and teachers may directly solicit donations consistent with state laws and administrative rules.
- ~~e. — Donations may be used to hire classroom assistants, coaching assistants, or specialists including individuals who may hold education licenses. However, such employment shall be processed through the District's Human Resources Department.~~
- c. Donors may condition a gift upon a particular use (program, school, class, etc.) but shall not direct donations to specific individuals. Donated funds become public at the time of receipt and are subject to all District policies, state laws, and administrative rules. So long as donor conditions do not violate the same, the District and schools shall make all reasonable efforts to ensure the gift is used for its intended purpose.
- d. The District encourages donations valued greater than or equal to \$10,000 be made through the Granite Education Foundation.
- e. The delivery and acceptance of all donations are subject to the following conditions:
 - i. As required by state law and administrative rules, donations may not be accepted if there is an expectation or promise, expressed or implied, of an exchange or offer of goods and services, remuneration, any undue influence, or other special consideration.

¹ As the sole exception to this provision, allowed for by the Utah State Office of Education rules, schools may collect funds on behalf of parent/teacher organizations.

This provision, does not apply to recognitions or attaching names to donations.

- ii. Delivery and acceptance of any donation, whether in-kind, cash, or otherwise, shall constitute a complete transfer of ownership, rights, privileges, and/or title in or to the donated goods or services and shall become the exclusive property of Granite School District.
 - iii. Donations of \$500 or more from a single donor during the course of one year from the time the threshold is met precludes a donor (whether an individual or representative of a foundation, organization, club, or other entity) from serving in any capacity with decision making authority over personnel or staffing, student participation or discipline, program funds, or overall direction of a program or activity. The sole exception to this provision is a donor serving on a community council.
- f. Donations associated with financing building projects, acquiring equipment, or other capital improvements must be approved by the Superintendent prior to acceptance and/or solicitation.
- h. Funds, materials, equipment, and programs that are donated or made available to schools by individuals or organizations are not allowed to replace or disrupt curriculum or programs, infringe upon instructional time, or pose a burden or place undue pressure on students, parents, or school employees at work, in the community, or at home.
- i. Donors may request documentation of donations regardless of the amount. Administrators shall require documentation of all donations valued at \$500 or more. Documentation shall be made by completing a Donation/Contribution/Sponsorship/Volunteer form.
- j. The parties authorized to accept donations on behalf of the District are restricted as follows:
- ~~i. Donations valued at \$0 – \$499 made directly to the District or one of its schools may be accepted by the fiscal administrator. If the donor requests or requires a receipt, the fiscal administrator shall use the Donation/Contribution/Sponsorship/Volunteer form.~~
 - i. Donations valued at \$0 – \$9,999 made directly to the District or one of its schools may be accepted by the fiscal administrator or the Granite Education Foundation.
 - ii. Donations valued at \$10,000 – \$50,000 may be made directly to the District or one of its schools and accepted by a fiscal administrator after receiving approval from the Superintendent. In such cases, the fiscal administrator shall initiate a Donation/

Contribution/Sponsorship/Volunteer form and forward it to the Superintendent for signature.

- iii. Donations valued at \$10,000 – \$50,000 may be made to the Granite Education Foundation without prior approval, although the Foundation Director shall report the donation in writing to the Superintendent within 45 days.
 - iv. Donations valued at \$50,000 or greater made directly to the District or one of its schools may be accepted by the fiscal administrator only after receiving approval from the District Board of Education. In this case, the fiscal administrator shall initiate a Donation/Contribution/ Sponsorship/Volunteer form and forward it to the Superintendent who will obtain the approval of the Board.
 - v. Donations valued greater than or equal to \$50,000 made through the Granite Education Foundation may be accepted by the Foundation Director without prior approval, although the Director shall report the donation in writing to the Superintendent and District Board of Education within 45 days.
 - k. Schools may accept donated products that carry the donor company's name, trademark, logo, or limited advertising on the product (e.g. soft drinks, food items, cups, T-shirts, hats, instructional materials, furniture, office equipment, scoreboards, etc.) provided there are no obligations or added costs for students, patrons, school employees, or the District.
 - l. Donor and business partner recognitions may be placed on equipment, furniture, and other donated gifts. Recognitions may be placed on District buildings or structures with the approval of the Superintendent. The Board reserves to itself authority to approve naming of buildings, structures, rooms, or other District facilities.
 - m. With the permission of the donor, a fiscal administrators may authorize banners, flyers, posters, signs, or other notices recognizing a donation. Such materials may feature the donor's name but may not be advertisement for or endorsement of any product, venture, or other business of the donor.
2. Passive Income Programs
- a. The District or one of its schools may receive funds from passive income programs as long as the programs place no obligations or undue pressure on students or parents to participate and do not advertise a for-profit business or entity. Examples of passive income programs include but are not limited to Box Tops for Education, Penny Wars, recycling, and drop

boxes (or other containers) for donated goods. Participation in such programs is not considered a student fundraising activity.

- b. Fiscal administrators must ensure that passive income programs do not disrupt school operations or detract from educational programming.

3. Incentives or Reward Points Programs

- a. Many companies use cash or cash-like value incentive or reward programs to attract and retain customers. Examples of such incentives or rewards include but are not limited to rebates, gift cards, sky miles, two-for-one purchases, and spend rewards. Participation in such programs is not considered a student fundraising activity.
- b. Incentives awarded by vendors as an inducement to do business with the District, or as a reward for doing so, are the property of the District and may not be used for personal gain. The use of reward point programs for personal benefit is prohibited.
- c. In the event the District can determine the value of an incentive or reward is redeemed in violation of this section, the employee will be required to repay the District the value of the incentive or reward and may be subject to discipline.

4. Advertising

- a. The District or one of its schools may receive revenue through the sale of advertising. If students are not used to solicit or conduct the advertising, it is not considered a student fundraising activity.
- b. The acceptance of advertising by the District or any of its schools is not to be construed as an endorsement for an organization or product.
- c. The use of funds, materials, equipment, programs, or other contributions that carry with them any advertising or a commercial logo does not constitute an endorsement of the organization or product by the Board, the District, or any of its schools.
- d. Neither the Board nor the District assume responsibility for products or services whose advertisements appear in, on, or around school property.
- e. Schools may accept donated products that carry the donor company's name, trademark, logo, or limited advertising on the product (e.g. soft drinks, food items, cups, T-shirts, hats, instructional materials, furniture, office equipment, scoreboards, etc.) provided there are no obligations or added costs for students, patrons, school employees, or the District.

- f. Advertising in athletic programs, posters, and calendars, along with advertisements in school newspapers, yearbooks, literary magazines, programs for special activities, and similar publications is permitted provided such advertisements meet District policies and community standards.
 - g. Partisan advertising and advertising for products that are prohibited by law for sale or use by minors such as alcohol, tobacco, or other substances that are known to endanger the health and well-being of students are prohibited.
 - h. Employees who provide or participate in public education-related services or activities outside of their employee duties may purchase advertising space so long as the restrictions in Utah Administrative Rule R277-107-5 are followed.
5. Business Partnerships
- a. Adopt-a-School or other school-business partnerships that result in a school receiving volunteer hours, funds, services, or materials are encouraged. The support generated by such activities is not considered a student fundraising activity.
 - b. Principals may authorize banners, flyers, posters, signs, or other notices recognizing a school business partner. Such materials shall feature the school-business partnership and not be advertisement for or endorsement of the business involved.
6. School Stores and Concessions
- a. Fiscal administrators in secondary schools may authorize the generation of revenue through the operation of a school store operated by students and overseen by an advisor. Funds generated through such operations are associated with the class or student group operating the store, or general school revenue.
 - b. The advisor charged with overseeing the school store operation should be familiar with the material in the publication titled *School Store: An Operating Manual* produced in conjunction with Future Business Leaders of America (available on the Accounting web site).
 - c. A proper inventory shall be maintained in any school store operation. The decrease in inventory shall be reconciled with the cash received on a daily basis by someone other than the individual who received the money at the time of sale.
 - d. Cash receipts from school store operations shall be turned in to the central office on a daily basis.

- e. Sales tax shall be charged on all taxable sales and specifically identified as such when turned in to the central office with the other cash receipts for the day.
- f. The advisor shall make a report to the fiscal administrator at the end of every semester on the school store operations that shall include an income statement and balance sheet.
- g. Students or volunteers operating school stores and concession stands shall comply with Utah Department of Health regulations.

7. Vending Machines

- a. All agreements for vending machines must be in writing in a contract form and approved by the Board of Education (Utah Admin. Code R277-719-3).
- b. All cash receipts from vending machines must comply with fiscal policies, including policies related to cash receipts and cash handling.
- c. When operating a self-serviced vending machine, sales tax shall be charged on all taxable sales and specifically identified as such when turned in to the central office.

8. Grants

Grants from local, state, and federal sources may provide needed resource development for schools and District programs. All grants shall align with the District's mission and goals and shall not interfere with educational programming. An employee shall be designated as administrator for every grant, and grant administration shall not interfere with the employee's role and responsibilities. Grant administration and compliance shall be carefully supervised by the grant administrator such that the District does not become responsible for grant funds or administration. Responsibilities for grant administration are more fully detailed in Administrative Memorandum Number 113 and the Fiscal Policy Manual, Section 14.

References:

IRS Publication 526, Charitable Contributions
 Utah Code Ann. §53A-4-205, Establishment of Public Education Foundations
 Utah Code Ann. §63G-6a-101, et seq., Utah Procurement Code
 Utah Code Ann. §67-16-1, et seq., Utah Public Officers' and Employees' Ethics Act
 Utah Admin. Code R277-113, LEA Fiscal Policies and Accountability
 Utah Admin Code R277-515. Utah Educator Professional Standards
 Utah Admin. Code R277-719, Standards for Selling Foods
 Utah Admin. Code R392-100, Food Service Sanitation
 Administrative Memorandum 113, Grant Administration
 Granite School District, Fiscal Policy Manual