

MEMORANDUM

To: Principals, Finance and Operations Office, Human Resources, Front Office Staff

From: D. Sciarretta, Superintendent

Date: March 1, 2019

Re: Reminder: Proper Expenditures/Gift of Public Funds

In light of the recent oversight visit from SDUSD, as well as legal guidance from our counsel Todd Plate and information from FCMAT (Fiscal Crisis and Management Assistance Team—the statewide agency that supports appropriate usage of public funds), I am reviewing all expenditures that have no obvious benefit or connection to our students. This review will guide changes in our practices in the future if needed. To this end, I offer the following information and direction:

- The appropriate use of public funds is strictly defined in the CA State Constitution (Article 16, Section 6).
- The prohibition against gifts of public funds is in place to ensure that public monies, which originate with constituents, are not misused.
- **All funds received by AEA are public funds** and must be used exclusively to support the educational mission. Expenditures that benefit individuals or small classes of individuals with no benefit to the public in general are prohibited as these are considered gifts of public monies.
- The litmus test to determine whether an expenditure is appropriate is to ask, “Would the tax-paying public view this expenditure as necessary to support public education?” If you are considering whether the expenditure is appropriate or not, it is likely inappropriate.
- Monies obtained through Friends of AEA are not considered public monies.
- A PARTIAL list of allowable expenditures (in addition to the obvious such as salaries, benefits, classroom furniture, etc) includes: student uniforms for band/choir/athletics; student caps and gowns for graduation; flowers and decorations for student graduation or awards ceremonies; refreshments/meals for meetings for the purpose of conducting school business (i.e. curriculum

meeting during lunch); snacks/refreshments/food for students during the school day if deemed to contribute to the educational process (i.e. during testing).

- A PARTIAL list of un allowable expenditures (i.e. thus a gift of public funds) includes: a social gathering where a meal is provided for employee recognition (i.e. teacher appreciation day, secretary day, etc.); contributions to charities of any kind; purchase of flowers for personal gift or to convey compassion/sympathy, etc.; presents or gifts to anyone including employees, volunteers, or students; holiday or staff parties; employee reimbursement for mileage from residence to place of work.
- In the interest of complying with the law and the valid expectations of all taxpayers, all questions as to whether an expenditure is appropriate or not should be referred to the respective Principal or the Operations Manager, who will confer with me as needed. Employees who have questions about spending their personal monies in advance with the expectation of being reimbursed afterwards should first inquire with the Principal or Operations Manager to avoid having an expenditure denied for reimbursement.
- While it may be painfully obvious from the above points, it merits mentioning once again: under no circumstances will any of AEA's funds be used for any type of gift card, regardless of who the recipient is and regardless of how compelling the reasons may be. This is non-negotiable.
- It is reasonable to assume that SDUSD and other entities, in their oversight responsibilities, will continue to review all AEA expenditures for strict compliance in this area.

Please contact me directly with any questions.

