



PORTLAND PUBLIC SCHOOLS

OFFICE OF FINANCE

501 North Dixon Street / Portland, OR 97227

Telephone: (503) 916-3115

Date: January 28, 2020

To: School Board

From: Cynthia Le, Chief Financial Officer
Emily Courtnage, Director of Purchasing & Contracting

Subject: 8.30.010-P-District Funds for Purchase of Gifts, Meals, and Refreshments Policy

BACKGROUND

The Secretary of State's Audit Report in January 2019 raised concerns about food and beverage purchases using District funds. It noted that most of the district's expectations relating to meal and food purchases were based on a 2005 Board Policy that did not put limits on refreshments for regular staff meetings or limit working meals to meetings with a minimum level of attendance. In Recommendation #6, the auditors recommended improving policy guidance on "taxpayer-funded meals, parties, student incentives, [and] gifts."

In direct response to these recommendations, and after reviewing other agencies' policies (including the State of Oregon Department of Administrative Services guidelines), in April 2019 the Chief Financial Officer and the Purchasing & Contracting department distributed CFO guidelines on the appropriate use of District funds for the purchase of meals, refreshments, gift cards, and gifts. These guidelines were also incorporated in the PCard manuals and trainings. This guidance was designed to respond to the Secretary of State's audit recommendations and to provide greater clarity and direction to staff while awaiting development of a new Board policy.

The Board of Education's Policy Committee held meetings on July 10, 2019, August 5, 2019, and December 16, 2019, to review the policy of District Funds for Purchase of Meals and Refreshments for Meetings (original title) and to discuss proposed changes that would provide clear guidance to District staff on the appropriate use of District funds for Meals, Refreshments, and Gifts. It heard from members of the Finance Department on changes it has made in oversight and process, as well as reviewed the Department's updated guidance to District staff for Pcard use and District spending. As a result of these discussions, the committee made the attached changes to the policy, including the name of the policy.

RELATED POLICIES/BEST PRACTICES/ ANALYSIS OF SITUATION

The suggested revisions conform to OSBA and state guidelines and are also responsive to the recommendations made in the Secretary of State's audit.

FISCAL IMPACT

We don't believe these revisions will impose a fiscal impact.

COMMUNITY ENGAGEMENT (IF APPLICABLE)

As this policy only impacts staff, there was no community engagement aside from following the Secretary of State's audit recommendations.

TIMELINE FOR IMPLEMENTATION / EVALUATION

The updated CFO guidelines have been in effect, and enforced by the PCard and Employee Reimbursements teams, since November 2019. The proposed Administrative Directive mirrors the updated guidelines.

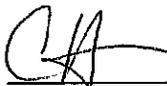
CONNECTION TO BOARD GOALS

These revisions are within the Board's fiduciary goals of insuring appropriate use of District funds.

STAFF RECOMMENDATION

We recommend that the School Board adopt this revised policy.

As a member of the PPS Executive Leadership Team, I have reviewed this staff report.

 (Initials)

ATTACHMENTS

- A. Redline copy 8.30.010-P-District Funds for Purchase of Gifts, Meals, and Refreshments Policy
- B. Clean copy 8.30.010-P-District Funds for Purchase of Gifts, Meals, and Refreshments Policy



**District Funds for Purchase of Meals,
Refreshments and Gifts**

Portland Public Schools receives funds from a variety of sources. It is the responsibility of the District to steward those scarce resources carefully and in the best interests of students. District funds generally may not be used for meals or gifts for employees. Nonetheless, there may be occasions when it is appropriate for Board members, administrators, and others to expend District funds while conducting District business to provide meals or refreshments. The purchase of gifts may also be appropriate in certain situations, as both are outlined below.

“District funds” as used in this policy, refers to any of the general accounts of the District. This includes the General Fund, Bond Fund, Grants, and others accounts. It also includes money in student body accounts held at each school that are derived from student activities or from parent organizations is money to be used only for students and student activities.

Donations from PTAs, local businesses, individual made directly to schools are also not considered “District funds.”

Funds not generated by the District (e.g., a “social fund” or “sunshine fund”) voluntarily collected from staff members or others for the specific purpose of providing gifts or parties, such as birthday recognition, bereavement and illness acknowledgement, etc., are exempt from the following requirements.

1) Meals and Refreshments

In order to support an efficient, effective, and productive work environment, District funds may be used to pay for group meals during meetings that require extended time (for example, all-day meetings) or take place after normal work hours, as specified in Administrative Directive [insert link].

a) Definition:

- a. Meals are defined to include food and non-alcoholic beverages provided at breakfast, lunch, or dinner.
- b. Refreshments are defined to include non-alcoholic beverages and snack items that are less extensive than full meals.

b) Meals or refreshments for staff and volunteers may be provided by the District as part of Board meetings, at District or building-level committee meetings, professional development trainings, District-authorized advisory committees, community engagement events, or other District-approved activities, as detailed in Administrative Directive [xxx] [insert link].

c) Refreshments may be provided by the District for employees at the discretion of the overseeing administrator for mandatory meetings for staff scheduled outside of the normal work day or that by necessity extend over a meal period, as detailed in Administrative Directive [xxx] [insert link].

- d) Meals not directly business-related may not be provided to staff or others at the District's expense.
- e) The purchase of alcoholic beverages with District funds is strictly prohibited.

2) Gifts

There are occasions when Board members, administrators, or other District staff may want to recognize employees, and they may provide such recognition at their personal expense only, unless otherwise permitted below, and at all times in compliance with Oregon law:

- a) The Department of Human Resources and/or the Board may provide a small token of appreciation for a Board member's or employee's retirement or years of service and other related service activities utilizing District funds. Approval for this must be sought in the method outlined in Administrative Directive [xxx] ([Link here](#)). For example, the Board generally proclaims special recognition for classified employees' week and teacher appreciation week, and Board members may receive plaques in their honor, framed certificates, or student art for their service to the District. The District also may provide an item that acknowledges significant and extraordinary work on behalf of an employee (e.g., a framed certificate).
- b) Modest gift items (such as gift cards) may be purchased and distributed as incentives for students or community members to participate in district-sponsored activities under certain circumstances. Details on the authorization process and accountability procedures are provided in Administrative Directive [xxx] [.
- c) All other expenditures of District funds for gifts is permitted only with prior authorization from the Board or Superintendent.

3) Grant Funds

Grant funds are subject to the same guidelines as outlined in this policy in addition to any other restrictions that are imposed by the granting agency. Expenditures for food and drink may be made with grant funds if the event requiring the refreshments was included in the grant proposal and approved by the granting agency.

[INSERT link to AD:]

8.30.010-P District Funds for Purchase of ~~Gifts~~, Meals, ~~and~~ Refreshments and Gifts

Portland Public Schools receives funds from a variety of sources. It is the responsibility of the District to steward those scarce resources carefully and in the best interests of students. District funds generally may not be used for meals or gifts for employees. Nonetheless, ~~There~~ there may be occasions when it is appropriate for Board members, administrators, and others to expend District funds ~~in the course of while~~ conducting District business to provide meals or refreshments. The purchase of gifts may also be appropriate in certain situations, as both are outlined below.

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meetings, professional development trainings, District-authorized advisory committees, community engagement events, or other District-approved activities, ~~subject to specific requirements as detailed in Administrative Directive [xxx] [insert link].~~

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~~DD [E4]~~

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[INSERT link to AD:]