



PORTLAND PUBLIC SCHOOLS

OFFICE OF FINANCE

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Date: March 17, 2020

To: School Board

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

Subject: Second First Reading: 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.

The proposed policy was presented for a first reading at the February 4, 2020 Board meeting. The Board Policy Committee continued to discuss the proposed policy at its

February 10th and 19th and March 9th meetings, resulting in additional substantive changes. On March 9th, the Policy Committee agreed to bring the policy back before the Board for a second first reading

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

Updated CFO guidelines governing the purchase of meals and gifts District-wide have been in effect, and enforced by the PCard and Employee Reimbursements teams, since November 2019. The proposed policy and associated administrative directive mirror the updated CFO guidelines already in effect.

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.

GA (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 employees are expected to exercise prudent and appropriate judgment in the expenditure of District funds for meals and/or refreshments.

Generally, District funds 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 as outlined below. The purchase of gifts may also be appropriate in certain situations, as 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 that is designated to be used only for students and student activities.

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

Required documentation and business justification for food and beverage purchases shall be specified in the Administrative Directive [xxx] [insert link].

I. Meals and Refreshments

Meals and refreshments for regular staff meetings are generally not allowed.

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]. Minimum group size for meeting meals shall be specified in the Administrative Directive.

Meal and refreshments expenses must be reasonable based on the facts and circumstances, and not lavish or extravagant.

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.



District Funds for Purchase of Meals, Refreshments, and Gifts

- 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 where they will also be provided to community members, or other District-approved activities, as within reasonable limits and 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, within reasonable limits and as detailed in Administrative Directive [xxx] [insert link].
- D. Meals that are 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.

II. 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 may be purchased and distributed as incentives for students or community members to participate in district-sponsored activities under certain circumstances. Only under limited circumstances should gift cards for students and community members be purchased and distributed. Details on the authorization process and accountability procedures are provided in Administrative Directive [xxx]

Gift cards may never be purchased for employees with District funds.

All other expenditures of District funds for gifts is permitted only with prior authorization from the Board or Superintendent.



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

III. 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:]

History: Government Standards and Practices Commission staff opinion No. 01S-016 and ORS 244.040(1)(a) Adopted 2/28/2005; BA 3224; Amd 1/20

DRAFT

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 employees are expected to exercise prudent and appropriate judgment in the expenditure of District funds for meals and/or refreshments.

Generally, District funds 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 in the course of while conducting District business to provide meals or refreshments as outlined below. The purchase of gifts may also be appropriate in certain situations, as ~~both are~~ outlined below.

District employees are expected to exercise prudent and appropriate judgement in the expenditure of District funds for meals and/or refreshments.

“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 that is designated to be used only for students and student activities.

Funds not generated by the District (e.g., a “social fund” or “sunshine fund”) voluntarily collected from staff members or others ~~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. Donations from PTAs, local businesses, individual made directly to schools are also not considered “District funds.”

Required documentation and business justification for food and beverage purchases shall be specified in the Administrative Directive [xxx] [insert link].

1) Meals and Refreshments

Meals and refreshments for regular staff meetings ~~or meals and refreshments at social events~~ are generally not allowed.

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

Meals and refreshments for regular staff meetings or meals and refreshments at social events are generally not allowed. Minimum group size for meeting meals shall be specified in the Administrative Directive.

~~Meal expenditures shall be reasonable and typically in alignment with GSA per diem limits. Gross deviations from those standards may result in PCard infractions and/or repayment obligations. Meal and refreshments expenses must be reasonable based on the facts and circumstances, and not lavish or extravagant.~~

- 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 where they will also be provided to community members, or other District-approved activities, ~~subject to specific requirements~~ as within reasonable limits and 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, subject to specific requirements within reasonable limits and as detailed in Administrative Directive [xxx] [insert link].
- d) Meals that are not directly business-related may not be provided to staff or others at the District's expense.
- e) ~~DD,~~
- f) 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. ~~A Board member, administrator, or~~

~~other District employee~~ may provide such recognition at ~~his/her~~their personal expense only, unless ~~as~~ 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, ~~as approved in advance~~. Approval for this must be sought in the method outlined in the 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, ~~or~~ 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. Only under certain limited circumstances should gift cards for students and community members be purchased and distributed. Details on the authorization process and accountability procedures are ~~—stipulated provided~~ in ~~the~~ Administrative Directive ~~[xxx]~~.

Gift cards may never be purchased for employees with District funds.

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, ~~unless the in addition to any other restrictions that are imposed by the granting agency has additional restrictions~~. 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.

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History: Government Standards and Practices Commission staff opinion No. 01S-016 and ORS 244.040(1)(a) Adopted 2/28/2005; BA 3224; Amd 1/20