



LOS ANGELES UNIFIED SCHOOL DISTRICT POLICY BULLETIN

TITLE: Donations

NUMBER: BUL-5895.2

ISSUER: V. Luis Buendia, Controller
Accounting and Disbursements Division

DATE: August 27, 2018

PURPOSE: The purpose of this Bulletin is to provide updated information on receiving and accounting for donations. It replaces BUL-5895.1, "Donations", dated February 10, 2016.

MAJOR CHANGES: Forms have been revised to separate cash donations from in-kind donations. Additional guidance has been added on distinguishing donations and grants. Unit heads now certify that the donation does not include matching or reporting requirements.

GUIDELINES: Education Code Section 41032 allows the governing board of any school district to accept donations for its benefit or for the benefit of any of its schools, subject to any conditions or restrictions that the Board of Education may prescribe. It is, and has been, the intent of the Board of Education that no donation shall provide a substantial advantage in educational benefits to a school if such benefits cannot be balanced in all schools.

I. Review of Funds

To ensure proper accounting of funds, the intent, purpose, and source of the monies should be examined closely. All documentation associated with the funding, including checks, memos, letters, etc. should be reviewed to determine whether the funds are a donation or not. Key words such as grant, reimbursement, scholarship, lease, invoice, commission, auxiliary services, and the like may indicate that the funds are not a donation. In order to determine with certainty whether the funding should be considered a donation, obtain additional information from the originator of the funds, and/or contact the Accounting and Disbursements Division at (213) 241-7889.

It is important to distinguish donations from grants and sponsorships. Agreements which provide the District with funds but require matching funds, status or expense reports, and/or delineate the use of funds beyond just a general intent (i.e. "for computers", etc.) constitute grants not donations. Agreements which provide funds to the District with the requirement for recognition through signage or other means constitute sponsorships. Please see BUL-6876.1 for more information on Sponsorships.

ROUTING

Local District
Superintendents
& Administrators
Principals
School Administrative
Assistants
Fiscal Services Managers
Central Office Fiscal Staff
Fiscal Specialists



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Donations provided by a vendor who has been contracted for a student body activity, (e.g. school photography, yearbooks, fundraiser) should belong to the school's Associated Student Body and be deposited into the student body account following the procedures in Publications 464 (elementary schools), 465 (secondary schools), and 469 (adult schools).

II. Procedures for Acceptance of Donation

District policy authorizes administrators to accept donations of cash, services, equipment, or real property. However, accepting donations is voluntary and donations should only be accepted where there is a legitimate use in the school program and the donation would not cause a hardship to the receiving site. Procedures and policies are outlined below and must be followed when accepting donations.

Contributions of money linked matching funds or required reporting are grants, not donations. Accordingly, the person submitting the donation to be processed will be required to certify that there are no matching funds or reporting requirements.

The donation account should not be used as a clearing account. For example: collections for employees for retirement celebrations, or collections to purchase award recognition for employees, etc, should not be recorded in the donation account. This does not apply for donations received from outside sources that may specifically be for employee or student recognition. For example: The "Target Take Charge for Education" program, Booster clubs, Parent Teacher Association (PTA), etc.

1. Cash Donations - District

- A. When a donation is received, the administrator must prepare the "Request to Process a Donation" form (Attachment A), attach the check made payable to Los Angeles Unified School District, and forward as follows:

K-12 Schools, including Special Education.....Fiscal Specialist

Early Childhood Education Centers.....Early Childhood Education
Fiscal Services
Beaudry Building, 11th floor

Adult Education, ROP/ROC, Skills Centers.....Adult Education
Fiscal Services
Beaudry Building, 18th floor



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Local District.....Fiscal Services Manager

All Other Offices.....Budget Services Branch
Beaudry Building, 26th floor

Cash donations will be placed in the following accounting lines (Program Codes):

K-12 Schools	010-0000 1110-1000-13938
Special Education Schools	010-6500 5750-2700-12538
Adult Education Schools	110-0000 4110-1000-13717
ROP/ROC/Skills Centers	010-0000 6000-1000-14806
Early Childhood Education Centers	120-0000 0001-2700-17623
Offices	010-0000 0000-7200-13237

- B. The administrator should provide the donor with an official acknowledgement of the donation (Attachment B – sample letter).
 - C. The administrator must maintain detailed records documenting how and when the donated funds were spent. Such documentation may include vendor receipts or invoices, cancelled checks, or printed reports. Expenditures which may be “charged to” or “made from” the above accounts include a wide variety of items including material, equipment, salaries, contracts, bus trips, repairs, and alterations of buildings. For donations with specific donor intent, a control sheet should also be completed to document that the donation was spent in accordance with the donor’s intent. See Attachment C for a sample control sheet.
 - D. For audit purposes, administrators must retain a copies of the completed “Request to Process a Donation” form, the donation check, the acknowledgement letter, and detailed accounting records to show that the donated funds were spent according to the intent of the donor. These records must be kept five years the time the donation has been fully spent.
2. In-Kind Donations (Equipment, Computers, Materials, Real Property, Library Books, Services, or Artwork/Valuables)
- A. Administrators may accept donations of equipment, materials, real property, library books, services, and/or artwork valuables. However, no donations should be accepted if the cost for maintenance and operation of the asset would be excessive. Moreover, to ensure the safety of students and staff, it is the responsibility of the administrator to have the following offices review and approve donated items and/or services for compliance as listed below. Administrators will be liable for consequences of not following the guidelines below.



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- i. Maintenance & Operations Branch – Review and approve donations of new and used equipment or modifications of facilities to ensure that equipment is Underwriters Laboratory (UL) approved and safe to operate. Review and approve donations of services to determine and verify if appropriate insurance, contractor licenses, and safety prequalification are required.
 - ii. Environmental Health and Safety – Review donations of chemical products and playground equipment.
 - iii. Transportation Services Division – Review donations of new or used motor vehicles to ensure that vehicles are properly inspected for safety, that ownership (i.e. pink slip) is transferred to the District, that proper license plates are obtained, and that funding lines are provided for preventive maintenance.
 - iv. Office of the General Counsel and Risk Management Division – Review donations of real property and other assets, including building, facility, and land, for any legal concerns, or where the person receiving the donation believes there may be a legal issue.
- B. For donations of equipment, computers, real property, and other assets valued at \$5,000 or more, the administrator must submit all documents related to the donation to Fixed Asset Accounting Section, for proper recording.
- C. For donations of computers and computer software, it is the responsibility of the administrator to complete all information contained on the “Request for Licensing Information for Donations of Computers and/or Computer Software” form. (Attachment D). Any District staff member who donates software must also complete this form. The form must be kept on file as evidence of proper copyright licensing in the event of an audit. The documentation must be kept until five years after the equipment has been taken out of service. For additional information, please review Information Technology Division’s BUL-716.2, “Compliance with the 1976 United States Copyright Law- Computer Software,” dated October 1, 2005.

It is the responsibility of the administrator to ensure that their computer inventory is updated in Remedy Asset Manager. For instructions, please refer to the IT Asset Management System Handbook which can be accessed by visiting the IT Asset Management’s website:

<https://achieve.lausd.net/itam>.

The Information Technology Division may provide support for donated computer equipment. The donated equipment will be deemed as salvaged if the cost to support and/or repair is greater than the value of the equipment donated.

- D. Donations of artwork must include a written statement from the artist or his/her agent indicating that both the artwork and the copyright to its image



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belong to the District. For additional information on artwork, please refer to Office of the Superintendent's BUL-Q-17 (Rev.), "Protection of Valuable Works of Art and Restrictions on Their Sale", dated June 1, 2000.

- E. The administrator should provide the donor with an official acknowledgement of the donation (Attachment B – sample letter). If item donated is a vehicle, either for use or resale, please contact the Controller's Office to ensure the District complies with IRS regulations.
- F. Donated equipment, computer software, and artwork must be recorded on the site's inventory records if the value is \$500 or greater.
- G. If the donor does not provide delivery of items donated, it is the responsibility of the administrator to arrange and pay for pickup/delivery.
- H. Installation, maintenance and upkeep of the donated equipment are the responsibility of the site's administrator.
- I. The administrator must keep a copy of all documents related to the donation must be kept on file at the site accepting the donation until five years after final disposition of the items/equipment.
- J. For additional information on the donation of library books, please refer to Integrated Support and Intervention's Bulletin 6222, "Criteria for Acceptance of Library Book Donations," dated February 6, 2014.

3. Donations of Gift Cards/Pre-Funded Debit Cards

- A. When a donation of gift cards/pre-funded debit cards is received, the administrator must prepare the "Request to Process a Donation" form (Attachment A). At the time of processing, Accounting and Disbursements Division will reflect both the donation income and expenditure of the funds using the same accounting lines listed for cash donations.
- B. The administrator should provide the donor with an official acknowledgement of the donation (Attachment B – sample letter).
- C. The administrator must maintain detailed records. Please see REF-055300 for information on documenting how the donated card was spent and any potential tax effects.
- D. The administrator must keep a copy of all documents related to the donation until five years after the donation was fully spent.



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III. Approval Process

For internal control purposes, further review and approval of donations are required as indicated below.

<u>Amount</u>	<u>Reviewed and Approved By</u>
Any	Fiscal Specialist
\$5,001 to \$15,000	Fiscal Services Manager
\$15,001 to \$20,000	Deputy Controller
\$20,001 and above	Controller

If a donation exceeds \$25,000, the Accounting and Disbursements Division will prepare a quarterly Board Report ratifying the acceptance of the donation.

IV. Refund of Donations

Donations will not be refunded unless otherwise provided below.

Cash Donations that have been spent consistent with the donor's stated intent should not be returned to the donor. Donated funds may only be returned to the donor if, for any reason, said funds were not spent in accordance with the donor's stated specified intent. Nothing shall preclude the District from contacting the donor to request modification to the intent if it appears that the District may not be able to fulfill the donor's intent. If the donor did not express a specific purpose and the funds were spent as determined by the administrator, then funds should not be returned to the donor.

Non-cash donations should not be returned to the donor if such donations were used in accordance with the donor's intent. If the donor did not express a specific purpose, and the donated items were used as determined by the administrator, then such donated items should not be returned to the donor. If a gift of land and/or building has been accepted by the Board upon condition or agreement that it be devoted to school purposes of the District, whether that condition or agreement is written or oral and whether the terms thereof are recited or referred to in any instrument executed in connection with the conveyance of the gift, and the Board subsequently determines that the land and/or building cannot be feasibly utilized for any school purpose of the District, the Board may cause it to be reconveyed to the donor without consideration to the District; provided that failure to do so shall not affect the rights of any bona fide purchaser or encumbrancer of the land.

RELATED RESOURCES:

BUL-1378, "Criteria for Acceptance of Library Book Donations", Instructional Services, dated October 25, 2004



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BUL-Q-17 (Rev.), “Protection of Valuable Works of Art and Restrictions on Their Sale”, Office of the Superintendent, dated June 1, 2000.

BUL-716.2, “Compliance with the 1976 United States Copyright Law – Computer Software”, Information Technology Division, dated October 1, 2005.

BUL-953.1, “Control of Site Equipment”, Accounting and Disbursements Division, dated August 23, 2010.

BUL-6222, “Criteria for Acceptance of Library Book Donations”, Integrated Support and Intervention, dated February 6, 2014.

REF-055300, “Tax Implications on Employee Receipt of Gift Cards, Tickets, and Other Fringe Benefits”, Accounting and Disbursements Division, dated August 17, 2018.

ASSISTANCE:

- For assistance with donations to school sites, please contact your Fiscal Specialist. For assistance with donations to Local Districts, please contact your Fiscal Services Manager.
- For assistance with donations to Associated Student Body, please call Student Body Finance Support at (213) 241-2150.
- For assistance with donations to Early Childhood Education Centers, please call (213) 241-1043.
- For cash donations to all other offices, please contact the Budget Services and Financial Planning Division at (213) 241-2154.
- For assistance with grant approval process concerning delegation of authority for grant applications (Board Resolution 254), please contact the Division of Instruction at (213) 241-4822.
- For assistance with donations of computers and computer software, please call Information Technology Division Helpdesk at (213) 241-5200.
- For assistance with donations of artwork, please call the Arts Education Branch at 213-241-8222.

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ATTACHMENT A

REQUEST TO PROCESS A DONATION

School/Office: _____

Cost Center _____

Contact Person _____

Telephone _____

DONOR INFORMATION

Name of Individual/Group/Company _____ Telephone _____

Address _____

FORM OF DONATION: ☐ Check (Attach) ☐ Prefunded Card ☐ Materials/Equipment/Services

AMOUNT OF CASH (VALUE OF NON-CASH) DONATION \$ _____

ACCOUNTING LINE _____

TYPE OF DONATION (Select one)

- ☐ CASH without donor-specified intent. Please describe below how this donation is intended to be used
- ☐ CASH with donor-specified program intent. Donors may stipulate that the donation should be used for a specific purpose or program only. Please describe below how this donation is to be used. **Schools/offices should use the control sheet (Attachment C) to track expenditures.**
- ☐ MATERIALS, EQUIPMENT, COMPUTERS, ART WORK, LIBRARY BOOKS, OR SERVICES
(Complete this form only for those items or services with a value of more than \$5,000. Be sure to list items whose value is \$500 or more on the annual inventory listing.) Please provide description of the non-cash donation

I understand that money received pursuant to an agreement that requires matching funds, expenditure reporting, and/or return of funds not spent within a specific period constitutes a grant, not a donation. I hereby certify that there is no agreement for matching funds, expenditure reporting, or return of funds in regard to this donation.

APPROVAL: Site Administrator _____ Date: _____

Please retain copies of all documentation, including letters from donors, related to the donation at the site as evidence that the donation has been spent in accordance with the donor's intent.

Local District/Central Office Approvals

Amount	Reviewed By	Signature	Date
Any	Fiscal Specialist	_____	_____
\$5,001 to \$15,000	Fiscal Services Mgr	_____	_____
\$15,001 to \$20,000	Deputy Controller	_____	_____
\$20,001 and above	Controller	_____	_____

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ATTACHMENT B

SAMPLE ACKNOWLEDGEMENT OF DONATION

DATE

Donor Information

On behalf of the Los Angeles Unified School District, (name of school/office) accepts with gratitude your donation of

(specify amount of cash, or description of equipment, materials, or services donated)

for use at our school.

We wish to express our appreciation for your interest in our educational program.

For your records, the Los Angeles Unified School District's federal tax identification number is 95-6001908. As a duly constituted political subdivision of the State of California, it is considered a qualified organization to receive deductible donations.

Sincerely,

(Administrator)

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ATTACHMENT C

DONATION CONTROL SHEET

School/Office: _____

Donor : _____

Amount of Donation: _____

Intent: _____

(Can attached statement from donor)

[illegible]

Please attach documentation showing donor's intent and documentation of expenditures (receipts, invoices, etc.) for audit purposes, and retain with Attachment A.

Form Prepared by:

Site Administrator Approval

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ATTACHMENT D

REQUEST FOR LICENSING INFORMATION FOR DONATIONS OF COMPUTERS
AND/OR COMPUTER SOFTWARE

School/Office: _____

Cost Center _____

Contact Person _____

Telephone _____

DONOR INFORMATION

Name of Individual/Group/Company _____ Telephone _____

Address _____

COMPUTER: Description _____
 Make/Model _____
 Serial # _____

OPERATING Title of Software _____
SYSTEM Software Company _____
SOFTWARE Serial/License # _____

SOFTWARE Description _____
 Title of Software _____
 Software Company _____
 Serial/License # _____

Additional sheets may be attached if more space is needed to detail software information.

In order to avoid potential copyright infringement lawsuits against the District, it is mandatory that administrators secure from the donor, documentation on PROOF OF PURCHASE for all software donations. Examples of documentation are:

- 1.) Software License Number
- 2.) Software Agreement Statement
- 3.) Original Installation Diskettes/CD-ROM

I declare that no additional copies of the donated software exist on any other computers.

Donor Name _____ Donor Signature _____ Date _____

Any District staff member who donates software to be used on LAUSD computers must also complete this form.