

**Shelby County Board of Education**

**2019**

**Issued Date: 01/31/17**

**Effective Date: 01/31/17**

**GRANTS, GIFTS, DONATIONS, & SPONSORSHIPS**

**I. PURPOSE**

To establish guidelines for the acceptance and administration of grants, gifts, donations, and/or sponsorships by Shelby County Schools.

**II. SCOPE**

This policy applies to all discretionary grants, gifts, donations, and/or sponsorships awarded to the District. Unless otherwise specified, “Shelby County Schools” and/or “District” shall be inclusive of school locations.

This policy shall not apply to formula grants<sup>1</sup> awarded to the District and grants (based upon specified grant terms) awarded to an individual that are not subject to District fiscal and/or inventory accountability.

**III. DEFINITIONS**

Direct commercial/return benefit - profit or gain received by a company as a result of providing a school/district with property, money, goods, or services.

Donation/Gift - property, money, goods, or services irrevocably given for the benefit of a school or the District without any direct commercial/return benefit. A donation/gift may, however, be restricted for a limited use (e.g., naming a building).

Endorsement - any advertising message/statement of support or approval of a person, product or service.

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<sup>1</sup> Formula Grant – a grant that is awarded based on the recipient meeting certain predetermined conditions and that is allocated to districts on a per-student basis. Examples of formula grants are programs authorized under the Elementary and Secondary Education Act (ESEA) / Every Student Succeeds Act (ESSA) and the Individuals with Disabilities Education Act (IDEA).

Grant - contribution or subsidy (cash or in-kind) given by the government or other organization for a specified purpose to the District. Grants are usually written agreements that are conditional upon certain qualifications as to the use and maintenance of specified standards.

Discretionary Grant – a grant that allows the grantor to exercise judgment in selecting recipients through a grant process that is often competitive and for a specific project and time period; and that is often determined based on student socio-economic status, student achievement, or district or site performance.

Sponsorship – the financial or resource subsidizing of an event, team, club, or program/initiative by a company, organization, or individual for which the company, organization, or individual will receive no substantial benefit other than the use or acknowledgment of the business name, logo, or product lines in connection with the District's activities (e.g., X company purchases uniforms and equipment for the middle school basketball team and the company's logo is on the team's uniform).

#### **IV. POLICY STATEMENT**

Shelby County Schools receives grants, gifts, donations, and sponsorships from governments, organizations and individuals (hereafter referred to as grantors/donors) to support the programs and activities of the District. Each generous investment, regardless of value, is critical to expanding and sustaining District educational and administrative priorities.

To promote efficiency, ensure transparency and build accountability, the Superintendent or his/her designee shall establish a process by which all grants, gifts, donations, and sponsorships are requested, received and administered. The process at minimum shall establish proper internal controls over monitoring and compliance requirements; accounting and financial reporting; and program administration.

#### **General Guidelines**

##### **A. District Responsibility and Acceptable Awards**

The District is responsible for ensuring that grants, gifts, donations and sponsorships awarded to the District (including individual schools) are used for their intended purpose.

The District shall be responsible for assessing the impact of receiving grants, gifts, donations, or sponsorships from potential grantors/donors; and reserves

the right to determine if a grant, gift, donation, or sponsorship is appropriate. Including, but not limited to the following, appropriate grants, gifts, donations, or sponsorships must:

- have a purpose consistent with the beliefs/philosophy of the District;
- be offered by a donor acceptable to the Board;
- not bring undesirable or hidden costs to the school system;
- place no undesirable restrictions on the Board;
- not be inappropriate or harmful to the best education of students;
- not imply endorsement of any business or product or belief; and
- not be in conflict with any Board policy or state law.

Awards that are deemed to be inappropriate or unsuitable shall be rejected by the District.

## **B. District Obligation**

*For the purpose of this policy and administrative rules and regulations, District obligations may be inclusive of financial, human, administrative and/or material resources.*

### General

Unless specifically stated in an agreement, the Board makes no commitment to assume financial responsibility for

1. continuation of any grant, gift, donation, or sponsorship if the grant, gift, donation or sponsorship that becomes exhausted; or
2. risks and liabilities (i.e., tax liens or environmental) associated with the acceptance of real property.

### Real Property (see policy 7002 Real Estate)

The acceptance of real property shall be determined on a case-by-case basis based upon an evaluation of possible continuing obligations. Factors that shall be assessed include, but may not be limited to:

- a. usefulness to the District
- b. location
- c. environmental conditions
- d. associated covenants, conditions, restrictions, reservations, easements, encumbrances or other limitations
- e. costs (e.g., insurance and property taxes) and maintenance expenses
- f. marketability of the property

### **C. Acceptance and Approval Requirements**

In an effort to ensure audit compliance and avoid speculation of fraud, the conditions of grants, gifts, donations, and sponsorships must be fully assessed and understood prior to its acceptance/approval.

1. Acceptance
  - a. Up to \$499.99: requires acceptance by the principal or appropriate program director
  - b. \$500.00-\$14,999.99: requires acceptance by the Superintendent or his/her designee
  - c. \$15,000.00 and above: requires acceptance by the Board
2. Approval for Acceptance of Real Property  
All awards of real property shall be subject to Board approval.

### **D. Restricted and Unrestricted Use**

1. Restricted Use  
Any grant, gift, donation, or sponsorship awarded to the District or school shall be utilized in accordance with the terms of the grantor/donor. Unless otherwise provided in a written agreement, a grantor/donor may provide the purpose of a grant, gift, donation, or sponsorship, but shall hold no further rights in the expenditure of funds or other decisions regarding the work.
2. Unrestricted Use
  - a. School Level - Contributions with no defined or specified purpose that are received and accounted for at the school level may be expended at the principal's discretion in accordance with guidelines established under the Tennessee Internal School Uniform Accounting Policy Manual.
  - b. District Level – the Superintendent or his/her designee may determine an appropriate means of utilization for unrestricted gifts, donations or sponsorships awarded at the District level.

### **E. Administration/Management of Grants, Gifts, Donations, and Sponsorships**

1. Board Notification of Use  
The Superintendent shall be required to provide notification of intended and actual use of grants, gifts, donations, and sponsorships approved by the Board. Such notification, if feasible, shall be prior to the expenditure of funds.
2. Recordkeeping and Audits  
Grants, gifts, donations, and sponsorships awarded to the District shall be recorded to accurately account for funds/items/services received. Such records

shall be maintained in accordance with established document retention guidelines and may be subject to audit.

3. **Deposit and Expenditure of Funds**

Funds received through a grant, gift, donation or sponsorship must be deposited into an approved District bank account (see policy 2017 District Bank Accounts). Expenditure of funds shall be in accordance with federal/state statutory/regulatory requirements, Board policy and other contractual obligations as applicable.

4. **Budget and New Grant Funded Positions**

Receipt of funds resulting in an increase in the overall total District adopted budget shall be reflected as a budget amendment when required. All newly hired grant-funded positions not previously identified and approved in the Budget shall be approved in accordance with policy 2001 Annual Operating Budget.

**F. Donor Acknowledgement and Naming Rights**

The District shall provide donors with written acknowledgement of appreciation for all gifts, donations, and sponsorships in a timely manner. Gifts, donations, and sponsorships received shall be publically acknowledged during a Regular Board Meeting in accordance with policy 0000 School Board Meetings.

*Naming Rights*

A donor, in consideration of financial contributions, sponsorships or other commercial transactions, including provision or supply of equipment, materials, land, or services, may be granted naming rights of District real estate in accordance with policy 1007 Naming District Real Estate.

**G. Real and Personal Property**

Except as otherwise specifically provided by terms of a grant, gift, donation, or other contractual obligation, all real and personal property awarded under this policy shall become the property of the District and will not be subject to recall or reassignment.

The District shall be accountable for all property under its control and for ensuring compliance with applicable statutory/regulatory requirements, Board policies and contractual obligations. Accurate inventory records of such property throughout its lifecycle with the District shall be maintained as deemed appropriate (see policy 3013 Inventory Management).

#### **H. Goods and Services Received from a School Adopter or Other Entity**

Nothing in this policy shall preclude businesses and other organizations participating as school adopters from providing free materials, supplies or services to their adopted schools to support the schools' educational mission. Goods and services given to a school by the official adopter of the school shall be considered as a gift, donation, or sponsorship except when the school is required to meet conditional provisions or provide specific returns (see policies 3003 Conflict of Interest; 2012 Contract Requirements, Approval and Signatory Approval; and 2006 Purchasing Authority).

Upon approval of the Superintendent, it shall be permissible for businesses to sponsor departmental and District-wide, non-instructional functions that may include employee picnics, assemblies, and professional development (see policy 3003 Conflict of Interest).

#### **I. Ethical and Professional Standards**

In accordance with policy 4002 Staff Ethics, employees serve as District representatives and are expected to adhere to standards of ethical behavior which will not detract from the educational process. Employees shall, therefore, exercise due diligence and avoid acceptance and any use of grants, gifts, donations, and sponsorships awarded to the District/school for personal gain and spurious reasons.

#### **J. Conflict of Interest**

District employees shall avoid any situation that would result in their having a direct or indirect financial or material interest in the management of a grant, gift, donation, or sponsorship project on which he/she is working.

#### **K. Sanctions**

The intentional misuse of awards; submission of false or misleading documentation in connection with awards; and/or violation of policy, administrative rules and regulations, and/or guidelines may result in legal action, disciplinary actions up to and including termination from employment, and/or restitution to the District for losses or damages.

### **V. RESPONSIBILITY**

- A. The principal/administrator is responsible for approving and accepting gifts, donations, and sponsorships up to \$499.99 in accordance with the provisions of this policy.
- B. The Superintendent (or designee) is responsible for

1. approving and accepting grants, gifts, donations, and sponsorships with a value of \$500.00-\$14,999.99;
  2. ensuring that grants are received in accordance with the provisions of this policy; and
  3. informing the Board of grants, gifts, donations, and sponsorships received in accordance with this policy.
- C. The Board is responsible for accepting gifts, donations, and sponsorships \$15,000.00 and higher.
- D. The Superintendent is responsible for ensuring that this policy is followed.

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Legal References:

1. TCA 49-6-2006(a)
2. TCA 49-2-601, et seq.
3. Tennessee Internal School Uniform Accounting Policy Manual

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Cross References:

1. 1007 Naming District Real Estate
2. 2001 Annual Operating Budget
3. 2006 Purchasing Authority
4. 2012 Contract Requirements, Approval and Signatory Authority
5. 3013 Inventory Management
6. 7002 Real Estate
7. 7007 School Support Organizations
8. 0000 School Board Meetings

**Issued Date: 00/00/00**

## **GRANTS, GIFTS, DONATIONS, & SPONSORSHIPS**

### **A. Authorization to Apply for/Request a Grant, Gift, Donation or Sponsorship**

Employees shall be prohibited from using the name of the District or acting as a representative of the District in applying for a grant, gift, donation, or sponsorship without appropriate prior authorization. This shall exclude grants (based upon specified grant terms) awarded to an individual that are not subject to District fiscal and/or inventory accountability.

#### *Local Entities - Foundations, Corporations and Individuals*

Intent to request grants, gifts, donations, or sponsorships from any local entity (foundation, corporation and /or individual) must be submitted to the office responsible for grant management (see Fundraising and Grants Guidelines and Procedures Manual).

### **B. Approval Requirements**

In accordance with the following requirements, grants, gifts, donations, or sponsorships that may expose the District to liability or obligations (i.e., matching fund grants) shall be reviewed prior to acceptance to evaluate potential risk factors.

1. Federal or state - shall be reviewed by the Department of Finance and as deemed appropriate Office of General Counsel and/or other departments to determine aggregated obligation to the District.
2. Philanthropic (value of \$5,000 and above) - shall be reviewed by Academic Operations or the appropriate program director responsible for administering the grant to evaluate risk exposure to the District.

### **C. Grant, Gift, Donation or Sponsorship Management Database**

In order to maximize resources available to the District from grantors/donors, a system to track and monitor applications/requests for grants, gifts, donations, and sponsorships shall be implemented. The system will be used to improve coordination of applications/requests and to assist in the management of awards.

### **D. Compliance Review**

Supervisors providing oversight of awarded grants, gifts, donations, and sponsorships shall monitor the administration of such awards to ensure compliance with all financial, administrative, and programmatic award requirements.



**E. Retention of Records**

The District shall adhere to record retention requirements as prescribed by the grantor. When federal and/or state record retention requirements differ, the District shall adhere to the most restrictive requirement.

In the absence of specific guidance, records shall be retained for a five (5) year period commencing from the last date of the end of the grant period.