



LOS ANGELES UNIFIED SCHOOL DISTRICT
POLICY BULLETIN

TITLE: Donations
NUMBER: BUL-5895.1
ISSUER: V. Luis Buendia, Controller
Accounting and Disbursements Division
DATE: February 10, 2016

ROUTING
Local District
Superintendents
& Administrators
Principals
Fiscal Services
Managers
Central Office Fiscal
Staff
Fiscal Specialists

PURPOSE: The purpose of this Bulletin is to provide updated information on receiving and accounting for donations. It replaces BUL-5895.0, "Donations", dated September 3, 2013.

MAJOR CHANGES: Content has been revised to add new procedures regarding review of documentation related to the funds received. Procedures for donated gift cards/prepaid debit cards have been added. Donation refund policy has been included.

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.

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, only those donations for which there is a legitimate use in the school program should be accepted. Procedures and policies are outlined below and must be followed when accepting donations. 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.

This does not apply for donations received from outside sources that may specifically be for employee 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 for Processing 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 EducationFiscal Specialist
- Early Childhood Education Centers.....Early Childhood Education
Fiscal Services –
Beaudry Building 11th
Floor
- Adult Education, ROP/ROC,
Skills CentersAdult Education Fiscal Svcs
Beaudry Building
18th Floor
- Local DistrictFiscal Services Manager
- All Other Offices.....Budget Services Branch
Beaudry Building 26th
Floor

Cash donations will be placed in the following accounts:

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



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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 those donations that have a donor-specific intent, a control sheet should also be completed to document that the donation was spent in accordance with the donor’s intent. A sample control sheet can be found as Attachment C.
 - D. For each cash donation, administrators must retain a copy of the “Request for Processing a Donation”, a copy of the donation check, a copy of the acknowledgement letter, and the detailed accounting records as evidence, in case of an audit, that the donated funds were spent according to the intent of the donor. These records are to be kept until five years after the last of the donation has been spent.
 - E. For internal control purposes, further review and approval of donations amounting to \$5,001 to \$15,000 will be conducted by a Fiscal Services Manager; \$15,001 to \$20,000 by a Deputy Controller; and more than \$20,000 by the Controller. Donations received by each location on the same day from the same donor may be combined if used for the same purpose. If a donation exceeds \$25,000, the Accounting and Disbursements Division will prepare a quarterly Board Report ratifying the acceptance of the donation. The Board approval step, however, will not delay the crediting of the funds to the applicable donation account.
2. In-Kind Donations (Equipment, Computers, Materials, Real Property, or Services)
- A. Administrators may accept donations of equipment, materials, real property, and/or services. 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 donated items for compliance as listed below. Failure to follow this review process may result in liability for the administrator.
 - 1. Maintenance & Operations Branch – Review donations of new and used equipment or modifications of facilities to ensure that equipment is UL approved and safe to operate, and to verify insurance and contractors’ licenses.
 - 2. Environmental Health and Safety – Review donations of chemical products and playground equipment.



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3. 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.
 4. 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..
- B. If the donation exceeds \$5,000 in value, the administrator must prepare the “Request for Processing a Donation” form (Attachment A) and submit to the appropriate contact as listed under Section 1A. Attachment A will then be routed for approval. For internal control purposes, further review and approval of donations valued at \$5,001 to \$15,000 will be conducted by a Fiscal Services Manager; \$15,001 to \$20,000 by a Deputy Controller; and more than \$20,000 by the Controller. If the value is over \$25,000, it will also be forwarded to the Accounting and Disbursements Division for inclusion on a quarterly Board Report which will ratify the acceptance of the donation.
 - C. 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 Program and Capital Accounting Branch, for proper recording.
 - D. 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 Bulletin 716.2, “Compliance with the 1976 United States Copyright Law- Computer Software,” dated October 1, 2005.
 - E. The administrator should provide the donor with an official acknowledgement of the donation (Attachment B – sample letter). If you are receiving the donation of a vehicle, either for use or resale, please contact the Controller’s Office to ensure the District complies with IRS regulations.
 - F. Donations of equipment and computer software must be recorded on the site’s inventory records if the value is \$500 or greater.
 - G. If the donor does not provide delivery, it is the responsibility of the administrator to arrange for pickup, including the funding of any related costs.
 - H. A copy of all documents related to the donation must be kept on file at the site accepting the donation until five years after the equipment has been taken out of service.
3. Donations of Artwork, Antiques, and Other Valuables
 - A. If the donation exceeds \$5,000 in value, the administrator must prepare the



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“Request for Processing a Donation” form (Attachment A) and submit to the appropriate contact as listed under Section 1A. Attachment A will then be routed for approval. For internal control purposes, further review and approval of donations valued at \$5,001 to \$15,000 will be conducted by a Fiscal Services Manager; \$15,001 to \$20,000 by a Deputy Controller; and more than \$20,000 by the Controller. If the value is over \$25,000, it will also be forwarded to the Accounting and Disbursements Division for inclusion on a quarterly Board Report which will ratify the acceptance of the donation.

- B. Donations of artwork must include a written statement from the artist of his/her agent indicating that both the artwork and the copyright to its image belong to the District.
- C. The administrator should provide the donor with an official acknowledgement of the donation (Attachment B – sample letter).
- D. 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.
- E. Donations of artwork must be recorded on the site’s inventory records if their value is \$500 or greater.
- F. For additional information, please refer to Office of the Superintendent’s Bulletin Q-17 (Rev.), “Protection of Valuable Works or Art and Restrictions on Their Sale”, dated June 1, 2000.

4. Donations of Library Books

- A. If the donation exceeds \$5,000 in value, the administrator must prepare the “Request for Processing a Donation” form (Attachment A) and submit to the appropriate contact as listed under Section 1A. Attachment A will then be routed for approval. For internal control purposes, further review and approval of donations valued at \$5,001 to \$15,000 will be conducted by a Fiscal Services Manager; \$15,001 to \$20,000 by a Deputy Controller; and more than \$20,000 by the Controller. If the value is over \$25,000, it will also be forwarded to the Accounting and Disbursements Division for inclusion on a quarterly Board Report which will ratify the acceptance of the donation.
- B. The administrator should provide the donor with an official acknowledgement of the donation (Attachment B – sample letter).
- C. 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 books.
- D. For additional information, please refer to Instructional Services’ Bulletin 1378, “Criteria for Acceptance of Library Book Donations,” dated October 25, 2004.

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

- A. When a donation is received, the administrator must prepare the “Request for Processing a Donation” form (Attachment A). At the time of processing, Accounting and Disbursements will reflect both the donation income and expenditure of the funds using the same accounting lines listed for cash



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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 documenting how and when the donated gift card was spent. Such documentation may include vendor receipts or invoices or printed reports. Expenditures which may be “charged to” the cards include a wide variety of items including material, equipment, contracts, bus trips, repairs, and alterations of buildings. For those donations that have a donor-specific intent, a control sheet should also be completed to document that the donation was spent in accordance with the donor’s intent. A sample control sheet can be found as Attachment C.
- D. A copy of all documents related to the donation must be kept on file at the site accepting the donation until five years after the last of the donation has been spent.
- E. For internal control purposes, further review and approval of donations amounting to \$5,001 to \$15,000 will be conducted by a Fiscal Services Manager; \$15,001 to \$20,000 by a Deputy Controller; and more than \$20,000 by the Controller. Donations received by each location on the same day from the same donor may be combined if used for the same purpose. If a donation exceeds \$25,000, the Accounting and Disbursements Division will prepare a quarterly Board Report ratifying the acceptance of the donation.

III. Refund of Donations

Donations will not be refunded unless otherwise provided below.

Cash Donations that have been spent in accordance with the donor’s intent should not be returned to the donor. Donated funds can only be returned to the donor if, for any reason, said funds were not spent in accordance with the donor’s specified purpose(s). 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 feasibly be utilized for any school purpose of the District, the Board may cause it to be reconveyed to the



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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:

Bulletin 1378, “Criteria for Acceptance of Library Book Donations”, Instructional Services, dated October 25, 2004

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

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

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

ASSISTANCE:

For assistance with school site donations, please contact your Fiscal Specialist. For assistance with Local District donations, please contact your Fiscal Services Manager. For assistance with Early Childhood Donations, please call (213) 241-1043. For cash donations for all other offices, please contact the Budget Services Branch at (213) 241-2136.

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.

LOS ANGELES UNIFIED SCHOOL DISTRICT
Accounting and Disbursements Division

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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 DONATION \$ _____ ACCOUNTING LINE _____

TYPE OF DONATION (Select one)

CASH w/general intent Please describe how this donation will be used:

CASH w/specific program intent Some donors stipulate that their donation is to be used only for a specific purpose or program. Please describe how this donation is to be used. A control sheet (such as in Attachment C) should be used 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,

Description: _____

Value: _____ If applicable: Make/Model _____ Serial _____ Age _____

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 Use Only

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	_____	_____

Cash Receipts Unit: Signature _____ Date Check Deposited _____

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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 charitable organization for purposes related to donations.

Sincerely,

(Administrator)

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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 SYSTEM SOFTWARE Title of Software _____
Software Company _____
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.