

SECTION 15.1 – GIFTS, AWARDS, PRIZES, AND INCENTIVES

BACKGROUND:

[The Washington State Constitution \(Article VIII Section 7\)](#) prohibits gifts of public funds. However, prizes, awards, and incentives (which might also be considered gifts) in recognition of achievement or service may be considered allowable in certain limited and controlled circumstances.

BASIC GUIDELINES

- Gifts, prizes, or incentives given in recognition of achievement or service should be in the area of extra-curricular activities, not for recognition of academic performance or good behavior in the classroom.
- Items given to individuals for achievement or service should be non-monetary and of nominal value. For example, a pin, plaque, trophy, key chain, commemorative picture frame, or athletic sew-on letter may be allowed since they have nominal value and no functional use.
- The determination of “nominal value” is subjective. The district recommends using a baseline of \$20.00 per individual to measure nominal value.
- Cash or cash equivalent awards, gift cards, gift certificates, and monetary gifts ***are not allowed***.
- Any plans for gifts, prizes or incentives should undergo careful scrutiny and pre-approval from the building principal or their designee.
- Other factors to consider include:
 - Who is the recipient? The entire student body, an entire class, a large portion of the student body, or just a select few students?
 - Why are they the recipient – what act of service or achievement have they given and is the practice of giving them something or recognizing them in some way being practiced consistently amongst all students meeting certain appropriate criteria?
 - What ASB funding source is paying for it? The general student body funding sources such as ASB card money or a specific ASB club where funds were fundraised for specific purposes?
 - The public and parent community might be especially sensitive to ASB funds being used for gifts, awards, and incentives.

EXAMPLES OF GIFTS – NOT ALLOWED:

Scenario #1: An appreciation lunch was given to volunteer workers.

Conclusion: *Not allowed.* This is either a payment for their services in which case they cease to be volunteers and have received a salary, or it is a gift. The exception to this is providing light lunches or refreshments during or near the time the volunteer services are provided. The district's policies for such meals and refreshments should be met.

Scenario #2: Flowers were purchased for someone in the hospital.

Conclusion: *Not allowed.* This is considered a gift and as such it is an illegal use of public funds.

Scenario #3: Food was purchased for a needy family.

Conclusion: *Not allowed.* This is considered a gift and as such it is an illegal use of public funds. See the [Charitable Fundraising section](#) of this manual for guidance on how donations can be accomplished using non-public funds, private monies.

Scenario #4: A donation of club funds was made to a local charity.

Conclusion: *Not allowed.* This is an illegal use of public funds. ASB's can not make donations for any reason out of their club or activity money. See the [Charitable Fundraising section](#) of this manual for guidance on how donations can be accomplished using non-public funds, private monies.

Scenario #5: Refreshments were purchased for non-student meetings such as a staff appreciation day.

Conclusion: *Not allowed.* This could be deemed a gift to the individuals benefiting from the meals or refreshments. In addition, there is no clear relationship between the purchase of the food/refreshments and a legitimate ASB activity of a cultural, athletic, recreational, or social nature. Accordingly, with some exceptions, it does not appear to be an appropriate use of ASB funds.

PRIZES AND INCENTIVES:

Prizes and incentives are not recommended, but they may be an allowed recognized part of fundraisers. (For example – students or classes who are “top sellers or meet certain sale levels) The allowance of prizes or incentives must be carefully thought out for appropriateness and controlled as far as inventory or disbursement of prizes. Prizes and incentives come with many cautions depending on each fundraising’s unique situation. The following are some guidelines and issues to consider whether to allow prizes or incentives for a given fundraiser:

- Advisors and students should be cautioned against prizes and incentives. Encourage creativity and think of other ways to recognize or reward students. (Award a prime parking spot for a month, do an ice cream feed, give a privilege.)
- Motivation for participation in an ASB fundraiser should be for the sake of having their club or activity benefit from the fundraising proceeds.
- At a minimum, prizes or incentives for any one individual student should be nominal (\$10 to \$20 dollars is a guideline for nominal) and non-monetary (can’t be a gift certificate or money).
- It is recommended to negotiate with vendors for a higher profit commission rate for the ASB rather than substantial prizes for students.
- Any time a fundraising vendor offers free product, (i.e. sell ten bins of cookie dough and get one free) the free product is the property of the ASB and should be treated as such.
- It is not appropriate to give free product away, or allow students to profit personally from the free products.

SOME EXAMPLES OF PRIZES OR INCENTIVES ALLOWED OR NOT ALLOWED:

Scenario #1: Snacks for students during testing days.

Conclusion: *Not allowed.* This is not considered an appropriate use of ASB funds due to the curricular nature of the activity at hand.

Scenario #2: Tea, coffee and cookies for a Scholarship Award Ceremony recognizing 50 scholarship recipients at a high school.

Conclusion: *Allowed.* It is considered an allowable use of ASB funds. This event is of a social nature, offered after school and is open for attendance by the community, parents of students, and the students being recognized. Tea, coffee, and cookies would probably be nominal in expense per person (rather than a catered, expensive dinner event). Although the event has curricular ties – the actual recognition event is considered a social event which may appropriately be funded by the ASB

EXAMPLES OF PRIZES OR INCENTIVES ALLOWED OR NOT ALLOWED
continued:

Scenario #3: Ice cream feed for 8th grade class for breaking fundraising goal in an all-school fundraiser.

Conclusion: *Allowed.* Large group of students benefiting in an award that is nominal in cost per student as well as being a social event for the students.

Scenario #4: Extra-credit points in class as a prize, incentive or award for participation in an ASB fundraising event.

Conclusion: *Not allowed.* Under the circumstances – it does not appear to be an appropriate tie to curriculum or learning mission.