PUBLIC VS. NON-PUBLIC FUNDS
RULES AND REGULATIONS

By
Jean McCutchen, CPA, MBA
Chief School Financial Officer
Satsuma City Schools
Outline of Presentation

• Background regarding Public and Non-public.
• Examples of Public and Non-public funds.
• Allowable Uses of Public Funds.
• Unallowable Uses of Public Funds.
• Uses of Non-Public Funds.
• Miscellaneous Rules Regarding Public and Non-Public Funds.
Purpose of All School Funds

• For our students and School Programs! Yes...but just in accordance with the Law!
Public Funds

• Funds received from public (tax) sources.
• Funds received from non-tax sources but used for public purposes.
• Any funds subject to direct control of school principal.
• Any public funds transferred from Central Office to School.
• Legislative, City or County appropriations.
Non-Public Funds

- Not received from public (tax) sources.
- Not used for public purposes.
- Subject to intent and authorization of the organization’s members, officers, and sponsors – NOT used for general operations of the schools unless organization/sponsor directs.
- Principal does not direct use of these funds but does have authority to prohibit inappropriate expenditures.
- Some donations from private sources are non-public.
Allowable Uses of Public Funds

• Professional Development/Training- including refreshments and meals, if extended training.
• Refreshments for Open House at school where public will attend.
• Pregame meals.
• Academic incentives – recognition of academic excellence.
• Athletic/band uniforms.
• Memberships in professional organizations.
• School landscaping, furnishings and decorations.

********Subject to Control of Principal********
Unallowable Uses of Public Funds

- Gift items for staff.
- Flowers for staff and/or families.
- T-shirts for office staff.
- Staff Holiday parties/Christmas gifts.
- Christmas cards.
- Donations to various organizations.
Unallowable...Public...continued

- Dues to private clubs.
- Alcoholic beverages.
- Scholarships for Students.
- Meals for spouses.
- Food items for teachers.
- Coffee and cups for employees.
- Expenditures for pictures for school office.
- Expenditures for flower arrangement for school office.
Unallowable Public - Continued

- Food for social gatherings.
- Faculty and staff Christmas luncheon.
- Faculty appreciation gifts.
- Championship rings.
- Class prom entertainment.
- Donations to organizations.
Uses of Non Public Funds

- May be used as designated by organization or person or entity making a donation.
- May not be used for alcoholic beverages.
- Purchases for school employees and their families. (Ethics Law)
- PTO/Booster or Club should direct expenditures.
Miscellaneous compliance

- You can transfer non-public to public, but NOT public to non-public. (Can make coding corrections but not transfer monies to non-public for non-public expenditures.)
- If non-public receipts are commingled with public receipts, they all become public.
- When in doubt, consider the funds public.
- The principal cannot use or transfer Non-public funds without approval of organization or sponsor.
- Monthly reports to organization or sponsor!
Food Purchases

- Numerous questions regarding food purchases for staff from public funds.
- May use public funds if:
  - All-day professional training meeting or extended meeting to benefit of district.
  - Open Houses.
  - Public Meetings – Board meetings.

May not use for afterschool staff meetings, meetings for staff at beginning or end of school year.
Constitutional Amendment No. 558

- May expend public funds for recognition of significant contributions to education.
- May expend public funds to promote educational excellence by students, faculty, staff, and the public.
- Recognitions may be in form of trophies, plaques, academic banquets and other honors.
- Teacher retirements.
- Plaques and other awards for significant academic achievement or significant contribution to school.
Barnes & Noble Book Fair Profits:
- Profit is given to school with gift card.
- Must be treated as public funds.

Legislative Monies:
- Must be used for educational purpose.
- Competitive Bid Law applies.
- Public Funds.
- Records maintained at local school level.
Public Fund Raisers

Typically are school-wide, can be used for all students and are controlled by principal. All proceeds deposited in public fund.

Normal Test: During school hours, on school grounds, sold to students - PUBLIC.
Non-Public Fund Raisers

- Proceeds from nonpublic fund raisers such as picture sales, coupon books, gift wrap, etc., items sold in community after school hours - non-public account.
- Non public fundraisers can be held on school premises with approval of Principal but must occur after school hours.
- During School Hours – to students – on premises - PUBLIC.