

**ADOPT NEW POLICY FOR THE ACCEPTANCE OF SCHOOL-BASED GRANTS AND GIFTS
AND RESCIND BOARD REPORT 99-0922-PO2 AMEND THE POLICY FOR THE
ACCEPTANCE OF SCHOOL-BASED GRANTS AND GIFTS**

THE CHIEF EXECUTIVE OFFICER RECOMMENDS:

That the Chicago Board of Education adopt the new Policy for the Acceptance of School-Based Grants and Gifts, and rescind Board Report 99-0922-PO2.

PURPOSE:

To ensure the continued uniform implementation and management of all school-based grants or gifts from governmental agencies and non-governmental entities or persons in accord with the Illinois School Code, the following Policy for the Acceptance of School-Based Grants and Gifts will streamline the reporting process for school-based grants and gifts.

INTRODUCTION

The School Code of Illinois, at 105 ILCS 5/16-1, states that, whenever a grant is made to any school district or attendance center, the school board of the recipient school or district is vested with the property of that grant and is responsible for carrying out the intent of that grant until the local board deems it "no longer responsible, practical or prudent to do so." In order to ensure that the Chicago Board of Education ("Board") meets its responsibilities as a fiscal agent and, where appropriate, a reporting agent, the following administrative procedures have been established.

I. AWARDS FROM GOVERNMENTAL AGENCIES

The Board alone accepts any awards that government agencies provide for local schools. While grant award letters or funding notifications and checks from governmental agencies typically are sent to Central Office, principals should follow the procedures listed below when award letters, funding notices or actual awards from governmental agencies are sent directly to the schools:

- A. If a school receives a grant award letter or funding notification, the principal shall:
1. Contact the Office of Management and Budget ("OMB") to set up a budget line for the grant funds;
 2. Send to the Office of Schools and Regions ("OSR"):
 - a. the original grant award letter or funding notification;
 - b. a letter that includes an explanation of how the funds will be used and the date of Local School Council approval of the grant; and
 - c. the budget line number for the grant funds.
 3. Send a copy of the letter or fund notification and a copy of the grant application to the appropriate area instruction office; and
 4. Keep a copy of the original grant award letters or funding notifications on file at the school.

After receiving the information described in I (A)(2) above, OSR will send the original grant award letter or funding notification to OMB and will include the award as part of the Omnibus Board Report: Authorize the Acceptance of School-Based Grants so the Board can accept the grant.

- B. If a governmental agency sends a grant check directly to a school, the principal shall:
 - 1. Contact OMB to set up a budget line for the grant funds;
 - 2. Forward the check to the CPS Division of Revenue, Bureau of Accounting along with supportive documentation from the funding agency; and
 - 3. Send to OSR:
 - a. a copy of the check;
 - b. a letter explaining how the funds will be used and the date of Local School Council approval of the grant; and
 - c. the budget line number for the grant funds.

After receiving a copy of the grant check and the letter from the principal, OSR will include the award as part of the Omnibus Board Report: Authorize the Acceptance of School-Based Grants so the Board can accept the grant.

II. AWARDS FROM NON-GOVERNMENTAL ENTITIES OR PERSONS

Local schools are encouraged to develop and submit applications for supplemental funding directly to private, corporate and foundation funding sources. Schools which receive grant awards directly from non-governmental entities and/or individuals are responsible for preparing and submitting any required financial and/or program reports to the funding source. When schools receive awards of \$1,000 or more from non-governmental entities or persons, principals should follow the procedures listed below:

- A. Forward a copy of the award notification, along with a copy of the check or money order, to OSR.
- B. Send a letter to OSR indicating how the funds will be used, where the funds will be placed, and the date of Local School Council approval of the grant.

Upon receipt of the information described in II A and B, OSR will include the award as part of the Omnibus Board Report: Authorize the Acceptance of School-Based Grants so the Board can accept the grant.

- C. For grants that include funds for the payment of salaries, consulting fees or stipends:
 - 1. Copies of the award notification and the grant application shall be sent to OMB, which will establish appropriate budget lines for the school; and
 - 2. Checks, letters of credit or other negotiable items shall be submitted with appropriate documentation to the CPS Division of Revenue, Department of Accounting.
- D. For grants that do not include any funds for payment of salaries, consulting fees or stipends for other than out-of-pocket expenses:
 - 1. Checks and money orders shall be deposited in the school's internal accounts and disbursements will be made at the local school level; and
 - 2. Principals shall be responsible for ensuring that separate general ledger accounts are maintained for each grant, and that the appropriate documentation for expenditure for expenses is maintained at the local school level.

- E. A Close-Out Form, to be obtained by the local school from the Division of Revenue, Bureau of Accounting, must be completed and returned to the Department of Accounting, by either August 1 of each year, or at the end of the grant period, whichever comes first.

III. GIFTS

When a local school receives a "gift," defined for purposes of this policy as "a donation of goods or services," the principal's actions will be determined by the value and nature of the gift and should follow the procedures listed below:

- A. Donations of Goods or Services With an Estimated Value of at Least Ten Thousand Dollars (\$10,000)

When a school receives a donation of goods or services with a value of at least ten thousand dollars, the principal should submit a letter to OSR indicating the nature of the donation and its estimated value. OSR will include the donation on the Omnibus Board Report: Authorize Acceptance of School-Based Donations so the Board can authorize acceptance of the gift.

- B. Goods or Services With an Estimated Value of Less than Ten Thousand Dollars (\$10,000)

When a school receives a donation of goods or services with an estimated value of less than ten thousand dollars, the principal is not required to get Board approval for acceptance of the donation. If the principal wants to have the donation formally accepted by the Board, he or she should follow the procedures outlined in III A above.

- C. Registration of Donated Goods on the Equipment and Furniture Register

Pursuant to the Board's Maintenance and Disposal of Fixed Assets Policy (Board Report 99-0421-PO4), all school-based donations which have a value of at least two hundred fifty dollars (\$250.00) and a useful life of at least three years must be entered on the Equipment and Furniture Register. Principals should follow the procedures set forth in Board Report 99-0421-PO4 to register donated goods that meet the criteria for registration.

IV. REFUND OF SCHOOL-BASED GRANT FUNDS

Refunds of unused school-based funds should be handled pursuant to the requirements set forth in Board Rule 5-29.

Approved for Consideration:

Respectfully submitted,



BARBARA EASON-WATKINS
Chief Education Officer



ARNE DUNCAN
Chief Executive Officer

Noted:

Approved as to Legal Form:



PEGGY A. DAVIS
Chief of Staff



RUTH M. MOSCOVITCH
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