

# Fiduciary Agreements and Gifts to School

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PTA programs promoting parent education, home and school cooperation, children's well-being, community betterment, and funding for education must have first priority on PTA funds. However, when a PTA is asked to purchase or provide materials for the local school, it is necessary to follow certain guidelines so that the gift will be acceptable to both the PTA membership and the school district.

When making gifts, a Fiduciary Agreement should be completed by the PTA and signed by all involved showing all parties acknowledge and agree to gift restrictions. The Fiduciary Agreement should then be accepted by the school board and recorded in the school board meeting minutes. If a Fiduciary Agreement is not completed, gifts to the school that are accepted by the school district become the property of that district and can be moved or used at any school within the school district.

Certain gifts, such as funding for field trips, enrichment programs, teacher aides, special instructors, books, classroom supplies, or major equipment purchases, require prior approval from the PTA membership, school principal, and school district. Many school districts have policies and regulations on accepting gifts. Be sure to check with the school district **before** purchasing any materials or gifting funds to the school.

PTA members must approve all expenditures of funds, including the amount of monies to be used for gifts to the school, prior to the expenditure of those funds. This approval must come in the form of a motion and vote at a meeting of the membership and must be recorded in the association minutes of the meeting. Since PTA membership is new each year, funds cannot be committed from one year to the next unless funds were raised for a specific purpose and are therefore restricted. One example might be funds raised over three years for a major purchase. If restricted funds are not used for their designated purpose the funds must be returned to the donors or the donors must agree to a new purpose.

A gift to the school should benefit the largest number of students possible. Gifts should be in the form of a donation, presented and accepted by the school board at a school board meeting and recorded in the school board minutes. This ensures the school district will assume responsibility for the liability, maintenance and upkeep of any equipment purchased. Check with the school district to determine whether it is better to donate money for any equipment and have the district purchase the item(s) instead of the PTA purchasing the item(s) and then gifting them to the school.

At the first association meeting following the acceptance of the gift by the school board, a description of what was given to the school district must be noted again, and the date the school board accepted the gift must be recorded in the PTA association minutes.

The school district is subject to fiduciary responsibility. If the school district accepts money or equipment that is given subject to a restriction, then the restriction must be honored or the law will impose personal liability on the officers or trustees of the school district in their individual capacities. It is possible that the law would merely require the refund of the gift not used for the restricted purpose. The law does not do that automatically – there must be a complaint filed with the school district by the donor.

If the school district or any recipient is not willing to honor the restrictions on use which accompany a charitable contribution, then the recipient must decline to accept the gift. There is no duty of any recipient, including a PTA, of an offered charitable gift to actually accept the gift if there is a restriction attached.

## FIDUCIARY AGREEMENT

The **Sherman Oaks Center for Enriched Studies PTSA**, hereby gives to the **Sherman Oaks Center for Enriched Studies** of the **Los Angeles Unified School District (LAUSD)**, a monetary grant in the amount of \_\_\_\_\_ dollars (\$ \_\_\_\_\_) check number \_\_\_\_\_, dated and signed by \_\_\_\_\_ president and \_\_\_\_\_ treasurer of the **Sherman Oaks Center for Enriched Studies PTSA**.

The gift money is for the sole purpose of \_\_\_\_\_  
\_\_\_\_\_  
\_\_\_\_\_

It is hereby agreed that the gift monies will be spent for the above-stated purpose on or before \_\_\_\_\_. Any portion of such funds that is unused or unexpended as of such date shall be reimbursed in full to the **Sherman Oaks Center for Enriched Studies PTSA**, within seven (7) business days of the expiration date.

The PTA hereby gives to the **Sherman Oaks Center for Enriched Studies** of **Los Angeles Unified School District (LAUSD)**, the following equipment \_\_\_\_\_  
\_\_\_\_\_  
\_\_\_\_\_

The **Los Angeles Unified School District (LAUSD)** accepts ownership of the above described equipment, accepts responsibility for the installation, operation and maintenance of the above described equipment, and will keep the above described equipment at **Sherman Oaks Center for Enriched Studies**, for a period of no less than \_\_\_\_\_ (\_\_\_\_\_) years.

The conditions set forth in this Fiduciary Agreement are restrictions placed by the PTA upon the donation and use of the above described money or equipment.

\_\_\_\_\_  
PTA/PTSA President

\_\_\_\_\_  
Date

\_\_\_\_\_  
PTA/PTSA Treasurer

\_\_\_\_\_  
Date

\_\_\_\_\_  
School Administrator

\_\_\_\_\_  
Date

\_\_\_\_\_  
School District Administrator

\_\_\_\_\_  
Date