



**ROS WELL INDEPENDENT SCHOOL DISTRICT
FINANCE & OPERATIONS DEPARTMENT**

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**Gifts Using Public Funds and
Donations of Funds Raised from Private Sources**

It is illegal to pay or receive public monies for services, which have in fact not been rendered. (30-23-2 N.M.S.A., 1978 Compilation).

Furthermore, the anti-donation clause of the New Mexico Constitution prohibits outright gifts or donations of public money to private individuals or entities. School District expenditures, which provide equivalent value to the District and have a public purpose and public benefit, are permissible. Roswell awards/prizes, which further educational endeavors, are considered to have a corresponding value, public purpose, and public benefit. Accordingly, these awards do not violate the anti-donation clause of our constitution. Prior to providing an award or prize to a student athlete, the District shall verify that such award or prize does not violate the New Mexico Activities Association or National Collegiate Athletic Association rules and regulations.

The cost of any reward incentives must be nominal in nature. We are suggesting that in most cases, a nominal amount would be less than ten dollars per student. Maximum gifts are limited to \$25 per person per year.

Gift cards may not be purchased. Per the IRS, giving someone a gift card of any kind is the equivalent of giving that person cash, and nominal "cash" gifts are always taxable. Therefore, Activity Funds may no longer be used to purchase gift cards.