

Spending Policy for Employee Events

Purpose: Create spending policy for employee events to define public purpose, sufficient controls, and return benefit.

The Court is required to identify spending policy for annual projects:

“Employees Luncheon” during Texas County Government Month or “Employee recognition and Service Awards” event during this Christmas Holidays.

County Judge to create formally the committee for annual events.

The Texas Supreme Court enumerated a three-part test in Texas Municipal League that determines whether an expenditure serves a public purpose, requiring that the political subdivision making the expenditure (1) ensure that the expenditure's predominant purpose is to accomplish a public purpose, not to benefit private parties; (2) retain public control over the funds to ensure that the public purpose is accomplished and to protect the public's investment; and (3) ensure that the political subdivision receives a return benefit in order not to violate the Texas Constitution.

Annual projects require expenditures to be part of budget. Expenditures are currently being funded by General Fund liabilities accounts - Vending Machine Commission account 1001-209285 balance \$ 112.29 year to date expend \$1,344.60 and Flexible Spending Plan account 1001-209250-075 balance \$ 37,289.16 year to date expend \$8,875.

Awards and prizes over \$ 100 (not de minimis) value create a taxable value through payroll to County employees according to IRS Fringe Benefits Guide for governmental entities for federal taxation regulations relating to employee fringe benefits and reporting.

Gift cards are not de minimis benefits and are taxable regardless of the amount.