

Unacceptable Purchases



Below is a list of unacceptable purchases using City funds, for City Checks (Demand Warrant), Purchase Cards and petty cash. *It is the responsibility of the Neighborhood Council to obtain prior approval on all questionable items that are not listed here or on the Acceptable Purchase Categories list.*

If you have any questions, please contact your Project Coordinator or the Neighborhood Council Funding Program at 3-1-1.

The Department of Neighborhood Empowerment (DONE) has created the Funding Program based on a good faith relationship with the Neighborhood Councils. It is assumed that Neighborhood Council purchases will reflect this assumption of good faith and will adhere to the prohibitions described below. The majority of these funding procedures are developed from the Plan for a Citywide System of Neighborhood Councils located in City of Los Angeles Administrative Code and are monitored by DONE. To assist the Neighborhood Councils, the Department retains fiscal controls to minimize mistakes or monetary abuses by the Neighborhood Councils. If fiscal mistakes or abuses occur, the Department may use a sanction process to correct the situation.

UNACCEPTABLE PURCHASE CATEGORIES AND ITEMS

- 1. Any purchases made without the authorization of the Neighborhood Council governing body, and any purchases that are not identified in the approved budget of the Neighborhood Council** *(all purchases must be discussed and approved in front of the public, this is the best to ensure community consensus on a project).*
- 2. Any agreements for services amounting to \$20,000 or more without a Contract** *(all agreements for services over \$20,000 must go through the City's Contracting Process and then must be approved by the Board of Neighborhood Commissioners).*
- 3. Gifts, grants (except through Neighborhood Purpose Grant Program), and donations of money or goods to individuals or groups** *(State law prohibits public funds from being given as a gift, contact your Advocate or the Funding Program for more information)*
- 4. Gift cards, Awards/Plaques/Trophies, and flowers to Neighborhood Council members or any other individual or group** *(State law prohibits public funds from being given as a gift, this includes gifts and prizes given out in raffles).*
- 5. Any purchases and/or capital improvement projects that increases the value of Private Property or does not benefit the general public** *(accessibility and public benefit should be considered for every purchase. There should be a clear community benefit for every purchase).*
- 6. Purchases intended for a particular group that does not include a fair selection process** *(This usually involves trainings, travel or a particular improvements in only one part of a neighborhood. For example, Neighborhood council should always justify why certain individuals are able to attend an event and others are not. Fair and open procedures should always be established).*
- 7. Organizing events and construction/Installation projects without obtaining appropriate insurance and permits** *(liability concerns is always an important consideration with any project. Always make sure that insurance and appropriate permits are obtained. Please contact DONE for any questions).*
- 8. Funding to third party individuals or groups without either an approved contract for goods or services** *(There must always be a closed transaction with either a contract or receipt acknowledging the funds the Neighborhood Council is spending. There cannot be a third party intermediary that receives Neighborhood Council funds without written acknowledgment for the Neighborhood Council and Department records).*
- 9. Purchases that violate the constitutional separation of church and state** *(self explanatory, City funds cannot be used to endorse religion and/or interfere with free religious exercise).*
- 10. Alcohol, tobacco, firearms, and adult entertainment products** *(this should be obvious).*
- 11. Hiring staff or securing the services of temporary employees, except through an approved contract between the Department and Apple One, a City-approved temporary employment agency** *(This is a contract that requires adherence to specific guidelines).*
- 12. Purchases that violate State and City conflict of interest laws** *(Neighborhood Council Board members are not allowed to participate in self-dealing and must abide by State conflict of Interest laws. Please contact your advocate for more information).*
- 13. Supporting or opposing ballot measures or candidates, filing lawsuits against the City or City agency, filing appeals against any discretionary decisions made by any City agency, political forums or debates, unless following City Attorney guidelines.**