

Other Lawful Expenditures

Contracts with public or private, profit or nonprofit organizations for a specific public service or benefit that the unit can legally perform, and money is available within the budgeted appropriations. These may include contracts for fire protection, ambulance service, assessing and tax collections, trash/rubbish collections, employee benefits, etc. Contracts should address financial reporting, auditing, review of records and related matters.

Membership dues to governmental associations as MTA, MML, MAC, and similar organizations that advise, inform and educate officials and employees. (See court decision *Hayes v City of Kalamazoo*, 316 Mich. 443).

Meals and refreshments during extended working hours for emergency services by firefighters, police officers and for authorized seminars of an educational nature to officials and employees.

Registration fees, lodging and travel for attendance at useful public informational or educational workshops and seminars.

UNLAWFUL EXPENDITURES BY A GOVERNMENTAL UNIT

Contributions or appropriations, which are not specifically authorized by the Constitution or State statute, cannot be authorized regardless of the worthiness of the cause. Examples of such prohibited expenditures where there is no contract for specific services to lawful wards or functions of the local unit have been negotiated are as follows:

Contributions to churches, veterans, non-profit organizations.

Payment of funeral expenses for a person injured on government property.

Donations to a private ambulance or EMS service not under contract with the governmental unit.

Donations, including use of property or equipment to Little League, Scouts, Big Brothers/Sisters.

Donations to community organizations.

Expenses for private road construction or maintenance.

Office refreshments, picnics.

Presents to officials and employees or retirement recognition events.

Flowers to the sick or departed (AGO 2346 dated July 18, 1956).

Mileage of officials (except county finance committee and board of commissioners. See MCL 46.52 and 46.62) and employees to and from their residence to the city, township or village hall, county building or meeting rooms. (Mileage paid to county commissioners must, of course, be included on their W-2 as taxable income.)

Per diem compensation to township supervisor, clerk and treasurer on a salary basis for attending township board meetings. (Check city and village charters for their compensation procedures or restrictions.) Extra compensation for summer tax collections unless part of the initial salary resolution or is authorized within statutory procedures for an increase in salary.

Extra compensation for special elections unless part of initial salary resolution or is authorized under statutory procedures for an increase in salary.

The foregoing is not intended to be an exhaustive list of legal or illegal expenditures, but is an attempt to explain the most common questions and concerns raised on these issues.