# Checklist (example)

## To justify and assess research compensation

**What this is:** A **plain-language checklist** you can use to assess whether a proposed expenditure might violate **California’s prohibition on gifts of public funds** under Article XVI, Section 6 of the state constitution. Similar checklists may be useful in other states with comparable statutes.

**How to use this:** Read this carefully before you try to use it to adopt a research compensation practice. Work with your attorneys on what will work in your organization.

## 

## California Public Funds Expenditure Checklist

**Use this before approving or recommending a public expenditure.**

### **1. Does the expenditure serve a clear public purpose?**

☐ Does the expenditure support a government function (e.g., public safety, education, health, infrastructure, public welfare)?

☐ Can you point to a statute, ordinance, or program objective that this spending supports?

☐ Would a reasonable taxpayer see this as benefiting the general public? Public purposes would include:

☐ This expense ultimately saves or avoids costs for the government through planning, prototyping, or testing services before they launch

☐ This expense is in the service of streamlining processes and lowering burden on the public or administrative functions

💡 *If the primary purpose is public—even if individuals or groups benefit secondarily—that’s usually OK.*

### **2. Is any private benefit incidental and necessary?**

☐ Are individuals or organizations benefiting **only because it helps achieve the public purpose**?

☐ Could the public goal still be met **without giving anything to private parties**?

☐ Have you minimized the private benefit to what's necessary?

💡 *Private benefits must be a means to a public end, not the end itself.*

### **3. Is the amount reasonable and proportional?**

☐ Is the amount being spent **justified by the value of the public benefit**?

☐ Is there documentation (receipts, contracts, cost-benefit analysis) that shows it's a fair and prudent use of funds?

☐ Would this pass a “headline test”? (e.g., Would it look like a misuse of taxpayer money in a news story?)

💡 *Lavish spending or perks are red flags—even with good intentions.*

### **4. Is there a written record explaining the rationale?**

☐ Is there a staff report, memo, or meeting record that explains the **public need**, **expected benefit**, and **legal justification**?

☐ Can you cite any relevant policies, guidelines, or legal opinions supporting the expenditure?

💡 *Paper trail matters, especially for audit or legal defense.*

### **5. Does it comply with local policies and other laws?**

☐ Are you following your agency’s own procurement, ethics, and conflict-of-interest rules?

☐ Have legal counsel or finance staff signed off if needed?

☐ Is it consistent with Government Code § 8314 (misuse of public resources)?

## **Red Flags – Possible Gift of Public Funds**

* ❌ Holiday gifts to staff or retirees
* ❌ Donations to a nonprofit without a contract or deliverables
* ❌ Sponsorship of private events with no public programming
* ❌ Payment for services not documented or linked to a public program