



On Call

Do you have a policy for that? Crowdfunding for classroom activities and programs

When school budgets are tight, administrators and teachers often look for creative solutions to add more educational value for students. Magazine subscription fundraisers, car washes and bake sales are old-school money-makers. Online crowdsourcing is gaining popularity among teachers and administrators for activities, programs and even school supplies, but policies in many districts have not caught up.

Crowdfunding for classrooms

Crowdfunding is a fundraising practice for specific projects or goals that is typically conducted online seeking small sums of money from a wide pool of donors. Popular crowdfunding platforms include GoFundMe.com, DonorsChoose.com and Kickstarter.com. According to DigitalTrends.com:

“DonorsChoose, a crowdfunding site dedicated to supporting classrooms, reportedly had more than 50,000 campaigns for [the 2016] back-to-school season. Potential crowdfunding donors can look through the sites to make their choice from requests from barely funded schools seeking the most basic supplies to more well-funded districts looking for special project assistance.

According to the AP, educational crowdfunding campaigns on GoFundMe and DonorsChoose raised \$31.2 million in 2010. In 2015 that number grew to almost \$140 million and was on track to go even higher in 2016.”

www.digitaltrends.com/web/teachers-crowdfunding-school-supplies

New problems with crowdfunding

Many school boards are taking action to revise fundraising policies or set new ones that cover these online fundraising trends. The guidelines are intended to ensure that the campaigns align with district values and comply with district rules and business policies.

These policies are also meant to protect staff members from accusations of mismanagement or inappropriate use of funds. And they are intended to safeguard the district’s credibility as responsible financial stewards and protect donors from unscrupulous or fraudulent campaigns.

While these new fundraising tools are expanding schools’ fundraising options, districts are identifying a need to set some guidelines for how and when those requests can be made on behalf of its schools. And some districts are prohibiting school employees from launching crowdfunding campaigns on behalf of schools or districts entirely.

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For content questions contact:
Marcia Latta
Communications Consultant
(503) 580-2612.

For subscription information,
contact WSSDA at
(800) 562-8927 or
(360) 493-9231.

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Washington State
School Directors’
Association
221 College Street N.E.
Olympia, WA 98516

(Over)

A legal discussion paper presented at the National School Boards Association Council of School Attorneys law seminar identifies potential legal issues and recommended safeguards for school employees. “The trend of crowdfunding has hit the education community by storm, but schools should approach this new trend with caution and carefully consider whether policies are necessary now to regulate what teachers are doing online in the name of specific schools.” <http://bit.ly/2DTRdwL>

“Crowdfunding is a semi-new platform,” said Belpre (Ohio) City School District Superintendent Tony Dunn. “That can be a great thing but it can also lead to a lot of complications.”

“As teachers, administrators, staff and students have already learned, other new platforms, such as Facebook, Twitter, Instagram and other social media have certainly held their own complications — and school boards who were not ahead of the game in developing a policy to deal with such matters found themselves with few options in handling those complications.”

“It’s protection for the staff members, the board and the district,” said Belpre City Schools Treasurer Lance Erlwein. <http://bit.ly/2QqjVGT>

In Dayton, Ohio, the district banned these platforms altogether. In a story in the Dayton Daily News, “Superintendent Elizabeth Lolli said there are district funding streams available for many items that teachers can tap into. She said with no mechanism to track crowdfunding, DPS doesn’t want to make “an error in judgment” by allowing the process and then not having the manpower to control it.”

“The Ohio Auditor’s office this year encouraged schools to set formal crowdfunding policies. The auditor’s report said the risks of crowdfunding include compromising student confidentiality, diversion of donations for private use, inviting federal or state scrutiny of educational programs and bad publicity for the school district if a crowdfunding campaign is mishandled.” <http://bit.ly/2QqCT0i>

Developing your policy

Districts should decide where they stand on crowdfunding as a school or district practice. A new policy for crowdfunding guidelines does not have to be complex, and it does not necessarily have to ban the fundraising platform entirely, although some districts do. School boards should consider how it could align with existing policies on conflicts of interest, public gifts and public solicitation.

Dayton Public Schools’ drafted a two-sentence policy that was adopted in September: “Crowdfunding campaigns on behalf of the District, or any school within the District by any school employee or official is prohibited. Staff is not permitted to use the name of the District or any of its schools, or any images or text related to the District, in any online fundraising effort or campaign. www.boarddocs.com/oh/dayton/Board.nsf/Public#

A policy for raising funds with these platforms will strengthen your district’s trust and credibility. Jennifer Fink in “Crowdfunding the Classroom,” (District Administration, September 2016) writes: “The ease with which anyone can create a crowdfunding request — for just about anything — is exactly why districts need policies. Otherwise, administrators may need to turn down a crowdfunded kiln because the school doesn’t have an appropriate ventilation system — or send back computers that aren’t compatible with the district’s equipment.

Furthermore, without policies in place, administrators have no control over inappropriate requests, and no established procedures for guaranteeing donor expectations are met. Policies ensure accountability, transparency and coordination.” www.districtadministration.com/article/crowdfunding-classroom

Resources

National School Boards Association:

Creative revenue streaming and public schools: A Legal Discussion Regarding Non-Traditional, New and Creative Revenue Streaming Trends in Public Schools Nationwide
<https://cdn-files.nsba.org/s3fs-public/16-Gilsbach-Creative-Revenue-Streaming-Paper.pdf>

District Administration:

Crowdfunding the classroom: Districts set policy to make the most of a powerful new fundraising tool

www.districtadministration.com/article/crowdfunding-classroom

Contributed by Marcia Latta, communications consultant