

CROWDFUNDING ON BEHALF OF THE SCHOOL SYSTEM

Policy Code: **7360/8225**

¹For purposes of this policy, crowdfunding is the practice of using online sites to solicit donations, whether monetary or in-kind, on behalf of the school system. A crowdfunding campaign is considered to be on behalf of the school system if it uses imagery or language that would lead a reasonable person to believe that (1) the school system is associated with the campaign or (2) the campaign has the purpose or effect of providing resources or a benefit to the school system.

The board recognizes that crowdfunding campaigns are increasingly being used by employees to fund specific projects or programs. By aggregating donations from a broad and potentially diverse group of donors, crowdfunding has the potential to provide additional revenue and resources to classrooms and programs. Crowdfunding also has the potential to promote morale among employees by rewarding hard work and dedication.

Despite the positive aspects of crowdfunding, the unregulated use of the practice can subject the school system and the employee engaging in crowdfunding to potentially significant legal liability. The purpose of this policy is to establish a balanced approach that regulates and provides parameters for crowdfunding on behalf of the school system.²

Parent organizations engaging in fundraising are subject to policy 5010, Parent Organizations, and are exempt from this policy. The board reserves the right to designate additional groups or individuals as exempt from this policy.³

A. UNAPPROVED CROWDFUNDING PROHIBITED

Crowdfunding on behalf of the school system is prohibited unless undertaken by an employee with prior written approval under this policy. No action towards initiating a crowdfunding campaign on behalf of the school system may be taken until the campaign is approved in writing pursuant to this policy.

No employee or student will be compelled to initiate or participate in a crowdfunding campaign on behalf of the school system. Students are permitted to participate in publicizing an employee's approved crowdfunding campaign but are prohibited from otherwise engaging in crowdfunding on behalf of the school system. Employees or students who participate in crowdfunding on behalf of the school system are acting in their capacity as employees or students and are subject to all rules governing employee and

¹ This policy is optional; however, the board is encouraged to take a position on the issue of crowdfunding through policy. For background information, see Dave Yost, *Special Report on Crowdfunding Classrooms*, Office of the Ohio Auditor of State (July 11, 2018), available at <https://www.ohioauditor.gov/publications/2018%20crowdfunding%20report%20FINAL.pdf>.

² In the alternative, the board could prohibit all forms of crowdfunding on behalf of the school system. A sample policy prohibiting all forms of crowdfunding on behalf of the school system is available from NCSBA upon request.

³ This policy may be modified to omit PTOs and booster clubs as exempt.

student conduct.

Except in furtherance of an approved campaign, employees are prohibited from doing any of the following as part of a crowdfunding campaign: identifying as an employee of or stating an association with the school system; using a school system email address, school name, logo, or mascot; or linking to or referencing any school website, social media site, platform, or account associated with the school system.

Approved crowdfunding campaigns will operate in compliance with all laws and other board policies and regulations, including policies 6401/9100, Ethics and the Purchasing Function; 8210, Grants and Funding for Special Projects; and 8220, Gifts and Bequests, except as otherwise provided in this policy.

B. APPROVAL REQUEST FORM

An employee seeking approval of a crowdfunding campaign shall provide the following information on a form designated for this purpose (hereinafter referred to as the “approval request form”):

1. the employee’s name, job title, school, and email address;
2. the approved crowdfunding website to be used;
3. the nature and quantity or amount of donations being requested;
4. the classroom, program, or activity to be benefitted and the educational purpose to be served;
5. the exact language that will be used in the crowdfunding campaign, as well as any graphics that will be included;
6. the start and end dates of the crowdfunding campaign; and
7. a statement of recognition by the requester that any proceeds of the campaign are school property.

The approval request form will be made available in school offices and on the school system’s website.⁴

C. PROCESS FOR APPROVAL OF REQUESTS

Notwithstanding anything to the contrary in policy 8220, Gifts and Bequests, the terms of this section control the approval of proposed online crowdfunding campaigns.⁵

⁴ Designate additional or alternate locations where approval request forms will be made available.

⁵ The board is encouraged to make the amounts designated in this section consistent with the amounts designated in

1. Review by the Principal

To be eligible for approval under this policy, employees must submit in writing a fully completed approval request form to the principal. The principal has authority to approve proposed campaigns seeking a dollar value up to \$_____.⁶ Regardless of the amount sought to be donated, the principal has authority to deny a proposed campaign because the campaign is not in compliance with the requirements of this policy or because, in the judgment of the principal, the proposed campaign would produce unacceptable inequity in the educational environment.

If a proposed campaign seeks a dollar value in excess of \$_____,⁷ and the principal believes that the proposed campaign is in compliance with the requirements of this policy and should be accepted, the principal shall refer the proposed campaign to the superintendent or designee.⁸

2. Review by the Superintendent

The superintendent or designee shall review referred approval request forms and seek additional information about proposed campaigns as appropriate. The superintendent or designee has authority to approve proposed campaigns seeking a dollar value up to \$_____.⁹ Regardless of the amount sought to be donated, the superintendent or designee may deny a referred campaign because the campaign is not in compliance with the requirements of this policy or because, in the judgment of the superintendent or designee, the proposed campaign would produce unacceptable inequity in the educational environment.

If a proposed campaign seeks a dollar value in excess of \$_____,¹⁰ and the superintendent or designee believes that the proposed campaign is in compliance with the requirements of this policy and should be accepted, the superintendent or designee shall refer the proposed campaign to the board.

3. Review by the Board

policy 8220, Gifts and Bequests. Although NCSBA does not recommend any specific amount to be designated, the designation of authority to the principal in this policy reflects that many crowdfunding campaigns seek less than \$500 dollars and are individually insufficient to significantly alter the educational environment.

⁶ This figure should reflect the limit of the principal's authority to approve crowdfunding campaigns. It should be less than the superintendent's authority designated in subsection C.2. Alternately, the board could authorize only the superintendent, not principals, to approve crowdfunding campaigns regardless of the value of the proposed campaign.

⁷ This figure should be the same as the figure designated in the prior paragraph.

⁸ Alternately, this responsibility could be made nondelegable by omitting "or designee" throughout this section.

⁹ It is recommended that this figure be consistent with the superintendent's authority under policy 8220, Gifts and Bequests, and should be greater than the principal's authority designated in subsection C.1.

¹⁰ The figure should be the same as the figure designated in the prior paragraph.

Only the board has the authority to approve a campaign that seeks a dollar value in excess of \$_____.¹¹ After considering the superintendent's or designee's recommendation, the board will decide whether to approve the proposed campaign.

D. REQUIREMENTS FOR APPROVED REQUESTS

Crowdfunding requests will not be approved unless the proposed campaign:

1. meets all requirements of board policy and any applicable administrative regulations, and is consistent with the requirements of Title IX, FERPA, the IDEA, and any other applicable laws;
2. uses a crowdfunding site that has been approved by the superintendent pursuant to Section E;
3. is consistent with the school system's approved curriculum;
4. does not solicit funds for items or projects that are religious or political in nature or that have a religious or political purpose;
5. seeks donations that are compatible with the school system's technology, as confirmed by the technology director;¹²
6. has a specific, pre-determined beginning and ending date;
7. does not disparage the school system or any of its buildings, programs, representatives, employees, or students;
8. does not include pictures or the identifying or confidential information of any school system student, unless specifically approved by the student's parent or guardian in writing and attached to the approval request form;
9. furthers the educational mission of the school and is not used for the unrelated personal gain of any individual;
10. does not result in donations being delivered directly to the requester;
11. is not contingent on the school system matching funds or making any expenditure;
12. does not request food or beverage items inconsistent with Smart Snack Standards,¹³

¹¹ This figure should be the same as the figures in subsection C.2.

¹² Modify the title "technology director" as appropriate.

¹³ The Smart Snack Standards found in 7 C.F.R. 210.11 apply only to foods and beverages "sold" to students during the school day. However, for all foods made available to students, school officials may want to consider the

Section C of Policy 6140, Student Wellness, or nutrition standards set by the school system or school; and

13. does not suggest or state that the donation sought is required for or integral to a student's special education program, a student's ability to achieve his or her IEP goals, or the participation of students with disabilities in any school program.

Any crowdfunding campaign that does not fully comply with the requirements of this policy is prohibited. It is the responsibility of the employee implementing an approved crowdfunding campaign to ensure that all applicable policies, regulations, and laws, including the requirements of the crowdfunding site, are followed.

The school system reserves the right to terminate any approved crowdfunding campaign or refuse any donation for any reason and at any time, including if it believes the donation was acquired in violation of board policy, regulation, or other law.

E. APPROVED CROWDFUNDING SITES

The superintendent or designee¹⁴ shall create a list of approved crowdfunding sites.¹⁵ All approved crowdfunding sites must (1) be operated by an entity with no known significant history of fraud, unlawful activity, financial mismanagement, or other misconduct and (2) have a policy requiring all donations on behalf of the school system to go directly to the school system. The superintendent or designee shall encourage the use of sites that are focused on K-12 education.

If no site meets these requirements or the superintendent or designee does not approve any sites, no crowdfunding requests will be approved.

F. PROCESSING AND ALLOCATING DONATIONS

All monetary donations will be made payable to and deposited in an individual school account¹⁶ where the employee is associated. If the monetary donation involves the electronic transfer of funds, the principal shall ensure that the transfer is made properly and in accordance with acceptable standards of practice. All in-kind donations must be inventoried in accordance with policy 8350, Fixed Assets Inventory, by the individual

importance of conveying a consistent message to students throughout the day to avoid undermining efforts to improve student nutrition practices and participation in the school nutrition program.

¹⁴ Alternately, this responsibility could be made nondelegable by omitting "or designee."

¹⁵ Alternately, the board could reserve the right to approve the list. For an overview of the features of crowdfunding sites in existence at the time this policy was created, see *Crowdfunding in K-12: Developing a Vision that Informs Policy*, EdSurge Research (2019), available at <https://www.edsurge.com/research/reports/crowdfunding-in-k-12-developing-a-vision-that-informs-policy>. For further guidance in selecting appropriate sites, see *Crowdfunding in K-12 Education*, National School Boards Association (April 2018), available at <https://www.nsba.org/newsroom/american-school-board-journal/asbj-april-2018/online-only-crowdfunding-k-12-education>.

¹⁶ Policy 8410, Individual School Accounts, authorizes the maintenance of appropriate individual school accounts.

school where the employee is associated. The school finance officer shall ensure that all donations are processed in a manner consistent with the School Budget and Fiscal Control Act and any other applicable law.¹⁷

All donations, regardless of their form, obtained through crowdfunding on behalf of the school system are school property. As a general matter, the employee who completed an approved crowdfunding campaign should be given preference in the use of the donations obtained. Employees shall only use donations from a crowdfunding campaign for the approved purpose stated in the campaign. The school system reserves the right to transfer donations to a different use at the board's discretion.

G. RECORDKEEPING

After donations obtained through an approved crowdfunding campaign have been utilized, the employee must file a written report with the principal detailing how the donations were used and how students benefited.

Legal References: 7 C.F.R. 210.11; G.S. 115C-36, -47; The School Budget and Fiscal Control Act, G.S. 115C, art. 31

Cross References: Technology in the Educational Program (policy 3220), Parent Organizations (policy 5010), Collections and Solicitations (policy 5220), Student Wellness (policy 6140), Ethics and the Purchasing Function (policy 6401/9100), Grants and Funding for Special Projects (policy 8210), Gifts and Bequests (policy 8220), Fixed Assets Inventory (policy 8350), Individual School Accounts (policy 8410)

Other Resources: *Crowdfunding in K-12: Developing a Vision that Informs Policy*, EdSurge Research (2019), available at <https://www.edsurge.com/research/reports/crowdfunding-in-k-12-developing-a-vision-that-informs-policy>; Dave Yost, *Special Report on Crowdfunding Classrooms*, Office of the Ohio Auditor of State (July 11, 2018), available at <https://www.ohioauditor.gov/publications/2018%20crowdfunding%20report%20FINAL.pdf>; *Crowdfunding in K-12 Education*, National School Boards Association (April 2018), available at <https://www.nsba.org/newsroom/american-school-board-journal/asbj-april-2018/online-only-crowdfunding-k-12-education>

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¹⁷ Under G.S. 115C-425(b), “no local administrative unit may expend any moneys, regardless of their source (including moneys derived from federal, State, or private sources), except in accordance with a budget resolution adopted pursuant to this Article.” G.S. 115C-425(c) exempts “funds of individual schools,” as defined in G.S. 115C-448, from this requirement.