

# Crowdfunding in public schools

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The Education Market Association reported last year that school teachers spent nearly \$500 of their own money on classroom supplies, and 1 in 10 teachers spent \$1,000 or more. That's why it is not surprising that many teachers seek alternative funds to supplement or enhance existing public resources in their classrooms.

One alternative gaining momentum the past few years is donation-based crowdfunding websites, like **GoFundMe.com** and **DonorsChoose.org**, where teachers place requests for materials and resources and donors give money to projects that interest them. Projects are searchable by topics, teachers, schools or location.

As of February, donors on **DonorsChoose.org** had contributed over \$516 million to fund more than 871,000 classroom projects, reaching more than 21 million students in public schools across the United States. There were more than 760 open Ohio schools' projects.

Considering these statistics, it's easy to understand why crowdfunding sites are becoming increasingly popular with teachers and other well-intentioned individuals seeking to raise funds for their schools. However, the practice can cause significant potential legal issues for schools and district employees.

To avoid these issues, districts should require teachers and other employees to obtain written approval from either their building administrator or the district superintendent prior to using a website to raise funds. Before approving any request, district administrators should ask the following questions:

## **Does the request violate any state or federal laws?**

Administrators should review each request carefully. The Family Educational Rights and Privacy Act, for example, prevents the disclosure of a student's personally identifiable information unless written parental permission is secured in advance. The Individuals with Disabilities Education Act provides additional privacy protections for students who are receiving special education and related services.

These laws prevent an employee from using student images, names or other descriptions that would cause students to be personally identified or allow conclusions to be made about a student's disabilities unless the students' parents specifically have consented to the district using the information on the crowdfunding website.

## **Does the request violate any district policy?**

Administrators also should review their district's policy language. Many districts have adopted solicitation policies that require prior approval from district administrators. For example, OSBA's sample policy on staff gifts and solicitations, Policy GBI, states that "no staff member is to collect any money or distribute any fundraising literature without the express approval of the superintendent."

Other policies require boards of education to review whether the teacher's crowdfunding request creates funding inequities or causes compatibility issues with the district's mission, vision or instructional priorities.

Depending on the requested items, additional district policies may be implicated. For example, one teacher's post requested more than \$1,750 for "food-based positive behavior incentives" and stated that the money

would be used to buy certain snacks, such as juice, lollipops, hot chocolate, cookies, chips and chocolate truffles. A subsequent review of the teacher's request revealed most of the items were specifically prohibited by the district's wellness policies.

## **Are there any other consequences to accepting the materials or items being solicited?**

Prior to approving any request, district administrators also should consider other potential consequences. For example, will the materials or items require storage, installation, ongoing maintenance or any other commitment of district resources? A centralized review also can provide a mechanism for coordinating the district's fundraising efforts to assure teachers or employees aren't competing against each other by attempting to raise funds at the same time or for the same items.

## **Who will own the funds or materials raised through crowdfunding?**

The district should ensure all funds or materials raised through crowdfunding are the school's property and remain with the school if the teacher terminates his or her employment with the district.

Several education-based crowdfunding sites, such as **DonorsChoose.org**, have safeguards in place to prevent the misuse of funds or misappropriation of materials. Schools should look for sites where the funds raised or items purchased go directly from the crowdfunding site to the school being served, not to the individual requesting them.

Ensuring that individual teachers do not receive the money or items directly also can avoid a potential ethical issue. Under the Ohio Ethics Law, public

employees are prohibited from using their public positions to secure a gift or other thing of value if it is of a substantial nature and provided by an improper source.

Public servants, like school teachers, also are prohibited from accepting any form of compensation from a source other than their public employers for performing their public duties. These

provisions could be violated if donations flowed directly to a district employee.

However, the Ohio Ethics Commission has said that provided the donation is for the benefit of a public agency, like a school district rather than any individual official or employee of the school, it is permissible for the district to accept the donation.

Crowdsourcing is a relatively new source of revenue streaming. School leaders should take reasonable measures to regulate any crowdfunding done in the school's name. If you have general questions, please contact OSBA's legal hotline at (855) OSBA-LAW. Specific legal questions should be directed to your district's board counsel.