

Crowdfunding Guidelines

DEFINITION

Crowdfunding is considered a fundraiser and describes the practice of funding a project or venture by raising many small donations of money from a large number of people, typically via the internet. It can be used to fundraise for a wide variety of projects initiated by faculty, staff, and administrators of the District. All crowdfunding in the District requires following fundraising and reporting requirements, and that the following conditions be met:

REQUIREMENTS

- Applicants must be employees of the District to raise funds in the school/District's name. Campaigns shall be in the name of the local school, not a District employee.
- Approvals: All projects must be approved in advance. School-wide projects shall be approved by the Board; other projects shall be approved by the Athletic Director (if for sports), School Bookkeeper, Principal, and Superintendent. To document these approvals, use Fundraiser and Crowdfunding Approval form F-SA-2A. Without prior approval, the school or District name may not be used on any crowdfunding site to solicit donations.
- When setting up a request on one of the cash donation sites, the school must receive donations by check, or if online fundraising, the PayPal account set up by the Board for this purpose. Prior approval to use the account must be given by the Superintendent and Finance Officer.
- Donations may be solicited for numerous purposes. If a student organization solicits the donations, the funds should be deposited into the school's activity fund. If the funds are solicited for general school purpose, the funds should be deposited into the school's district activity fund. Funds may not be solicited for the school's hospitality account.
- All non-monetary items including supplies and equipment obtained become the property of the District and all inventory and donation procedures apply. All proceeds must be used for the stated purpose.
- All website postings must comply with student privacy and other requirements set out in the Family Educational Rights and Privacy Act (FERPA). Accordingly, the posting of images on a crowdfunding page is limited to pictures of the classroom, the teacher and photos of students where the students are not identifiable (i.e. their hands, photos from behind the student, etc.) unless the employee has obtained written consent from the parents of all identifiable students.
- Crowdfunding fee/terms platforms vary. Please consider that when initiating the fundraiser online.
- Terms of Fundraisers: "All or Nothing" (AON) – if the amount requested is not reached, the project does not get funded. Be aware of and document options under the AON terms "Keep It All" (KIA) – school receives any funds raised even if the goal is not reached.

Crowdfunding Guidelines**REQUIREMENTS (CONTINUED)**

- The teacher/sponsor is responsible for preparing a written report at the end of the project term disclosing the amount of funding received, value of property received, number of donors, exact location of items received, date the webpage(s) were discontinued, and completing all fund-raising forms included in the Accounting Procedures for Kentucky School Activity Funds manual.
- All documentation regarding the project shall be retained in the school files.
- Refer to the KDE document, *Accounting Procedures for School Activity Funds*, which includes the forms and process required for approval of fund-raising projects.