



+ The Importance of
Crowdfunding

**SASBO-VASBO
Conference
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Alexandria, VA**



Discussion Objectives

What is Crowdfunding

How is it done?

Why should you be concerned?

What can be done?

Drafting a right fit policy?

Whatever else that comes up!!!



Show of Hands...who has a Crowdfunding Project Right Now?



Show of Hands...who has actually checked a crowdfunding platform to see if their district has any active projects?



What is Crowdfunding?

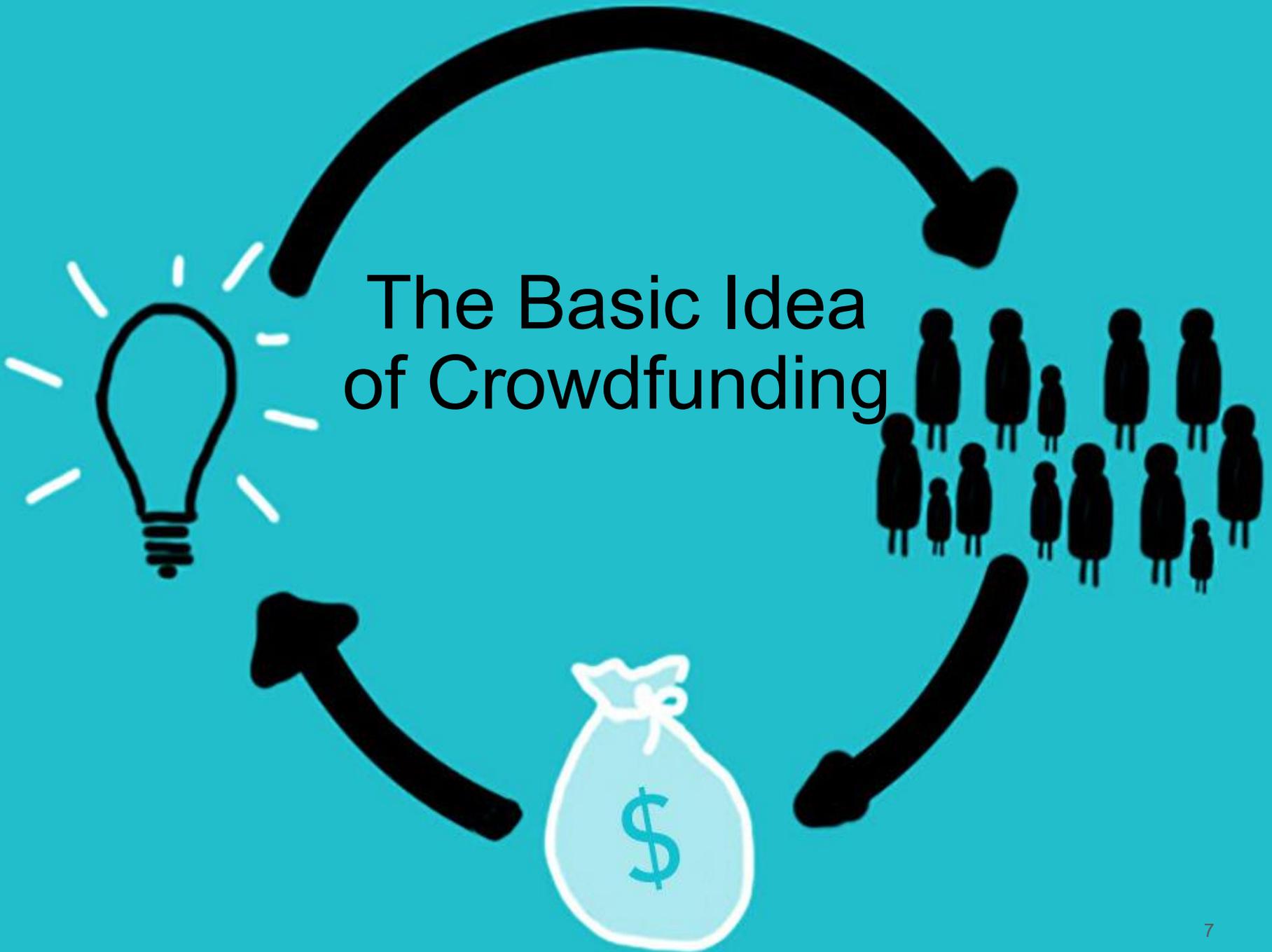
The practice of funding a project or venture by raising many small amounts of money from a large number of people, typically via the Internet.

Source: <https://www.merriam-webster.com/dictionary/crowdfunding> retrieved 2017-11-01

Who is the Crowd?

The crowd is an umbrella term for the people who contribute to crowdsourcing efforts.

The Basic Idea of Crowdfunding



What is a Funding Portal?

A funding portal is a website, also called a “platform,” that advertises the donation opportunities and facilitates the payment from the donor to the requestor.

Crowdfunding platforms advertise a variety of donation opportunities on one website, allowing the donor to select one or more projects in which to donate.

The Reality of Crowdfunding



More than

1400

crowdfunding
platforms in the
United States

The Reality of Crowdfunding

90% of all districts report that they have employees which have posted a funding request on a crowdfunding platform - Donor's Choose

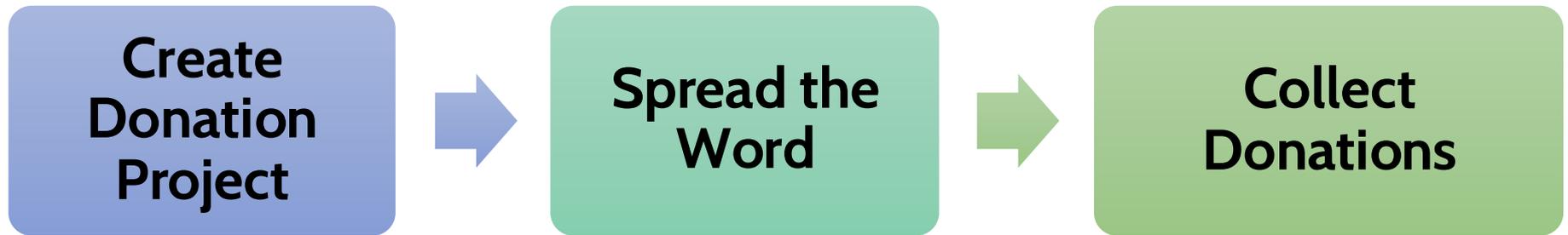
Common Platforms for Crowdfunding

**What sites are
our staff using
to post
Crowdfunding
projects?**

- **Donor's Choose**
- **GoFundMe**
- **AdoptAClassroom**
- **Snap!Raise**
- **Amazon Wishlist**
- **Givebutter**
- **ClassWish**
- **IncitED**
- **Facebook**

How Crowdfunding Works

The Process



How Crowdfunding Works

In creating a compelling story, we as administrators have to ensure that there are no derogatory statements about the district mentioned.

For Example: “ We are a poor community and most of our kids can’t afford school supplies.”

How Crowdfunding Works

Teacher Mary determines that she needs/wants to buy 4 Chromebooks for her class.



To get the funds for this purchase, Teacher Mary can turn to the Internet to seek online donations from the public to support her need/want, who contribute small amounts of money and expect nothing in return.



Teacher Mary can provide status updates about her purchase and even photos of the children using the Chromebooks (assuming their parents have signed a FERPA release). She may even communicate directly with large donors.

Why Does Crowdfunding Work

Small donations from many people can raise a lot of money.

By tapping into online social connections, teachers can reach a much broader audience in less time than traditional fundraising processes.



Why District Leaders Should be Cautious About Crowdfunding

**Fundraising
Policy Conflict**

**Property
considerations**

Use of funds

**Accounting &
compliance
considerations**

**Public
Perception**

**Proper
Administrative
Approval**

Tax issues

**Equality of
Distribution of
Funds**

Scams

A watercolor painting of a landscape. The top half is a light, textured wash of yellow and green. The bottom half shows a more detailed scene with green trees, a brown path, and a small building. The overall style is soft and painterly.

Most of us are playing
“catch up” to this ever-
changing “fundraising”
technique.

Bottom Line for District Leaders



PRO's

- **Allows Schools to go beyond the local community to Alumni, Grandparents, Aunts and Uncles, and Community leaders.**
- **It is easy for people to contribute from wherever they are typically using a credit card.**
- **Social Networks allow these projects to be “shared” leading to another list of potential donors, such as friends of the students and friends of the family members.**

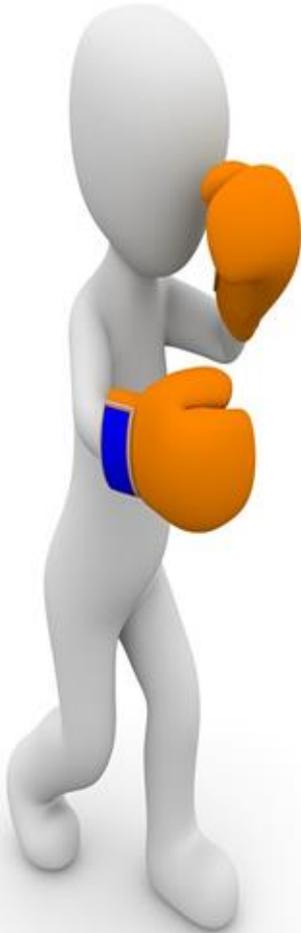
Bottom Line for District Leaders



CON's

- **The ease at which anyone in or out of your system can create a crowdfunding request.**
- **Administrators could have no control over inappropriate requests nor if donor expectations are met.**
- **Funds collected could have no internal control on whether they are misused, lost, or stolen.**
- **Equipment policies and procedures may not be followed if the district is unaware of the purchases.**

We Don't Want to...



Discourage staff who are trying to reinvent funding their classrooms or lunchrooms, whether with technology, textbooks, lunch balances, or supplies.

Irritate our IT staff by obtaining equipment that is not licensed, bar coded, tagged, have proper virus and firewall protection, and not within the district's IT plan.

Anger our School Administrators, who now has to have an employee in charge of periodically checking authorized sites to ensure that projects are presented fairly and properly.

Make our CFO, Finance Director, or Accounting Staff have a heart attack because funds are not properly accounted for or disbursed to student's accounts.

We Do Want to...

Avoid policy confusion and irritation.

Minimize internal control infractions by staff.

Create a supportive and responsive fundraising tone.

Develop and communicate a formal policy regarding Crowdfunding.



Still With Me???

Developing a Crowdfunding Policy

**Start
With
The
What,
Where,
How...**

- Learn **WHAT** is this new funding
- How does it work for your district?
- What sites can parents and staff use?
- How many of those sites have projects from your district listed on them, right now?
- How does each site work?

Developing a Crowdfunding Policy

Determine the How...

- You set the rules for what this will look like in your district.
- Decide what you will or will not allow, and how you will use funds (pay off school lunches, purchase equipment, etc, support athletics)
- Build your draft process based on the options that give you the most control, and offer the most flexibility.
- Ensure that the new process doesn't violate previous older policies in place.

Developing a Crowdfunding Policy

**Get the
“WHOs”
together to
Communicate
and Get
Feedback**

- **Business, Maintenance, Transportation, and IT Staff should meet with school administrators and staff to discuss the goals of each group. If you have parents using crowdfunding to pay off unch balances you may want to include them in your discussions.**
- **Establish and reaffirm existing policies on internal controls, property control, privacy, etc.**

Sample Crowdfunding Policy Basics

Any person wanting to start a crowdfunding project has to have prior approval from their administrator, technology director (if a technology item), and/or maintenance director (if it is an item concerning the maintenance of the building).



All monetary donations should be recorded by the school bookkeeper in the School Funds accounting system at each school.



A new fund will be created for each new project. After the project is complete any funds remaining will be held at the school in that fund for similar projects for that classroom/program/grade level.



Any shortage of funds due to price changes, shipping, etc. will be the employee's responsibility.

Making It Easy

Limit the platforms that you use.

In Cook County we allow GoFundMeEducation (there is a story that involves a board member!), Donor's Choose, and the newest headache Snap!Raise.

We encourage Donor's Choose due the fact that **no** money exchanges hand.

As with all platforms there are still learning curves.

WHAT'S NEXT

Let's take a look at Cook County's Request for Crowdfunding Form and our Policy, which is in a current revision.

Q & A



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