

## **Policy ~~6605~~ 823 – Crowdfunding Fundraisers**

**Revised policy effective upon passage**

*1<sup>st</sup> reading*      September 26, 2019

*2<sup>nd</sup> reading*

*3<sup>rd</sup> reading*

**Statutory authority**      West Virginia Board of Education Policy 1224.1

### **Administrative Guidelines**

- i.      Approval Process for and Operation of Fundraisers

For purposes of this policy, " fundraising" shall include solicitation and collection of money for any purpose, from any persons, including collection of money in exchange for tickets, papers, or any other goods or services.

The Board will permit fundraising in school, on school property, or at any school-sponsored event only when the profit therefrom is to be used for school purposes or for an activity connected with the schools. All fundraising activities shall receive approval from the Superintendent prior to the commencement activities. All fundraising activities must identify at least one responsible individual who is an employee of the Board to oversee operation of the activity and ensure compliance with this policy.

All proceeds from fundraisers conducted by a school are to be receipted and deposited intact into one of the school's depository accounts. Merchandise purchased for resale is to be purchased by checks issued for that purpose. The purchase invoices are to be retained as supporting documentation for the disbursements.

A profit and loss statement must be prepared and made available for public inspection for each fundraising activity conducted by a school that shows gross proceeds, cost of goods sold and net proceeds. All forms must be signed by both the preparer and the school principal.

In addition, certain fundraising activities are subject to the collection and remittance of consumers' sales tax.

Fundraising activities must be covered by liability insurance. The school board's Commercial General Liability Policy through the Board of Risk and Insurance Management (BRIM) generally includes elected or appointed officials, faculty members, employees, volunteers and student teachers acting within the scope of their duties, regardless of whether on school grounds. Volunteers must be acting on behalf of the school board and not a separate entity. Therefore, volunteers working for a school support organization with a separate FEIN number and/or IRS 501 (c)3 status may not be covered by the school board's policy but volunteers working for a school support organization that is not a separate legal entity and that runs all funds through the school are considered covered.

Use of the name, logo, or any assets of the Board, including, but not limited to facilities, technology, or communication networks, is prohibited without the specific permission of the Superintendent.

Responsible individuals for approved fundraisers shall not accept any form of compensation or gift from vendors that might influence their selection of a vendor that will provide a fund-raising activity or a product that will be sold as a fund-raiser. Furthermore, responsible individuals for approved fundraisers shall not accept any compensation or gifts from a vendor after a decision has been made regarding a fund-raising activity or a product that will be sold as a fund-raiser. In addition, responsible individuals for approved fundraisers who make the selection of a vendor that will provide a fundraising activity or a product that will be sold as a fundraiser shall not enter into a contractual arrangement

whereby the individual receives compensation in any form from the vendor that provides a fundraising activity or a product that will be sold as a fundraiser.

Such compensation includes, but is not limited to, cash, checks, stocks, or any other form of securities, and gifts such as televisions, microwave ovens, computers, discount certificates, travel vouchers, tickets, passes, and other such things of value. In the event that an advisor of an approved school organization receives such compensation, albeit unsolicited, from a vendor, the individual shall notify the Treasurer, in writing, that s/he received such compensation and shall thereafter properly transmit said compensation to the Treasurer at his/her earliest opportunity.

Additionally, no employee of the Board shall solicit a charitable gift from any person who is also a Board official or employee, and whose position is subordinate to the soliciting employee.

The Superintendent shall develop administrative guidelines that:

- A. specify the times and places in which funds may be collected;
- B. describe permitted methods of solicitation which do not place undue pressure on students and/or employees;
- C. limit the kind and amount of advertising for solicitation;
- D. comply with all provisions of West Virginia State Board of Education policy 1224.1.

### *Crowdfunding*

This policy also applies to the use of any form of crowdfunding utilizing an online service or website-based platform for the financial benefit or gain of the District Board – be it a specific classroom, grade level, department, school, or curricular or extracurricular activity. "Crowdfunding" refers to a campaign to collect typically small amounts of money from a large number of individuals to finance a project or fundraise for a specific cause. Through the use of personal networking, social media platforms, and other Internet based resources, funds are solicited or raised to support a specific campaign or project.

Crowdfunding activities aimed at raising funds for a specific classroom or school activity, including extracurricular activity, or to obtain supplemental resources (e.g., supplies or equipment) that are not required to provide a free appropriate public education to any students in the classroom may be permitted, but only with the specific approval of the Superintendent. All crowdfunding fundraising activities must adhere to the policies for fundraising established in ~~other Roane County Schools policies~~ this policy, as well as the fundraising standards set forth in West Virginia Board of Education Policy 1224.1 (Accounting Procedures Manual for Public Schools in West Virginia). The Superintendent may outline specific ~~procedures~~ guidelines for crowdfunding activities in ~~an~~ the abovementioned administrative ~~procedure~~ guidelines.