



Follow Best Practices in Fundraising for Your Classroom

By Sean DeVetter, PAGE Staff Attorney

In response to shrinking school budgets and the rising cost of classroom materials, teachers often serve as fundraisers for their classes. Following these guidelines will help educators avoid common fundraising improprieties.

Fundraising generally occurs in one of two forms: Educators arrange to sell a particular item (i.e.: candy, fruit, mugs, etc.) or attempt to raise funds online. Many schools have long-standing traditions of selling particular items anticipated by the local community.

When preparing to raise funds for your class, school or system, start by fully disclosing all information and plans to your administration. Most school systems have specific policies and procedures for fundraising, securing outside vendors and reporting and storing funds.

Before agreeing to sell materials:

- Know all obligations you will have to the vendor.
- Have a clear understanding of what the vendor will provide.
- Research potential vendors and speak with educators who have worked with these vendors.
- Make sure that all items are appropriate to sell by school children.
- Make sure students know the sales rules and deadlines.
- If the purchased items are being sent to the school and then distributed to the purchaser, make sure a plan exists to store the items in a secure

location and that a system exists to account for all items stored at school.

- Do not agree to a minimum purchase without your administrator's knowledge.
- Most importantly, do not sign contracts with outside vendors without administrative permission.

PAGE attorneys are frequently asked to determine who owns the property purchased with funds from a fundraising website.

KNOW EACH VENDOR'S RULES

There are a growing number of websites designed to help classrooms raise funds. When engaging such services, pay close attention to the rules and regulations. Many sites have unique differences that may lead to unintended consequences. Prior to fundraising, know what happens to the property purchased with money raised

online. PAGE attorneys are frequently asked to determine who owns the property purchased with funds from a website. Some fundraising websites allow educators to raise funds but keep a percentage of the funds. Before signing on, read the contract thoroughly and know what, if any, financial obligations you are accepting. And, once again, do not enter into contracts without administrative permission.

Once funds have been secured through the sale of items or online fundraising, follow your system's procedures for reporting and storing funds. Never place funds in a personal account; this may lead to a charge of comingling of funds and could result in an ethics violation. Keep a detailed and always-available account of all money raised. Funds must only be used for their originally intended purpose. Failure to properly handle funds could result in ethical violations and criminal charges.

By following these basic steps, educators may avoid most problems arising from fundraising for their classrooms. If you have any questions, please contact the PAGE legal department. ■

Keep a detailed and always-available account of all money raised, and never place funds in a personal account.