

State Auditor recommends development, implementation of crowd-funding policies

Auditor of State Dave Yost recently unveiled a report developed in response to requests for guidance on the use of crowd-funding by schools, administrators and teachers to raise additional funding for school initiatives.

“With an increase in donor-directed charitable donations, there’s no question more Ohioans will use these online giving tools in the future to invest in areas that are important to them,” Yost said. “Because children are our greatest resource, I expect we’ll see increasing requests for donations to education-related issues, and schools need policies to avoid any issues.”

The auditor’s office surveyed Ohio’s 600-plus school districts on the topic, which revealed that about 45 percent allow for the use of crowd-funding websites like GoFundMe and Kickstart.

Yost recommended development of policies to safeguard against potential violations of accounting standards and privacy rules. His specific recommendations include:

- ◆ A requirement for approval of drives by a designated administrator;
- ◆ Tasking administrators with ensuring that campaigns are compliant with state and federal laws;
- ◆ Selection of approved website to be used;
- ◆ Requiring that donations be sent to schools, rather than individual teachers;
- ◆ Mandating that funds be used only for the purposes specified in the solicitation; and,
- ◆ Subjecting all donations to normal financial oversight and auditing.

