School Fundraising in the Digital Age: Policy, Privacy, and Pitfalls

Fundraising is deeply rooted in school communities, serving as a vital means to supplement limited budgets. These efforts are often led by parent organizations, athletic boosters, student groups, or the school itself. Traditionally, fundraisers were dominated by product sales - cookie dough, candy bars, and kitchenware - often involving students soliciting support door-to-door or from family and friends. In recent years, however, the rise of online platforms has significantly transformed how schools fundraise. Fundraising campaigns now include crowdfunding, peer-to-peer giving, online product sales, and online sweepstakes and raffles. Solicitation has shifted from face-to-face to social media, personalized webpages, email and text messaging. This shift introduces new considerations related to student safety, data privacy, and regulatory compliance.

Legal and Compliance Considerations

As fundraising increasingly leverages digital tools and online engagement, school leaders must navigate a new set of risks and responsibilities. Digital campaigns often collect and share student images, names, grade levels, and performance metrics to personalize appeals. Some platforms encourage or enable the use of student text messaging or personal social media accounts for promotion, heightening the risk of disclosing sensitive information such as phone numbers or private profiles. These practices raise significant concerns about consent, exposure, and data sharing. In addition, the use of third-party vendors introduces complexities about data ownership, security practices, and compliance with federal and state regulations, including the Family Educational Rights and Privacy Act (FERPA), the Protection of Pupil Rights Act (PPRA), the Children's Online Privacy Protection Act (COPPA), and various state consumer protection regulations.

Fundraising initiatives must align with existing district policies, particularly those governing the use of student information in marketing or promotional contexts. School leaders should clearly determine whether any data shared falls under the definition of a student education record or directory information as defined by FERPA, and ensure that proper consent and opt-out mechanisms are in place. Even directory information - such as names, grade levels, or photos - used in digital campaigns may pose privacy concerns when aggregated or used for public appeals.

In addition, schools must comply with the Protection of Pupil Rights Amendment (PPRA, 20 U.S.C. §1232h), which requires that parents be notified and given the opportunity to opt out when student information is collected for certain purposes, including marketing. While PPRA does not prohibit the use of student data for school-related fundraising, it does restrict the collection, disclosure, or use of personal information from students for the purpose of commercial marketing or selling that information, or providing it to others for that purpose. Districts should carefully review platform agreements to ensure student data is not repurposed for commercial targeting or sold to third parties, and that appropriate privacy protections are in place.

Data security remains a critical concern. Schools should assess vendor practices around data collection, storage, and breach response. A 2024 data breach involving a student-focused fundraising

platform, exposed over 700,000 student records—including names, photos, and contact details—underscoring the importance of due diligence before approving any digital fundraising tool ([VPNMentor Report](#)).

Equity, Access, and Reputational Considerations

Beyond regulatory compliance, digital fundraising introduces challenges related to equity, access, and public perception. For example, crowdfunding campaigns that highlight individual student needs can inadvertently pressure families, create competition among students, or draw unwanted attention to a student's circumstances. Some campaigns may exaggerate school deficiencies or portray only negative conditions to attract donations, potentially harming the school's public image and stakeholder trust. Additionally, digital campaigns often rely on access to social media, mobile phones, or internet-connected devices, which may disadvantage students without consistent access to these tools, further widening participation gaps. Campaigns driven by incentives, such as prize-based competitions for top fundraisers, can also reinforce inequities by rewarding students based on personal networks or family resources. In light of these challenges, district leaders are increasingly called to evaluate platform terms, develop internal review protocols, and ensure fundraising practices align with data governance, equity, and communications policies.

Establishing Guardrails: Policy and Oversight Considerations

To responsibly manage evolving fundraising practices, school systems should establish clear policies that define permissible tools, set expectations for data handling, and outline approval procedures. When planning or evaluating digital fundraising efforts, district leaders can reference the *Fundraising Tool Implementation Checklist* to ensure alignment with privacy, equity, and compliance priorities. Districts are encouraged to:

- Implement a Fundraising Policy: Develop and adopt a comprehensive policy that outlines roles, approval processes, data use expectations, and safeguards to ensure compliance, transparency, and equity across all fundraising efforts. Refer to the *Fundraising Policy & Procedure Development Checklist* to guide this process and ensure consistency with district priorities and legal requirements.
- Require Administrative Review: Implement a review process for any fundraising initiative involving student data, likeness, or participation, regardless of who initiates the campaign.
- Vet Third-Party Platforms: Ensure all fundraising vendors meet district data privacy standards, including adherence to FERPA, PPRA and provide transparent terms of service. Determine if parental consent is required under COPPA.
- Clarify Consent Protocols: Develop procedures to obtain informed consent from parents or guardians when student information is used in promotional materials or shared online.
- Provide Staff and Volunteer Training: Educate stakeholders, including parent organizations and booster clubs, on legal obligations and ethical considerations related to digital fundraising.
- Document and Monitor Activity: Maintain centralized records of all fundraising campaigns, platforms used, and data shared, and periodically audit for compliance.

As fundraising tools and technologies continue to evolve, schools have an opportunity to harness innovation in ways that strengthen community engagement and expand support for students. However, this progress must be guided by thoughtful oversight, inclusive practices, and a commitment to safeguarding student well-being. By establishing clear expectations for fundraising activities and proactively addressing risks, district leaders can foster a culture of responsible innovation, one that empowers communities without compromising privacy, equity, or trust.

Fundraising Tool Implementation Checklist

Planning and Alignment
- ☐ Does the fundraising activity align with the district's mission, values, and equity goals?
- ☐ Has the purpose of the fundraiser been clearly defined and communicated?
- ☐ Are there established district policies governing fundraising, and does this effort comply with them?
- ☐ Has leadership approved the use of the digital tool(s) or third-party vendor?

Platform Evaluation
- ☐ Has the fundraising platform been vetted for data privacy and security practices?
- ☐ Does the platform comply with FERPA, PPRA and relevant state privacy laws?
- ☐ Do contracts confirm that the district retains ownership and control over student data, with limitations on vendor use?
- ☐ Are the platform's terms of service and privacy policy transparent and acceptable?
- ☐ Is there a process for assessing potential reputational risks associated with the platform?

Equity and Accessibility
- ☐ Will all students have equitable opportunities to participate regardless of access to devices, internet, or social media?
- ☐ Are there alternative ways for students or families without digital access to support or engage?
- ☐ Does the campaign avoid highlighting individual student needs in a way that may cause harm or embarrassment?

Student Data and Consent
- ☐ Is any student data (e.g., name, photo, grade, performance) being collected or shared?
- ☐ Have parents/guardians provided informed consent for any student-identifying information used?
- ☐ Is student participation voluntary, and are opt-out options clearly provided?

Oversight and Documentation
- ☐ Is there a designated staff member responsible for reviewing and approving fundraising campaigns?
- ☐ Are all fundraising efforts logged, including platform used, data shared, and campaign duration?
- ☐ Has the campaign been reviewed for compliance with procurement policies?
- ☐ Are digital records (e.g., campaign pages, communications, data shared) archived according to district records retention policies?

Communication and Transparency
- ☐ Have school leaders, staff, and parent groups been informed of expectations and safeguards?
- ☐ Are families clearly informed about their rights, including how to opt out of data use or participation, how student data will be used, and how to ask questions or raise concerns?
- ☐ Is the fundraising impact reported transparently to the school community?

Fundraising Policy & Procedure Development Checklist

Policy Foundations
- ☐ Define the purpose and scope of the policy (e.g., school-led, PTA, booster, or student-led fundraising).
- ☐ Align with district mission, equity goals, and strategic priorities.
- ☐ Ensure compliance with applicable federal and state regulations (e.g., FERPA, PPRA, state solicitation, student data privacy, and gambling/lottery laws).
- ☐ Include definitions of key terms (e.g., crowdfunding, third-party vendor, student data).

Roles and Responsibilities
- ☐ Identify who may initiate fundraising efforts (e.g., staff, students, parent organizations).
- ☐ Designate a central approval authority (e.g., principal, superintendent, or designee).
- ☐ Outline responsibilities for oversight, review, and recordkeeping.
- ☐ Define the role of technology departments and data privacy officers in vetting digital tools.

Review and Approval Process
- ☐ Establish a process for submitting and reviewing proposed fundraisers.
- ☐ Require review of third-party vendor terms, privacy policies, and security practices.
- ☐ Include risk assessment criteria (e.g., student exposure, reputational risk, data use).
- ☐ Provide guidance for identifying inappropriate or noncompliant fundraising activities.

Student Data and Privacy Safeguards
- ☐ Require informed parental consent before sharing student information unless only policy defined directory information is used.
- ☐ Prohibit the collection or sharing of sensitive student data without authorization.
- ☐ Define expectations for digital communications, including text messaging and social media use.
- ☐ Reference existing district data governance and technology acceptable use policies.

Equity and Inclusion
- ☐ Require equitable access and participation opportunities for all students.
- ☐ Prohibit incentive structures that disadvantage students based on access to technology or networks.
- ☐ Provide alternatives for students or families unable to participate in online campaigns.

Policy Maintenance and Training
- ☐ Set a schedule for regular policy review and updates.
- ☐ Provide training for staff, student groups, and parent organizations on policy requirements.
- ☐ Communicate the policy broadly through handbooks, websites, and meetings.