

**Definition and Background**

Crowdfunding: A distributed model of fundraising based on principles of micro financing through online platforms.

UC Davis researchers may have small projects in need of funding that will not attract the attention of or meet the criteria required by large funders such as foundations, corporations or governmental agencies. Many crowdfunding websites have been established in recent years which provide a means to raise money with a specific goal in a limited time frame.

Charitable gifts for the benefit of UC Davis are, by UC Policy, to be given directly to the campus (via The Regents) or the campus foundation, without an intervening entity or middleman. That said, crowdfunding sites offer an economical means for researcher to effectively market information about their innovative projects and to communicate them broadly via social media in a cost effective and streamlined manner that is currently not available to them within the University.

Crowdfunding sites charge fees to facilitate the receipt of monetary donations. Unless an institutionally sponsored crowdfunding platform is used, funds raised would be received directly by the requestor, creating personal income and related tax liability. Additionally, donors to these projects would not be properly acknowledged and their gifts stewarded on behalf of UC Davis via the Division of Development and Alumni Relations.

**Policy**

UC Davis will sponsor a pilot program using crowdfunding for one year. This is not a method to be used for standard UC Davis annualized giving, donor outreach, or other typical Development-related operations. **This is an option that is solely to be used for projects needing one-time funding.**

UC Davis faculty and staff researchers that wish to use crowdfunding as a means of soliciting private support for their projects that further the mission of UC Davis and support its Principles of Community are encouraged to use the university vendor(s) that have been retained for crowdfunding. This compliance will ensure the project is branded appropriately for UC Davis and that the donor's gifts are tax deductible under the UC Davis Foundation tax exempt status or the pass-through charity used by the vendor (FirstGiving). This will also assure that no tax liability accrues to the initiator as a result of receiving the funds personally. Determination of vendors, both the retained vendor and any requested alternatives, is made by Development and Alumni Relations - Advancement Services which is also the office of record for private support to UC Davis.
All funds collected will be properly receipted to the donor by the pass-through charity used by the vendor, and placed in a university account for use on the project. It is the expectation of UC Davis that all gifts received via crowdfunding will be acknowledged by the sponsoring researcher/fund administrator in writing outlining the expenditure of funds and report on the outcome of sponsored research activity.

**Authorized Crowdfunding Vendors and Fees**

The authorized crowdfunding vendor for UC Davis is **Indiegogo**. No other vendor may be used without the initiator incurring personal income tax liability from funds received. All funds solicited via the authorized crowdfunding vendor will be receipted by FirstGiving, deposited in the appropriate account, and subject to all policies and fees.

The established fee structure for all crowdfunding solicitations is 13% of funds secured if a campaign is successful in reaching its goal and 16.75% for initiatives that fall short of their stated campaign goal. The allocation of the fee structure is as follows:

<table>
<thead>
<tr>
<th></th>
<th>Goal Achieved</th>
<th>Goal Not Achieved</th>
</tr>
</thead>
<tbody>
<tr>
<td>UC Davis Standard Gift Fee</td>
<td>6%</td>
<td>6%</td>
</tr>
<tr>
<td>FirstGiving (Pass Through 501c3)</td>
<td>4%</td>
<td>4%</td>
</tr>
<tr>
<td>Indiegogo</td>
<td>3%</td>
<td>6.75%</td>
</tr>
</tbody>
</table>

**Procedure**

The sponsoring researcher/fund administrator will be identified as the project’s initiative champion and will be the owner and producer of the content that will be posted to the crowdfunding site. To set up a new crowdfunding solicitation, researchers may access the Indiegogo UCD partner page at: [giving.ucdavis.edu/crowdfunding](http://giving.ucdavis.edu/crowdfunding)

The partner page must be used to properly “brand” the campaign as UC Davis, determine a campaign monetary goal and ensure the funds raised are directed to the UC Davis Foundation and ensure that any “Perks” provided to donors are non-monetary in nature and have no value.

The site is fairly self-explanatory for setting up a new campaign. It is important to note that the successful use of crowdfunding is entirely based on the requestor’s network of contacts, and pushing the project out to that network. It is unlikely that funds will be raised if reliance is placed solely on the fact that the project is on the crowdfunding site. Information, videos, and photos regarding the project are critical to successful fundraising.

UC Davis University Development will coordinate with the Crowdfunding Steering Committee (consisting of staff from the Offices of Research, Strategic Communications, University Development and Development and Alumni Relations Advancement Services) for a review of the proposed project. Final
Development & Alumni Relations
Crowdfunding Pilot Policy

Approval for posting of all projects is provided after confirmation that the initiative is a one-time project that furthers the mission of UC Davis, supports its Principles of Community and is branded within policy guidelines for the university. All postings will be active for a period of 60 days. Development and Alumni Relations Gift Administration will be responsible for ensuring the funds are delivered from the vendor at the end of the solicitation timeframe and the funds are credited to the correct UC Davis Foundation fund for access by the researcher for the project.