

## **CROWDFUNDING PLATFORMS**

Below are examples of popular online “crowdfunding” platforms that individuals and organizations can use to raise money from individual donors. To get started, one needs to define a campaign within a specified time period, with a goal of raising a specific amount of money. Once the campaign is set up, artists and organizations promote the project to their networks to solicit donations. A service fee is charged for every dollar successfully raised through these online platforms. Typically, artists and organizations offer rewards and/or acknowledgement to donors as incentives to give.

The advantages of using crowdfunding include: a set funding goal to be raised in a set timeframe that can build motivation and momentum to give; viral outreach on social networks that can introduce a project to a wider network; and online donations that are simple to process.

There are many crowdfunding platforms on the Internet and each one is different. Dozens of new sites have been launched in recent years that tend to serve specific project disciplines and communities. The following are two sites that have proved useful for individual artists for a broad scope of creative projects. Be sure to read and understand the rules & parameters specific to any site before selecting it and getting started.

### **Kickstarter**

[www.kickstarter.com](http://www.kickstarter.com)

Kickstarter is a crowdfunding platform for creative projects. Two fees adding up to approximately 8% are charged for each dollar raised through Kickstarter. Artists and organizations set a fundraising goal amount and a deadline to reach the funding goal that is within 60 days of the start of the campaign. Funding for successful campaigns that meet their goal will be dispersed after the deadline. If the funding goal is not met, donors are not charged and no funds will be dispersed to the project. Donations are not tax deductible unless the project is started by a nonprofit tax-exempt organization or the artist works with a fiscal sponsor. Keep in mind that projects with a fiscal sponsor will have to pay an administrative fee to the sponsor in addition to the fees paid to Kickstarter. Also, Kickstarter has certain branding and editorial standards that artists may be asked to adhere to.

### **Indiegogo**

[www.indiegogo.com](http://www.indiegogo.com)

Indiegogo is a crowdfunding platform for creative projects and social causes. Indiegogo allows funding to be dispersed as soon as a donor pledges money, charging a fee of approximately 12% for each dollar raised. The funding deadline must be set within 120 days of the start of the campaign. There are two fee models that Indiegogo offers. 1. Flexible funding: If the campaign goal is reached before the deadline, Indiegogo will release 5% of the previously charged fees back to the artist or organization. With flexible funding, you don't have to reach your goal in order to receive money donated to you, but if you reach your goal, you keep more of it. 2. Fixed Funding: Indiegogo gives projects the “all-or-nothing” fee option similar to Kickstarter, charging a 7% fee if you reach your goal, but receive nothing if you do not. Additionally, Indiegogo allows non-US projects and donations. Donations are not tax-deductible unless the project is started by a nonprofit tax-exempt organization or the artist uses a fiscal sponsor. However, Indiegogo provides an integrated fiscal sponsorship service with Fractured Atlas and the San Francisco Film Society: projects that use these two fiscal sponsors will have 9% of Indiegogo's fee waived, and pay a 6-7% administrative fee to the fiscal sponsor.