

A. University of Arizona Crowdfunding

1. Crowdfunding is a potentially powerful method of engaging the public in University of Arizona (UA) research, education, and outreach projects. Crowdfunding may financially enable projects that have limited opportunity for funding by other mechanisms, and may help identify members of the public who could be further engaged with the UA in a particular project area. Crowdfunding campaigns and projects that follow these procedures can utilize the UA brand with its associated broad recognition and outstanding reputation, make use of UA resources such as listserves and web/social media, and have funds brought into the UA financial system. The purpose of these procedures is to describe the methods by which UA crowdfunding is performed, including creating a project plan, running a campaign, transferring funds to the project team, and project close-out. The guiding principle for these procedures is to facilitate maximum opportunities for crowdfunding while maintaining the integrity and high brand value of UA, and working within Federal and UA policies and procedures. This procedure does not cover equity-based crowdfunding through investors.

B. Definitions

1. “Crowdfunding” refers to the practice of funding a project by soliciting relatively small contributions of money from a large number of people, typically via the Internet.
2. “Campaign” refers to the process of obtaining funding through crowdfunding for any project.
3. “Project” refers to the endeavor undertaken with funds at least partially from crowdfunding; including, by way of example not limitation, research and scholarship, creative work (e.g. movies, plays, music etc.), outreach and “social good” ideas, entrepreneurial ideas, or travel.
4. “UA resources” refers to the use of UA’s branding, name or logo, UA intellectual property, UA information technology or computing resources (e.g. UA computers and Internet networks), UA research or laboratory resources, UA facilities, or UA email lists. This list is not exhaustive, and this definition is intended to be construed broadly to encompass any/all UA resources used in any crowdfunding campaign/project.
5. “UA platform” refers to the crowdfunding platform provided through The University of Arizona Foundation (UAF), based on the software ScaleFunder.
6. “Third-party platform” refers to any crowdfunding vendor, website or service provider (e.g. RocketHub) not owned, licensed or operated by UA.

C. Campaigns and Projects That Use UA Resources

1. Crowdfunding campaigns or programs that use UA resources, including UA branding, or that claim to be on behalf of UA, or affiliate themselves with the UA in any capacity, must follow the below procedures.

2. A Project Manager must be designated who is responsible for seeking the approvals set forth in these procedures, and for taking responsibility for the success of the campaign and project (including project plan, crowdfunding campaign, funder communications and fulfillment of obligations to funders, and project close-out). The Project Manager role is analogous to the Principal Investigator role in a sponsored project.
 - a. The Project Manager must have a UA affiliation.
 - b. Project Managers who do not meet the eligibility requirements for Principal Investigator (<http://rgw.arizona.edu/research-administration/getting-started/Principal-Investigator-Eligibility>) must identify an Advisor who does. The Advisor will share in the responsibilities of Project Manager.
3. The Project Manager must complete a Crowdfunding Project Plan.
 - a. The Project Plan must include:
 - i. Project description and goals, including a description in lay language.
 - ii. Team, including responsibilities of team members
 - iii. Overall funding sought, funding levels, benefits provided to funders
 - iv. Identification of target fundraising audience and plan for reaching them
 - v. Platform to be utilized
 - vi. Budget, including budget and justification for the project and budget and source of funds for the campaign. Include a brief budget back-up plan should fundraising not meet intended goals, or exceed goals
 - vii. Project milestones and timeline of the campaign/project
 - b. The Project Manager should be aware of best practices for crowdfunding and understand the time commitment and resources required to run a campaign. The Project Manager must commit to fulfilling the roles and responsibilities for leading a crowdfunding project outlined in the *University of Arizona Crowdfunding Project Manager Roles and Responsibilities* document.
4. The Project Plan must receive initial approval by the Project Manager's unit head. If the project or campaign requires significant resources or has significant impact on multiple units, approval should be received from those units as well. Project Plan approval is also required of the unit's Development Officer, if one exists.
5. The Project Plan will be reviewed by the most relevant member of the UA Crowdfunding Committee. It is expected that most plans will be reviewed by one of the following representatives, however plans may be referred to the full Committee if the member determines that the complexity of the plan requires full review:
 - Office of Research and Development (interdisciplinary research and scholarly projects)
 - Office of the Provost (projects generated by faculty, staff or graduate students primarily for the benefit of these groups, for outreach, travel, creative works/performance, professional development, disciplinary projects)
 - Student Affairs and Enrollment Management (projects generated by undergraduate

- students and/or primarily for the benefit of undergraduate students)
- Tech Launch Arizona (proof-of-concept, entrepreneurial start up projects)
- Athletics (projects primarily for the benefit of student-athletes)

The Crowdfunding Committee also includes representatives from University of Arizona Foundation, University Relations, as well as faculty and student representation. Other representatives may be asked to join on an *ad hoc* basis as needed. The Crowdfunding Committee representative or full committee will evaluate Project Plans based on the following criteria:

- a. Specific: The project is specific, has measurable results.
 - b. Meaningful & Relevant: Fits into the overall priorities of the University’s strategic plan and can easily be understood by a general population. The more inspirational the story, the higher potential for success.
 - c. Attainable: Projects seeking funds in the \$5,000-\$30,000 gift range are most likely to be fully funded. It is recommended that projects seeking funds should not solely rest on the success of a crowdfunding campaign. Back-up funding plans should be established and/or there should be a follow-up strategy if targeted fundraising goals are not met. The Project Plan must define a fundraising audience of sufficient size to raise the fundraising goal, and describe a reasonable plan with sufficient resources to reach that audience.
 - d. Time Bound: Have a definite start and end date. Campaigns generally last 30-45 days. Some may be longer or shorter based on appropriate design and goals. Projects should be of limited duration with a defined end date.
 - e. Strong Team Leadership: The success of a campaign will depend on the commitment and passion of the project team. Their ability to reach out to a large and energized list of contacts will ultimately determine campaign success.
 - f. Commitment of Project Manager: The Project Manager is crucial to the success of any project and ultimate responsibility falls upon the Project Manager.
6. In the event that approval is not given, the member or Committee will provide a rationale with specific deficiencies/concerns. Project Managers are encouraged to work with their team members, unit head and the UA Crowdfunding member or Committee to resolve these deficiencies/concerns. The UA Crowdfunding Committee may also be responsible for prioritizing and scheduling projects for “go live” on the UA platform should interest exceed capacity.
7. The Project Manager must assure that the specific requirements of the crowdfunding platform utilized are met. Both UA platform and third-party platform options are available:
- a. The UA platform (www.crowdfund.arizona.edu) is created through ScaleFunder, and is operated by the UAF.
 - i. The UA platform is the only means for bringing philanthropic gifts to UA (e.g. the only platform on which funder contributions will be tax deductible). Currently, no fees will be assessed by the UAF on individual gifts under \$5000 (a 6% University Development Fee applies to gifts over \$5000), and no fees are assessed by UA to make these funds available for the project.

- ii. While Project Managers are responsible for developing content and managing the campaign and project, UAF will provide counsel on message development, review campaign materials for adherence to gifts policy, assist with posting all materials on the UA platform site, and process and receipt all gift transactions through the site.
 - iii. Projects on the UA platform must abide by the Policies and Procedures regarding gifts to the University ([Financial Services Manual Section 8.12. Gifts](#)). An appropriate UAF fund number/account must be created prior to the start of the campaign.
 - iv. It is not required or necessary to include benefits to funders of projects. However, if benefits are offered, they must be limited to those without tangible value. Examples of acceptable benefits include thank you notes, photo album or DVD of the funded activity, and meet-and-greet with the team members and activity participants.
- b. Any third-party crowdfunding platform may be utilized under the following conditions:
- i. Funds raised on third-party platforms are not treated as tax-deductible gifts. This fact must be made clear to potential funders, and attention must be paid to the manner of transfer of funds from the crowdfunding platform to the University so that Program Managers do not incur any tax liability.
 - ii. Contract & Research Support (CRS) must approve the platform Terms of Use/End User License Agreement, and CRS must enter the UA into a contract agreement with the third party.
 - iii. A Designated Fund account designated for research, and a subaccount dedicated to the project, must be identified or created with Financial Services Office (FSO). Appropriate fees (9.0%) will be assessed by FSO for establishing and maintaining the account. This account will be the repository of funds deposited after the completion of the crowdfunding campaign.
 - iv. All fees charged by the third-party platform, and any gifts, perks or benefits associated with the project are wholly the responsibility of the Project Manager.
 - v. The Project Manager is responsible for assuring that the campaign site, including text, photos, and video, are accurate, consistent with the approved Project Plan, and uphold the high value of UA branding.
 - vi. Projects and funds for the projects must not have any external sponsor or funder restrictions.
8. The Project Manager must notify their unit head and University Relations at the time of crowdfunding campaign “go live.”
9. Within 30 days of the end of the campaign, the Project Manager must submit a report to the unit head and Crowdfunding Committee describing the results of the campaign, including funds raised, adjusted budget and adjusted project scope if funds raised were significantly different than funds sought, and assurance that obligations to funders have been satisfied (or schedule for completion if benefit is to be provided at a later date).

10. Final responsibility for completion of the project and fulfillment of remaining obligations to the funders is the responsibility of the Project Manager. Completion is expected in a timely fashion according to the timeline provided in the project plan. It is expected that the Project Manager will provide a final update on the outcomes of the project to all funders. A final report must be submitted to the unit head and Crowdfunding Committee describing the project outcomes and final use of funds. In addition, any “lessons learned” and comments on the platform utilized would be appreciated.

D. No Use of UA Resources

1. Projects and their campaigns that do not use any UA resources or utilize UA branding/affiliation do not require institutional approval. An example of a project that does not use UA resources would be an undergraduate student raising funds for a service project where there is no use of UA facilities or resources, no connection to UA is made or implied, and where the activity is separate from the student’s UA connections or obligations (e.g. the project is not part of a UA class).
2. All University of Arizona rules, policies, compliance regulations and state and federal law remain applicable to such projects/campaigns, including policies concerning outside consulting. UA’s policy for Consulting or Other Outside Employment is available at: <http://www.hr.arizona.edu/policy/appointed-personnel/2.06.06>. Funds obtained from these campaigns cannot be brought into UA, spent through UA mechanisms, or used to pay for UA expenses.