CROWDFUNDING WITH THE UNIVERSITY OF SURREY - Fuelling Great Ideas and Innovation

What is crowdfunding?

Crowdfunding is a digital platform that allows individuals and groups to ask for philanthropic support towards project and activities from a wide community of supporters within your own personal networks.

How does crowdfunding work?

Crowdfunding works through the power of social networks to solicit support though pledges that become donations once a project has reached the minimum required to go ahead. It’s an all or nothing approach so it’s important that if you decide to use crowdfunding that you commit to the project throughout its promotion and upon its completion once you’ve secured funding.

What projects are eligible to be ‘crowdfunded’ for?

The project or activity should be either ‘charitable’ in nature or seek to develop a commercial enterprise. It can be about anything – but it should be able to clearly demonstrate how it will improve the teaching and learning, research or student experience at the University or will benefit the communities around us. Projects can aim to demonstrate the skills and talents of Surrey’s community to a wider audience or to enhance the University’s impact and engagement locally. Projects that aim to generate financial profits for either the applicant or the funders are eligible but need to have engaged with the University’s student enterprise office as part of the process.

What projects are NOT eligible to be ‘crowdfunded’ for?

Projects that are political in nature or seeking to promote a specific religious or ideological viewpoint will not be eligible. Projects that seek to utilise University intellectual property or support a University spin out are not eligible at all. You cannot Crowdfund to ‘fund your life’. For example, raise funds to pay your tuition fees or rent, or to buy personal items or fund activities.

Who can use the crowdfunding platform?

Any student, member of staff or club/society associated with the University may use the online platform to encourage philanthropic support for a University related project or activity that requires additional funding, which cannot be sourced from the traditional means already available to that individual or group. You must still be a current student or member of staff when the project finishes. If a third year student involved with a society which wishes to make an application for a project that will be completed after their graduation, they must hand the responsibility of applying to someone else who will be here when the project is complete.

Considerations when setting up a project

Ensure you know the minimum amount of support needed and when the funds are required
for your project or activity to be successful.

**Fees:** funds raised are subject to Crowdfunder platform fees (currently 6%) and these, together with the cost of any rewards, should be allowed for when setting the minimum amount needed for your project to progress.

**Rewards:** To encourage support for projects, crowdfunding offers rewards that are provided to the projects backers once the project has reached its target financial goal. It’s important to consider what and how you are going to reward your supporters once you have reached your goal. Your rewards should relate to your project and carry intrinsic value to your supporters.

Reward ideas include personal thanks from the team, list the names of your supporters on a website or on a physical item related to the project, send them exclusive updates or invite them to events related to the project, send them a signed photo of your team or group involved in the project.

Rewards can be different for every project and the more unique and creative they are, the more you will encourage support for your project. However you cannot offer securities (financial instruments such as shares or bonds) in return for donations.

You must commit to deliver the rewards that are promised upon successful completion. Remember too you also need to ensure the funds you receive can cover the cost of the rewards!

**Gift Aid:** This is a tax relief available to UK registered charities, like the university and your project could benefit from an additional 20% on each donation. To qualify your project must be charitable and pledges must come from a UK taxpayer.

The amount of Gift Aid that can be reclaimed on a pledge also depends on the value of the reward being provided and you need to take care that the rewards offered do not exceed benefit limits set by HM Revenue & Customs. For example for donations up to £100 the reward or benefit cannot exceed 25% of the donation, so if you offer a ticket costing £15 for a pledge of £50 you could not claim Gift Aid as the benefit is 40% of the gift.

Gift Aid can be added to different pledge/reward levels and if the backer selects to add Gift Aid this will be reclaimed by the Alumni & Development team and added to the total sent to you on completion of the project. The Enterprise Team can assist with adding Gift Aid to your pledges if eligible.

**What is the process for getting a project live on the crowdfunding platform?**

Once you have thought about the objective of your project, target amount, time needed, community of supporters, promotion and possible rewards it’s time to fill out your application.

Agree that their submission will be moderated for content and suitably

Project creators are able to move ahead according to the check list. They will receive support from the Student Enterprise and the Crowdfunder team in the development of the material and rewards. However, they should attend one of the workshops on how to run a successful crowdfunding campaign.

Once it is determined that all the points within the checklist have been completed and it is considered that the online materials and rewards are sufficiently strong and the digital marketing strategy and plan are in place to ensure the campaign has a good chance of succeeding, Approval of the project does not automatically mean the project will immediately go live – it will be timed to be launched with maximum impact depending in the
number of projects on the site and other activities that maybe ongoing that can support the projects launch.

Once your project has been approved you’re ready to start crowdfunding!

Promoting a project live on the crowdfunding platform

Consider how you are going to promote the project. Crowdfunding is most effective when a project has been promoted correctly (photos, videos, etc.) and when the buzz of the project is constantly pushed out to your network of supporters.

Once the project is live your digital marketing strategy kicks in and you work your network online and off line to get people interested in your project and make a pledge of support. You will get updates and reports from the system of how much funding is pledged.

The project will be placed on The University of Surrey’s Crowdfunding platform but also on our partner Crowdfunder UK’s regional and national hubs. It will therefore receive exposure beyond your immediate network but it will be your promotion and story telling that will make the difference and attract the supporters!

What happens once the project reaches its completion date?

Once the project reaches its completion date and the minimum target then the project can go ahead and the gifts will be taken from the pledges. The project can begin at that point or wait until the end of the campaign timeline.

The scale of the project will change depending on the amount raised. For example if we have a project aiming to purchase 20 hockey sticks for the Hockey club. The club may decide to go set £200 as a minimum target. If they only raise £250 in total they will only purchase 10 hockey sticks not 20. If however they are really successful and raise £750 they may purchase 30. The project leader then needs to ensure the supporters receive their rewards and are kept up to date with the progress of the project (follow up and ongoing relations with the donors).

If the project fails to reach its minimum target then the project will not go ahead and no money will be taken from the supporters. The project lead should update the supporters and thank them and inform them the project will not be progressing.

Thanks and stewardship

The best crowdfunding projects are those that engage with their backers and keep them updated regularly. The project holder is responsible for thanking backers and keeping them informed of the project’s progress. Backers should be thanked as soon as they make a pledge.

You will also need to keep your backers informed of the project progress with regular updates. Backers may also ask you questions about your project. They may want more information on your rewards or to ask for more details about how you will carry out your project, or even for more information on you! Backers should be answered promptly. In cases where many backers ask the same question, you should answer with an update to your project so that anyone viewing it can see this information.

We know our best donors are our past donors. So care should be taken to nurture these relationships and ensure that they receive the rewards you pledged and are kept informed of the progress of the project – and given the chance in future to support again.

Funds transfer

After your completion date, if your project achieved its minimum target, the university will receive the funds via PayPal to transfer to you. We aim to deliver your funds to you within 10
working days of your completion date. How we deliver your funds depends on the nature of your project:

- If your project is run by or for a Student Union club or society, the funds will be transferred to your society’s account by USSU.
- If your project is related to a department or faculty of the University, funds will be internally transferred to your department. Your department will need to supply a project code - please ask your finance administrator for this.
- If your project is independent of the University, please refer to the Student Enterprise team to transfer the funds directly to you.

For further guidance or information please contact the Student Enterprise team on crowdfunding@surrey.ac.uk.