

## **Wheaton College Crowdfunding Policy and Procedures**

### Introduction

Crowdfunding is the practice of funding a project or campaign by soliciting relatively small donations of money from a large number of people, typically via the Internet. Crowdfunding sites provide a means to raise money for a specific goal in a limited time frame for a fee. Some sites, such as Kickstarter, follow the all or nothing model where if the campaign does not reach goal, the donations are returned. Others sites do not require you to meet goal to get your funds, such as IndieGoGo and ScaleFunder, Wheaton College's crowdfunding platform.

Unless the college sponsored crowdfunding platform is used, funds raised are received directly by the requestor, creating personal income and the related tax liability, and not providing the donors with the tax deductible benefit of a gift to a bona fide 501(c) (3) charity.

The following policy applies to crowdfunding campaigns or projects undertaken on behalf of or affiliated with Wheaton. It does not apply to crowdfunding activities that individuals might undertake on their own time for projects not associated with or directed by Wheaton College. Individuals operating crowdfunding campaigns in such capacity shall not use the college name, branding, trademark, and/or logo in a crowdfunding campaign.

### Policy

Wheaton College community members that wish to use crowdfunding as a means of soliciting support for their initiatives that further the mission of Wheaton should use the college's crowdfunding platform. Given the college's mission, first preference will be given to student-led initiatives. The process will ensure the project is branded appropriately for Wheaton College and that the donors' gifts are tax deductible. This will also ensure that no tax liability accrues to the host of the campaign as result of receiving the funds personally. Once donor names and addresses are received from ScaleFunder and recorded in Advancement Operations, a tax receipt will be provided to the donors of the campaign. Donor names and addresses should be supplied in a timely manner and no later than one month after the close of the campaign. A separate thank you note or email from the solicitor is encouraged as well.

Crowdfunding campaigns are generally short-term in nature and should not run for longer than four to six weeks. The goal set should be appropriate for the project and attainable within the time frame. It is also important to have a crowd in mind to target for the campaign. Having the campaign posted to Wheaton College's crowdfunding site does not guarantee that donors will contribute. The organizer of the crowdfunding campaign is responsible for creating his/her own marketing material and identifying a crowd to solicit. Marketing material may include a YouTube video, social media content, website narrative, and description of what different giving levels contribute to (i.e. a \$10 donation helps with X and a \$25 donation helps with Y). The organizer is also responsible for thanking donors and providing a post campaign update that may be shared with all donors on the impact of the campaign.

The spending of funds raised through a crowdfunding campaign is subject to all Wheaton College rules, policies, compliance regulations and state and federal law. If a project falls short of its funding goal, the funds raised will still be released to the project sponsor. In the event that a project cannot be undertaken

because of the shortfall the money raised will be retained by Wheaton College for use on a project with similar goals and objectives.

Wheaton College's name, branding and/or logo may not be used without prior written approval by the Communications Office.

Wheaton College email lists may not be used without prior approval by the Senior Assistant Director of Student Philanthropy or by a member of the Advancement Operations team. Requests for email addresses may be made to the Senior Assistant Director of Student Philanthropy and are subject to the Wheaton College Information Technology Security and Confidentiality policies. The use of email lists is solely for the use of the crowdfunding campaign and cannot be used for another purpose or provided to anyone else.

If the students involved in a crowdfunding campaign should leave the college the funds raised remain the property of Wheaton College. In time, should crowdfunding be utilized by faculty or staff the same policies and procedures would apply.

### Crowdfunding Vendor and Fee

The authorized crowdfunding vendor for Wheaton College is ScaleFunder. No other vendor may be used without the initiator incurring a tax liability for the funds received. All funds solicited through ScaleFunder will be receipted to the donor by Advancement Operations and credited to the appropriate fund in Banner (the college's accounting system).

The established fee structure for all crowdfunding campaigns is 8% of funds secured. The fee covers the credit cards fees and the use of the college crowdfunding software.

### Procedure

Any organizer of a proposed crowdfunding activity that would like to use the Wheaton College Platform must submit to the appropriate Approver as noted below a new crowdfunding project plan that includes all of the following information in advance of submitting an application:

1. description of activity and how it will benefit the college;
2. identification of individuals who will be organizing and/or managing the crowdfunding activity;
3. description of marketing and/or outreach strategy;
4. written approval by head of any college departments or advisors that may be involved in or impacted by the project;
5. time period campaign will run for;
6. funding level sought;
7. budget identifying the use of the funds (budget should include appropriate amount to cover the fees referenced above);
8. intended use of the funds if donations are accepted and campaign does not meet goal; and
9. stewardship of donors (to maintain/develop a positive Wheaton image).

Approver of crowdfunding campaigns are denoted below. The vice president for advancement has final authorization of all crowdfunding campaigns.

- SGA groups – associate director of student engagement.
  - Please submit through *engage@wheaton* using the campus fundraising approval form.
- Varsity athletic teams – director of athletics.
- Campus recreation – assistant director of campus recreation.
  - Please submit through *engage@wheaton* using the campus fundraising approval form.
- Other student groups – vice president for student affairs and dean of students
- Faculty – provost
- Staff or departments – divisional vice president
- Alumni – vice president of advancement

The organizer can expect a response within 10-14 days of submission. A campaign may be denied access to the Wheaton hosted crowdfunding platform for the reasons noted below:

- campaign is for the benefit of specific person(s) (i.e. scholarship for Mary Wheaton) rather than a charitable cause
- conflicts with current college priorities
- will require additional investment of college resources which have not been budgeted or approved
- the organizer is already committed to another campaign
- goal is not sufficient to adequately fund the project or goal amount is deemed too high
- similar to another crowdfunding campaign currently going on
- campaign is raising money for another non-profit
- there is another funding source available for the project (i.e. college budget, SGA funds, external grant)

Once the campaign is approved, the organizer will be contacted by the Senior Assistant Director of Student Philanthropy with further instruction on how to launch the campaign through ScaleFunder.

At the conclusion of the campaign the organizer is expected to provide an impact report to the Approver of the campaign, the Senior Assistant Director of Student Philanthropy, and the Vice President for Advancement.

### Policy Approval and Review

This policy was reviewed and updated by President's Council on July 12, 2018. As crowdfunding is new for Wheaton College, this policy is subject to regular review and update. Please ensure you refer to the latest policy on the website before planning a crowdfunding campaign.