

# University of Colorado Boulder: Campus-wide Crowdfunding Procedures

## A. CU Boulder Crowdfunding Platform

1. CU Boulder Crowdfunding is the campus-wide crowdfunding resource and platform service for campaigns or projects that use CU Boulder resources. Information about this crowdfunding platform can be found at <http://www.colorado.edu/crowdfunding>.

## B. Definitions

1. **Crowdfunding:** 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.
2. **Campaign or Project<sup>1</sup>:** any type of crowdfunding initiated by CU Boulder staff, faculty, students or administration; including, by way of example not limitation, crowdfunding research or scholarship, creative work (e.g. movies, plays, music etc.), non-profits or “social good” ideas, entrepreneurial ideas, or travel. This list is not exhaustive, and this definition should be construed broadly to encompass any/all crowdfunding campaigns initiated by CU Boulder staff, faculty, students or administration.
3. **CU Boulder Resources:** refers to the use of CU Boulder’s branding, name or logo, CU Boulder intellectual property, CU Boulder IT or computing resources (e.g. CU Boulder computers and Internet networks), CU Boulder research or laboratory resources, CU Boulder facilities/equipment, or CU Boulder e-mail lists. This list is not exhaustive, and this definition should be construed broadly to encompass any/all CU Boulder resources used in any crowdfunding campaign/project.
4. **CU Boulder e-mail lists:** any and all e-mail lists containing contact information of CU Boulder students, staff, faculty, administration, donors, and alumni.
5. **Appropriate approving official:** the highest-level official (or designee) in the CU Boulder unit sponsoring or most closely affiliated with the campaign/project. For example, if the project seeks to crowdfund an aspect of research being conducted in the physics department, then the appropriate approving official is the department chair or designee.
6. **Third-party crowdfunding:** any crowdfunding vendor, website or service provider (e.g. Kickstarter or Indiegogo) not owned, licensed, or operated by CU Boulder.

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<sup>1</sup> The terms “Campaign” and “Project” are used interchangeably.

C. Campaigns/Projects That Do Not Use CU Boulder Resources

1. Campaigns/projects that do not use any CU Boulder resources do not require institutional approval. All other University of Colorado rules, policies, compliance regulations and state and federal law remain applicable to such campaigns/projects, including limitations on and policies concerning outside consulting. CU Boulder’s policy for Additional Compensation Guidelines for Faculty is available at: <https://facultyaffairs.colorado.edu/faculty/policyresources/campus-policies/additional-compensation>.

D. Approval for Projects/Campaigns featured on the CU Boulder Crowdfunding Platform

1. **Determine Campaign/Project Leader:** Campaigns or projects that use the CU Boulder Crowdfunding Platform must designate a project manager/campaign leader responsible for seeking the approvals set forth in these procedures and the [Campus-Wide Crowdfunding Policy](#) (“Crowdfunding Policy”).
2. **Brand Approval:** Campaigns/projects that use CU Boulder’s name, branding, and/or logo require written approval by the appropriate approving official and the Vice Chancellor for Strategic Relations.
3. **Initial Campaign Approval:** Initial approval for a campaign/project must come from the appropriate approving official in the CU Boulder unit sponsoring or most closely affiliated with the campaign/project. For example, if the project seeks to crowdfund an aspect of research being conducted in the physics department, then the appropriate approving official is the department chair or designee. In addition, all campaigns/projects must also be approved by the appropriate administrator(s) or their designee(s) as follows:

Campaign/Project Type	Appropriate Approving Official	Caveats
<b>Research</b>	Vice Chancellor for Research or Designee	<ol style="list-style-type: none"> <li>1. Comply with all applicable laws, regulations and policies governing research (e.g. human and animal subjects, export controls, conflicts of interest, etc.);</li> <li>2. Include a budget that has been reviewed and approved by the Office of Contracts and Grants. This allows the costs associated with the work (such as the use of campus facilities) to be properly evaluated and charged;</li> <li>3. Be submitted to the Office of the Vice Chancellor for Research for approval.</li> </ol>

## Initial Campaign Approval Continued:

Campaign/Project Type	Appropriate Approving Official	Caveats
<b>Graduate Student Research</b>	Student Advisor Department Chair	<p>1. Must be approved by the student's advisor and the department chair. The advisor and the student are responsible for ensuring that the work proposed is in compliance with all campus policies and regulations as well as any laws, regulations, and policies governing research.</p> <p>2. Projects/campaigns that seek more than \$10,000 must also be reviewed and approved by the Dean of the Graduate School or designee.</p>
<b>Student Organizations/Clubs</b>	Vice Chancellor for Student Affairs Director, Center for Student Involvement	
<b>Athletics</b>	Athletic Director	
<b>Advancement</b>	Vice Chancellor for Advancement	
<b>Facilities</b>	Vice Chancellor for Infrastructure and Safety	
<b>Undergraduate and Graduate Students</b>	Dean of the College/School in which the project is located	



4. **Timing:** Although the Crowdfunding Program Coordinator will assist with the approval process, all project managers/campaign leaders are encouraged to seek approval as early as possible as it may take up to 30 days for CU approval decisions. All campaigns/projects must be approved in accordance with these procedures and the Crowdfunding Policy before they are published to, or go live on, the CU Boulder Crowdfunding Platform.
5. **Develop a Project Plan:** Campaigns/projects that use the CU Boulder Crowdfunding Platform must have a project plan associated with it.
  - a. The project plan must include a campaign/project description, funding level sought, a clear overview of the budget identifying the use of funds, a set of deliverables, the timeline, and responsibilities.
6. **Campaign/Project Donations:** All projects must provide clear information to potential donors as to whether the donors will receive a receipt for tax deduction purposes. For projects/campaigns that are approved to use CU Boulder resources, or CU Boulder's campus-wide crowdfunding platform, determining whether donations are tax deductible must be done in consultation with the Vice Chancellor for Advancement or designee and the University of Colorado Foundation. Determining whether donations are tax deductible is a responsibility of the project manager and not CU Boulder for any projects that do not use CU Boulder resources and are hosted on third-party platforms.
7. **Project Rewards and Perks:** Any gifts, perks, or benefits associated with projects launched or hosted on any third-party crowdfunding site (and not the CU Boulder Crowdfunding Platform) are wholly the responsibility of the campaign/project leader and not CU Boulder. Campaign/Project leaders are cautioned that providing gifts or benefits in exchange for donations may alter the tax-deductible status of a donation; campaign/project leaders should consult the University of Colorado Foundation with any questions regarding this issue.
8. **Appeals:** A project that does not receive approval as set forth in these procedures and the Crowdfunding Policy may appeal the decision to the CU Boulder Crowdfunding Advisory Committee. Required forms and procedures can be found at <http://www.colorado.edu/crowdfunding>.

#### E. Cost Requirements

1. Cover platform service fees as determined prior to initiation of campaign.
2. **Research:** All funds raised through crowdfunding campaigns to support research projects are required to cover the total cost of conducting that research (e.g. use of space, materials, equipment, etc.). This policy requires applying direct cost recovery charges as follows:
  - a. For projects attempting to raise between \$0 and up to \$10,000: \$250 or 15% – whichever is greater – must be remitted to the University to cover overhead charges.
  - b. For projects attempting to raise between \$10,000 and up to \$50,000: \$1500 or 10% – whichever is greater – must be remitted to the University to cover overhead charges.

- c. For projects attempting to raise more than \$50,000: either the university's federally-negotiated Facilities & Administrative rate applies or direct cost recovery charges apply as determined in consultation with the Vice Chancellor for Research or designee.
- d. Reductions of F&A rate. Any requests for a reduction in these costs for research projects shall be determined on a case-by-case basis by the Vice Chancellor for Research or designee.

## F. Receiving/Spending Funds Raised

### 1. Establishing a CUF Fund and Speedtype

- Once your fundraising deadline ends, any collected funds are sent to the University of Colorado Foundation (CUF) and put into a 'fund', which is typically a new fund created for the project. These funds are 'linked' to a University speedtype. Each fund and speedtype will be assigned to the particular department/unit that the project is driven from.
  - From an accounting perspective, gift funds are 'restricted' funds as the availability of the funds is largely driven by the donor 'restrictions' placed on the funds. These descriptions can be as broad as "for use by the History Department" or as specific as "for scholarships for students from Chicago, Illinois." For your funds, the description will likely be pulled almost directly from your project description.
- A CUF fund or speedtype is *not* a checking account you can withdraw money from. You must provide a valid business reason and receipts for spending these dollars.
- Donor funds or gift funds are those monies that are given to us without any type of exchange occurring, meaning you didn't sell something or provide a service to receive these funds. Our responsibility with gift funds is to spend them as the donor intended. For crowdfunding, the donors are giving money to help your project. They then expect that you spend the money for that purpose and that purpose only. Any donor has the right to ask how their funds are being spent.

### 2. Accessing funds raised:

- In a nutshell, you need to spend the money on your project. Look first and foremost at the budget you posted on the crowdfunding website. This is what you told the prospective donors you would spend the funds on. While adhering to the budget exactly may not be feasible, any large deviation should have an appropriate explanation.
- Any funds in a CUF fund/University speedtype are subject to all University procurement rules. Essentially, this means you cannot just receive a check. If we handed out a check directly to the project manager, it is much harder to track how those funds were spent. You must spend the funds in line with

donor intent, which will mean spending them on your project. If a donor were to ever come back and ask how the funds were spent, we need to be able to provide the appropriate documentation.

### 3. Guidelines for spending funds raised:

- University procurement rules can be complex. One of the first orders of business is to work with an appropriate person in your department who is familiar with these. The Crowdfunding Program Coordinator can help you to identify this person and determine:
  - If you will be able to have a Procurement Card? (Is this appropriate or allowable?)
  - Do you have access to CU Marketplace? (Is this appropriate or allowable?)
  - If no, does your department contact have these and will they be able to help you order items you need?
- If you will be personally reimbursed for items (probably the likeliest option), you need to remember that just like any business expense, you need to document it and provide a business justification for it. Some questions to ask yourself:
  - Is this for official project business?
  - Is this adhering to my project budget?
  - If a donor asked me how I spent my money, would I be comfortable telling them about this purchase?
  - You will likely be reimbursed for items in a lump sum, not an individual basis. If this is untenable from a personal financial perspective, work with your departmental contact to see if they can use their Procurement Card (Pcard) or Marketplace so spending occurs directly out of the speedtype.
- Remember that paying someone for work is not always an easy process. Are they, or yourself, already an employee and can be paid through their existing payroll? Is it a non-employee who would need to be set up as an independent contractor? Again, we need a business justification for paying someone. We can't just say we want to give Joe Smith \$500. We need to state what he did for the project.
  - When charging salary to an employee a fund 34 speedtype, you will also be charged for fringe benefits. For example, if you pay a student faculty member \$1000, you will also have to pay \$132 in fringe benefits. (The fringe benefit rate varies by job class.)
- Certain purchases can draw more scrutiny and have different documentation requirements. You'll want to be aware of:
  - Purchasing food-there must be a business reason for this. You don't want to purchase food for a group of people every day "just because". And no alcohol!

- Giving gifts such as flowers, fruit baskets, or cards. These typically require approval of officers in the department (Chair, Dean, etc.).
- Parking-if you need parking during an allowable trip, this is okay. If it is just to park at work, then no.
- This list is not inclusive and there are many more examples of items we consider “sensitive expenses”. You can find the full document [here](#). This list is meant to show that some items that many would think are acceptable purchases are not necessarily allowable. Make sure you touch base with your departmental contact if you are unsure about any purchase.