Overview of Crowdfunding and Online Fundraising Tools

This document has been prepared as a follow up to IPOPI's session on Fundraising held during the IPOPI 2014 Biennial Meeting in Prague and in response to an increased interest from IPOPI's NMOs on the topic. It aims to provide some basic information, guidance and examples on crowdfunding and online fundraising tools.

Contents

I. Traditional funding/Crowdfunding

Traditional fundraising efforts involve asking people who are already aware of and feel strongly about your organisation's mission and activities. These efforts are usually directed at providing unrestricted general operating funding for your organisation.

Crowdfunding is often used to fund specific projects. As it is easier to communicate the impact of a successfully funded specific project on your community, many crowdfunded projects are able to inspire people who are not normally associated with your organisation to support that need or project.

When considering using this type of online fundraising tools it is strongly recommended to first compare a few of these websites, check some of the campaigns in each and carefully read the fine print, as some websites will charge a fee!

II. Online crowdfunding

With a web search, you can find many websites offering the possibility to carry out crowdfunding campaigns to fund some of your activities. Websites such as Indiegogo, Razoo, GoGetFunding and UK based Justgiving.com are good examples to look at. Remember to also check in your country as you may also find one which fits your national needs. For example, in France, Germany and Netherlands it may be also worth checking Alvarum.

Plan, get started, follow up, reward

Plan - Like with any other project it is key to clearly design the campaign for which you will be registering for funding, set start/end dates and be realistic about the funds you would like to get. The success of the campaign relies on your ability to engage people, it is important that from the start you choose carefully which project you assign to online fundraising.

Thinking out of the box is key to successfully carry out a good campaign. Branding a specific project in a compelling/catchy way and rewarding your donors can really make the difference.
For inspiration we leave you two different campaigns, one from the Jeans for Genes Day and another one from a Unicef's vaccination campaign.

Get started/follow up - Once the campaign is online it is time for promotion: start with your usual mailing list and social media pages, include family, friends, work colleagues, neighbours, etc. Carefully but simply and briefly explain the campaign and invite them to donate and also to share it with their own connections. Sending and posting regular updates on the campaign is very important to reach people and to keep your actions on top of your community's mind.

Calls to Action: don't be shy and urge people to act using strong verbs and short messages such as 'Donate today', 'Share with your friends', 'Join our campaign'.

Reward - Recognising your donors can be helpful not only for the purpose of a given campaign but also to start a relationship and making one time donors into multiple-time-donors (donor retention). A simple 'Thank you!' email is recognition for their help, a small token like a badge or a pin from your group or even vouchers or small gifts you may be able to arrange in partnership with a local store.

III.   Donate while you buy

While crowdfunding is more tailored for specific projects, tools like 'donate while you buy' can be put to use for longer periods of time. These tools don't imply a monetary donation from the user but a compromise to use a specific tool that will generate small funds to the charity of the user's choice.

Donate as you buy - Amazon with Amazon.Smile is simple to use and a good example for 'donate as you buy'. Amazon allows charity organisations to register while giving their clients the possibility to choose the charity of their choice. Each time a purchase is made through Smile.amazon.com search instead of the main Amazon.com a (small) percentage contribution is given to the costumer's charity of choice. Remember to check if major companies in your country provide similar options to their customers.

The use of this online platform can also be interesting in building your NMO profile and connections, the same way that Facebook and Twitter can do. It is however important that it is seen as complementary to other activities and duly incorporated in your year plan.

IV.   Fine print

If you decide to register please remember to careful study what is being offered and what you can expect in terms of revenue. Once you've registered, promote it as much as possible initially and remind/thank people regularly.

V.   Website donations

You can also consider setting up a donations page on your website. This is especially beneficial as your organisation will retain the full amount given by your donors as well as their contact details, useful for further contacts. Some crowdfunding platforms will retain a significant part of the money raised and not all of them share your donors' contact details.

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However, setting up online giving pages is more costly as security measures must be undertaken and renewed every year to ensure payment safety. We advise you to consult locally with website developers about this.

VI. Tax deductions

It is always good to mention that in many countries tax authorities allow benefactors to deduct a percentage of the donated amount in their taxes which could be worth reminding your community about in your next mail out or newsletter.