



ADMINISTRATIVE POLICY STATEMENT

Policy Title: Crowdfunding

APS Number: 4060

APS Functional Area: Fiscal

Brief Description: Sets forth requirements for approving, conducting, and reporting on crowdfunding activities associated with the University.

Desired Effective Date: July 1, 2014

Approved by: President Bruce D. Benson

Responsible University Officer: Vice President and Chief Financial Officer

Responsible Office: Office of Vice President and Chief Financial Officer

Policy Contact: Office of Vice President and Chief Financial Officer

Supersedes: N/A

Last Reviewed/Updated: July 1, 2014

Applies to: University-wide

Reason for Policy: This policy sets forth requirements for reviewing, approving, conducting, and reporting crowdfunding activities associated with the University in order to address financial/legal implications and assure compliance with University, State, and federal requirements.

I. INTRODUCTION

This policy sets forth requirements related to crowdfunding activities associated with an official University of Colorado program (e.g., a research project, a theatrical production, etc.), whether through a University platform or through third-party crowdfunding. The policy applies to all employees, affiliate staff, students, and other individuals involved in these activities. This policy does not apply to crowdfunding activities that employees, affiliate staff, or students might undertake on their own time for projects not associated with or directed by the University of Colorado, so long as such projects do not use pre-existing university-owned intellectual property and are not related to discoveries in which the university has an interest (per the APS Intellectual Property Policy on Discoveries and Patents for Their Protection and Commercialization).

II. POLICY STATEMENT

A. General Compliance

The use of crowdfunding to raise funds associated with University activities is subject to all University of Colorado rules, policies, and compliance obligations, and to state and federal law. Any crowdfunding initiative must comply with the applicable campus policy adopted pursuant to this APS.

B. Campus Policy and Approval Process

1. Each campus shall adopt a policy to govern crowdfunding.¹ Such campus policy shall:
 - a. designate a campus administrator(s) who is responsible for reviewing and approving crowdfunding initiatives on that campus;
 - b. require organizers to provide to the designated campus administrator(s) sufficient information to review the proposed crowdfunding campaign, as provided in Section II.B.2;
 - c. require organizers to submit to the designated campus administrator(s) a final outcome report and to make this report available to donors;
 - d. address financial controls – including provisions for the handling of shortfalls and surpluses – for funds raised through a crowdfunding campaign; and
 - e. include provisions that comply with section II.C below.
2. Any organizer of a proposed crowdfunding activity must submit to the designated campus administrator(s) a project plan that includes all of the following information:
 - a. description of activity;
 - b. identification of personnel and students who will be involved in the crowdfunding activity;
 - c. funding level sought;
 - d. description of how donations, credit card information, and donor information will be recorded, controlled, and safeguarded;
 - e. budget identifying use of funds and University SpeedType from which collected donations will be spent;
 - f. manner/schedule by which the University will be reimbursed if any of its resources will be used;
 - g. description of purpose to which funds will be directed in the event that the stated funding goal is not met (and, if refunds will be possible, refund policy statement); and
 - h. identification of any gifts, perks, or benefits that may be offered to donors
3. Each campus shall submit its campus policy to the Office of Policy and Efficiency not later than September 1, 2014. The Office of Policy and Efficiency, with advice from the Office of University Counsel, shall review each campus policy to ensure that it complies with the requirements of this APS. Thereafter, campus policies shall be reviewed for compliance with the APS in conjunction with periodic review of this APS.

C. Prohibited Promises to Donors

1. Organizers may only operate crowdfunding campaigns to receive contributions given without the expectation of receiving anything greater than nominal value (e.g., a coffee mug or T-shirt) in return. Therefore, organizers must comply with the following restrictions:
 - a. Organizers may not provide tax advice to donors regarding deductibility of the donation.
 - b. Organizers may not issue securities to donors, nor may organizers operate or market a crowdfunding campaign as an investment vehicle.
 - c. Organizers may not grant rights in University intellectual property to donors.
 - d. Organizers may not offer any gifts or benefits not identified in the project plan.
2. Any website for a University crowdfunding activity must clearly provide disclaimers substantially similar to the following: “The University of Colorado and the University of Colorado Foundation are registered 501(c)(3) charitable organizations; donors should consult with their own tax advisors to determine whether any particular gift is tax deductible.”

¹ Should a system organizational unit wish to pursue a university crowdfunding activity, it must adopt a process for approval of crowdfunding initiatives that substantially complies with the requirements of Section II.B of this APS.

The University will not issue securities to donors; will not grant any right in intellectual property to donors; and will not provide donors with anything in return for the contribution other than a token gift of nominal value.”

D. University Trademarks

1. University logos and trademarks may only be used in connection with crowdfunding campaigns that have received approval pursuant to Section II.B, and such use must comply with all campus and system branding and trademark policies.
2. Students or employees operating crowdfunding campaigns in their individual capacity may not use University trademarks in a crowdfunding campaign, as such use would likely confuse donors or investors about the intended recipient of their contribution.

III. DEFINITIONS

- A. *Italicized terms* used in this Administrative Policy Statement are defined in the Administrative Policy Statement [Glossary](#) or, if specific to this policy, are defined below:
1. **Crowdfunding** - Seeking to fund a discrete activity or project through the solicitation of donations of money (typically small) from large numbers of individuals, typically carried out in an online environment. Crowdfunding activities include, but are not limited to, funding for the following endeavors: research/scholarship, creative work (movies, plays, music, etc.), non-profit/social good ideas, entrepreneurial ideas, and travel.
 2. **Organizer** - An employee, affiliate, or student who proposes and executes a crowdfunding campaign pursuant to this APS and campus policy.
 3. **Third-party crowdfunding** - Any crowdfunding vendor, service provider, website, or portal that is not owned, licensed, or operated by the University.

IV. RELATED POLICIES, PROCEDURES, FORMS, GUIDELINES, AND OTHER RESOURCES

- A. Related Administrative Policy Statements
1. [1013-Intellectual Property Policy on Discoveries and Patents for Their Protection and Commercialization](#)
 2. [4056-Acceptance of Payment Card Cost and Risk](#)
 3. [6002-Electronic Communications](#)
 4. [5012-Conflicts of Interest and Commitment](#)
- B. Information Security Policies, Procedures, and Guidelines
1. <https://www.cu.edu/security/policies>
- C. Other Related Procedures
1. [Cash Control](#)
 2. [Gift Revenues](#)
- D. Regent Policies
1. Outside Consulting and Service on External Boards: www.cu.edu/regents/Policies/Policy3C.htm.
- E. Campus Policies
1. [Boulder Campus – Campus-wide Crowdfunding/Crowdsourcing Policy](#)
 2. [UCCS – Campus-wide Crowdfunding/Crowdsourcing Policy](#)
 3. [CU Denver - Crowdfunding](#)
- F. Forms and Other Resources (i.e., Training, Contact Information)
1. Educational Resources including guides, Accounting Handbook information, training notifications, and newsletters are announced and available on the Office of University Controller web site.

2. Campus-specific procedures, forms, and crowdfunding platforms are available on the respective campus crowdfunding sites.
 - [Boulder Crowdfunding Platform](#)
 - [Boulder Procedures](#)

V. HISTORY

New as of July 1, 2014

VI. KEY WORDS

Crowdfunding, crowdsourcing, brand, donation, intellectual property, student organization

RESCISSON RECOMMENDED