Woods Hole Oceanographic Institution
ProjectWHOI
Crowdfunding Policy

May 2015

ProjectWHOI Policy and Procedure ("How it Works")

Responsible Office: Development Office   Approved Date: 04/14/15

Responsible Official: Executive Vice President and Director of Research and the Director of Annual Giving

Date: 04/01/15

Managing Office: Development Office   Revision Date: xx/xx/xx

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Introduction

In recent years, scientists have faced growing competition for a decreasing amount of government research funds. In the 1960s, the U.S. government supported roughly two-thirds of the country's scientific research. Today, that number is closer to about one-third. As a result, scientists have been forced to turn to other sources for funding, particularly for small projects and/or seed projects in need of funding that cannot attract the attention of, or meet the criteria required by, other funders, such as government grants, foundations, corporations, or individuals of high net worth. Scientists have recently been successful soliciting donations for their research through crowdfunding.

Crowdfunding, in general, is the practice of funding a campaign by soliciting relatively small donations of money from a large number of people. It provides a means to raise money for a specific goal in a limited amount of time (typically between thirty to sixty days) on a crowdfunding platform.

A crowdfunding platform (website) allows people with a great idea or worthy cause to bypass traditional funding methods and take their case directly to investors and donors via the Internet. These platforms make giving more immediate, direct, and personal for donors who increasingly want to see the tangible impact of their contributions.

Policy Statement

This policy applies to all crowdfunding campaigns or projects undertaken by any individual/s associated with WHOI who is/are planning to launch a crowdfunding project for any WHOI-related endeavor. The policy is designed to assist all WHOI personnel who participate directly in crowdfunding activities.

ProjectWHOI is the approved crowdfunding platform for use by employees and students of the Institution. The goal of ProjectWHOI is to offer an economical way for researchers to seek funding from the general public for their research interests. ProjectWHOI is a non-equity, donation-based crowdfunding platform, meaning that contributions made to a ProjectWHOI campaign are gifts. To avoid potential tax ramifications (for the donor and WHOI), ProjectWHOI will not allow money, property, equity, patents, gifts, or any type of rewards to be given in return for donations received.

WHOI will launch the beta version of its crowdfunding platform, ProjectWHOI, in the beginning of the second quarter 2015. It will remain in the beta testing phase until 12/31/15, allowing users to provide input and suggestions. A maximum of **5** projects per quarter will be accepted on a first come, first served basis during the beta testing phase to allow administrators to assess administrative impact. ProjectWHOI will transition to the vetted version by January 1, 2016.

Researchers who wish to use crowdfunding as a means of supporting their Institution-related projects are strongly encouraged to use ProjectWHOI in lieu of other crowdfunding platforms. This will ensure that the campaign is properly branded as WHOI-supported, and that all donations are tax deductible per WHOI's 501(c)3 tax-exempt status. This will further ensure that researchers are free from any tax liability incurred by receiving funds personally.

Any person, group, or entity affiliated with WHOI who wishes to conduct a crowdfunding campaign, in the name of WHOI and in furtherance of its mission, shall begin the process by submitting an application to the Executive Vice President and Director of Research. It is the responsibility of the campaign leader (also called the crowdfunding project manager) to ensure that all requirements have been met prior to submitting an application.

All ProjectWHOI campaigns will either run for 30 or 60 days, and with a minimum fundraising goal of $1,000 and a maximum goal of $10,000. The entire campaign (30 or 60 days) must begin and end within one quarter.

Approved projects will be scheduled to launch at the beginning of the next quarter if there are not enough days left in the current quarter to run the entire campaign. For example, if it's March 15 and a WHOI employee/student wants to start a 30-day campaign, s/he may not begin crowdfunding until April 1 (the beginning of the new quarter) because there are only 16 days left in the current quarter.

ProjectWHOI participants shall not participate in more than one crowdfunding campaign at the same time; only one ProjectWHOI campaign is allowed per individual, per quarter. Successful crowdfunding campaigns require a considerable amount of time and energy from all participants. Attempting to embark on two crowdfunding campaigns at the same time, therefore, suggests that participants are not fully committed to the success of their campaign.

Project managers will be allowed to recruit additional volunteer fundraisers and have them link individual fundraiser pages to the project. These individual pages may be active for the entire project or for a period shorter than the 30/60 day requirement for the project manager. Project managers are also responsible for monitoring their volunteer fundraisers' (also called team members) pages. All other Institution and ProjectWHOI policies apply to team members.

The Executive Vice President and Director of Research is responsible for approving all project managers' campaigns on ProjectWHOI. S/he may decline any crowdfunding project application

that does not follow WHOI crowdfunding guidelines or further the mission or goals of the Institution.

If the Executive Vice President and Director of Research approves an application, the Development Office will then make limited resources available (and provide quarterly training sessions) to assist the crowdfunding project manager in executing a successful campaign.

Any crowdfunding campaign that would create an undue administrative burden or risk, or that would require additional Institutional expenses, may be declined. Funds cannot be used for cost share. If a WHOI employee/student utilizes ProjectWHOI funds for salary support, the cost must be calculated at the fully loaded salary (i.e., including salary, benefits/fringe, indirect, G&A and lab costs).

In the event that there is a conflict of interest regarding the selection process, the Executive Vice President and Director of Research shall consult with other individuals as necessary.

The Development Office is responsible for monitoring crowdfunding campaigns on ProjectWHOI. The Director of Annual Giving is the crowdfunding manager and primary point of contact.

It is the project manager's responsibility to complete his/her project objectives as indicated in their campaign. Project managers are encouraged to communicate with their donors when the campaign objective has been achieved. Development will provide a report with donor emails once the campaign concludes.

If a problem arises and a project manager has difficulty fulfilling project objectives as stated in the campaign, s/he is expected to email all supporters explaining the situation. If a project does not meet its objective, the project manager is responsible for communicating the situation to all supporters. Donors to projects with unrealized objectives will not be issued refunds as donations are tax deductible transactions. (Note: The project page has a footnote clause that indicates that:

- Project managers who do not reach their crowdfunding goal within the time allotted by their campaign will still receive the funds raised, but will be required to devote the funds to a similar purpose within their WHOI lab or department.
- Funds not used within one year of the campaign end date will be transferred to an Institution general operating account and the project manager's crowdfunding account will be closed (see "Internal accounting" below).

The Development Office will not develop projects or investigate whether a project manager achieves campaign objectives as advertised.

In the interest of fairness, and to prevent WHOI social media from being dominated by donation requests, the Institution will not promote individual projects via its social media channels. WHOI will, however, promote ProjectWHOI at appropriate times (e.g., the beginning and end of fundraising cycles) to make the public aware the opportunity to become involved in research via the platform.

These terms apply to any participant's use of the services provided by ProjectWHOI. WHOI reserves the right to change the ProjectWHOI website without notice, at any time. WHOI, at its sole discretion, reserves the right to delete or deactivate a participant's campaign account, or otherwise terminate his/her access to or use of the ProjectWHOI website, immediately and without notice, for any reason, including, without limitation, a campaign account that does not follow the ProjectWHOI policy, procedure, and guidelines, and/or is in direct opposition to the mission and/or goals of WHOI, as an Institution. Further, WHOI shall not be liable to any ProjectWHOI participant or affiliated third-party for the suspension or termination of a ProjectWHOI account.

The ProjectWHOI beta version does not charge users any fees, unlike many third party crowdfunding platforms. Third party platforms often charge users either a flat fee, or a percentage of the money raised (often between 5 and 12 percent). These sites also charge fees for processing credit cards, transferring funds, and associated taxes. ProjectWHOI users will not be charged fees or taxes during beta testing; the use of user fees may be reassessed starting on January 1, 2016.

All WHOI policies and procedures are applicable to crowdfunding. This includes all research compliance policies including, but not limited to, policies on intellectual property, information technology, conflict of interest and outside professional activities, cost sharing, and privacy.

Third Party Platforms

Researchers who wish to use a crowdfunding platform other than ProjectWHOI for any Institution-related endeavor may not do so in the name of WHOI. In addition, such researchers may not use the name of WHOI or any of its marks or symbols for any purpose unless explicitly granted an exception in writing from the Executive Vice President and Director of Research.

Also, any WHOI employee/student who conducts a crowdfunding campaign via a third-party crowdfunding platform may not partake in any available ProjectWHOI resources during the execution of that campaign (e.g., consultation and crowdfunding support and training from the Development Office). The conduct of any such outside campaign is at the participant/s sole risk, including any tax implications incurred by raising funds on an individual basis, and/or any intellectual property or monetary implications that may arise from that platform's terms of service (e.g., funders could be entitled to future royalties or profits from a researcher's work).

Be advised that crowdfunding platforms, including ProjectWHOI or any third-party platform, do not necessarily provide intellectual property protection. Participants conducting any crowdfunding campaign in a public arena will acknowledge the risk that others may use ideas and research presented without the consent of the crowdfunding project manager.

Participants and potential participants are reminded that according to the terms of their employment, WHOI, and not the individual investigator, is responsible for determining the intellectual property status of all WHOI research. The Executive Vice President and Director of Research will work with the Office for Technology Transfer (OTT) if the ProjectWHOI proposal involves an intellectual property concern. Investigators, regardless of their funding source, Project WHOI or other, are required to make invention disclosures to the OTT. OTT may review research results prior to public disclosure.

The Executive Vice President and Director of Research will also work with the Department Administrator (and Department Chair as appropriate) to verify employment status and to make certain there are no concerns regarding the project objective.

WHOI reserves the right to refuse donations and contributions from any crowdfunding effort hosted on a crowdfunding platform other than ProjectWHOI.

Internal Accounting

Grants and Contracts requires a green sheet and budget for projects that have raised over $10,000. If the amount raised is under $10,000 the funds will be placed in a miscellaneous object code, 5410.

If a project manager or team member receives cash or a check directly, that person should send the funds to the WHOI Development Office (Gift Accounting, MS #40). If Development receives these funds while your campaign is still active, the funds will be added to your achievements within ProjectWHOI by the Gift Accounting Officer.

Once a ProjectWHOI campaign has ended (whether the goal has been met or not) funds raised will be placed in the project manager's account within 14 days of the project completion and must be spent for the campaign's stated purpose or a related purpose within one year. Funds not used within one year of the campaign end date will be transferred to an Institution general operating account and the project manager's crowdfunding account will be closed.

To apply for an extension beyond the original one year, a memo adequately documenting the reason for the change must be submitted to the Research Administrator to the Executive Vice President and Director of Research by the Department or MPC Administrator. The Executive Vice President and Director of Research or his/her Research Administrator must approve each change.

Related Policies (but not limited to)

WHOI Internet and Donor Contact Information Privacy Policy:
http://www.whoi.edu/whoi/privacy.do

Intellectual Property Policy: http://www.whoi.edu/page.do?pid=18997&&ct=901&cid=361

Information Technology, Acceptable Use:
http://www.whoi.edu/page.do?pid=18997&&ct=901&cid=422

Conflict of Interest and Outside Professional Activities:
http://www.whoi.edu/page.do?pid=18997&&ct=901&cid=962

Cost Sharing: http://www.whoi.edu/page.do?pid=18997&&ct=901&cid=441

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