

# **Crowdfunding—A Matter for Sponsored Research Offices?**

Discussion Session, PUI track, Monday, April 16, 2:45 – 3:35 p.m.

- Pre-sale of a product
  - Appropriate for prototype development filling the “valley of death” investment gap between discovery and commercializing a product
- Donation-based
  - Appropriate for funding research and creative activities
- Equity-based – crowdfunding to accredited investors only
  - Appropriate for start-ups
- Debt (awaiting SEC approval)

\*Some models are more suitable to start-up projects; we want to focus on funding for research projects

## Crowdfunding Models\*

- Kickstarter ([www.kickstarter.com](http://www.kickstarter.com))
- RocketHub ([www.rockethub.com](http://www.rockethub.com))
- Petridish ([www.petridish.org](http://www.petridish.org))
- #SciFund challenge  
([www.scifundchallenge.org](http://www.scifundchallenge.org) )
- Innovacracy.org
- Indiegogo ([www.indiegogo.com](http://www.indiegogo.com))
- artistShare ([www.artistshare.com](http://www.artistshare.com) )
- Artspire ([www.artspire.org](http://www.artspire.org) )
- Crowdfunder([www.crowdfunder.com](http://www.crowdfunder.com))

## Example Sites

- Successful campaigns require good social networking
  - Is there an natural or developed social network associated with the project?
  - Who determines what gets marketed to alumni and other university affiliated supporters?
- Terms of the Crowdfunding Site
  - Do they protect the institution's IP rights?
  - Do they require a fee? Who pays for it?
- Assurance of proper use of public funds
  - Accountability and reporting?
  - Protection of the institution's reputation?
- Administration of funds
  - Through institution foundation, office of sponsored projects, or both?
  - Administration fee in budget?

**Crowdfunding issues to consider**

- Hall, Alan. "New Research Shows Optimism For Crowdfund Investing Continues to Rise." *Forbes*. Forbes Magazine, 01 Nov. 2013, Web 16 Jan. 2013.
- Webinar by Finnegan, Farabow, Garrett & Dunner, LLP. "Crowdfunding for University Startups." 23 Jan. 2013.
- Ranganathan, Jai. "Crowd-funding for Research Dollars: A Cure for Science's Ills?" *Scientific American*. N. p., 23 May 2012. Web 04 Apr 2013.
- Wheat, Rachel, Yiwei Wang, Jarrett Byrnes, and Jai Rangnathan. "Raising money for scientific research through crowdfunding." *Trends in Ecology & Evolution*. Vol. 28, issue 2. 71-72, 06 Dec 2012.
- Webinar hosted by Barbara Walker, Director of Research & Development at University of California—Santa Barbara. "Crowdfunding for Academic Research." NORDP member website. 04 Apr 2013.

## References