

Finding the Best Crowdfunding Tool for Your Organization

By Emily Garman | TheSocialAnimal.com

Crowdfunding can be a great way to raise money for a specific goal. But if you do a Google search for “crowdfunding,” and you’ll see a dizzying array of choices. Some platforms are better for individuals raising money for medical bills, others are suited for entrepreneurs looking for investors. Which tool is best for YOUR organization?

WHY CROWDFUND?

Before you choose a platform, you need to decide if crowdfunding is right for your organization’s fundraising needs. If you haven’t raised money in this way yet, crowdfunding is a (usually) pretty short-term way to get lots of donations (usually in fairly small amounts) to add up to meet a specific goal. Animal welfare groups use it for projects like paying for a special surgery for an animal in need, or buying a vehicle. Most crowdfunding services have built-in sharing tools, so it’s easy for you to update donors and for donors to share their support on social media.

FIXED VS FLEXIBLE

Platforms offer two types of funding: **fixed** and **flexible**.

Fixed funding is when you set a goal (say, \$1,000) and your donors aren’t charged until and unless your goal is met within the time frame you specify. With fixed funding you can’t withdraw or use any funds until the end of your fundraising campaign.

Flexible funding collects the donation from your donors immediately, allowing you to make withdrawals to use the money during the campaign, regardless of your goal progress

MICROCAMPAGNS

Some of these sites let donors create “microcampaigns” on your behalf. This is especially common for walks and runs. It can be a great way to engage donors and recognize those who fundraise on your behalf. Plus, you can gain a lot of reach through your donors’ social networks as others will help them meet their goal for your fundraiser.

For example, you create a campaign to raise \$10,000. Supporters can then create their own campaigns with their own goals (say, \$100) that they can promote through their own social networks. All of the money raised by these “microcampaigns” comes back through to your main campaign.



Emily Garman has been a foster mom and animal welfare volunteer for 20 years, and founded **TheSocialAnimal.com** in 2008 to teach animal advocates how to use social media to raise money, recruit volunteers and save more lives. She presents on next-generation fundraising, social media and internet marketing all over North America.

WHICH PLATFORM IS RIGHT FOR YOUR ORGANIZATION?

The chart below compares different crowdfunding platforms that may work for your organization. You can easily compare fees, payment methods and other benefits they might offer. This chart does not include platforms that are strictly for business owners. Recommended platforms are highlighted in yellow.

PLATFORM	HOW YOU GET PAID	FEES	IF YOU RAISED \$10,000, YOUR ORG. WOULD GET:	NOTES
	Facebook Payments (direct ACH deposit to your bank acct).	5% (2% Facebook fees; 3% CC fees)	\$9,500.00 (\$500 in fees)	Withdrawals happen bi-weekly with a minimum of \$100
	direct ACH deposit to your bank account as donations come in	2.9% + .30 per transaction	\$9,709.70 (\$290.30 in fees)	Easy, good tools
	Check (\$5 fee) or direct EFT deposit to your bank account monthly.	7% (4% Razoo fees; 2.9% + .30 per transaction CC fees)	\$9,309.70 (\$690.30 in fees)	0% Platform fee on "personal" campaigns; 4% on charitable org campaigns
	Direct ACH withdrawal to your bank (2-5 days) or check (longer)	8% (5% GoFundMe fees; 2.9% + .30 per transaction CC fees)	\$9,209.70 (\$790.30 in fees)	0% Platform fee on "personal" campaigns; 5% on charitable org campaigns
	Direct ACH withdrawal to your bank (48 hours)	7.9% (4.9% Fundly fees; 2.9% + .30 per transaction CC fees)	\$9219.70 (\$780.30 in fees)	Geared more towards personal fundraisers. Decent sharing tools.
	Direct ACH withdrawal. Flexible OR fixed funding; you choose.	8% (5% Fundly fees; 2.9% + .30 per transaction CC fees)	\$9,209.70 (\$790.30 in fees)	Specifically for nonprofits; must apply. No clear benefits for the 5%. Low traffic.
	Can use Stripe, PayPal or WePay to process payments.	2.9% + .30 per transaction	\$9,709.70 (\$290.30 in fees)	No platform fees; they ask donors for a "tip." Can do events, runs/walks, and run "micro" campaigns
	Direct ACH Withdrawal to bank account	\$1,200 to \$3,000 yearly + 1.5% per transaction processing fee	Fees are annual, not per transaction	Offers database, CRM/donor management tools, event, volunteer management – all extras