

Choosing a Crowdfunding Platform

What to consider before choosing your crowdfunding platform:

- **Access to pledged money if you don't reach your target:** Some platforms are 'all-or-nothing' (Spacehive) while others give you the option to choose between 'all-or-nothing' or take what you raise (Crowdfunder). Some sites offer the flexibility of a stretch target, adding on a further sum to your main target. This gives you greater flexibility if your campaign proves popular. However, it is important to be clear about what the additional cash will allow you to accomplish.
- **Rewards:** If you think rewards will work for your project, will the platform allow you to give rewards.
- **Check out commission rates and fees:** The cost of each platform varies and you need to check the pricing structure as these will differ. Some examples:
 - **Crowdfunder** – There are up to 4 types of fee that may apply when you fundraise on Crowdfunder. These are a platform fee, a card transaction fee, an +Extra Funding fee and an optional tip. The rates you pay will also differ depending on your legal structure/organisation type. For up to date information on Crowdfunder fees please check [their website](#). **It is important you choose the correct type of project when adding it as the option you choose is what Crowdfunder will base fees on.**
 - **JustGiving** - No fee to them (they ask the donor to top up), 2.9% + 25p goes to the card processor directly.
 - **Spacehive** – There is usually a 5% fee (plus VAT) which is automatically added on to your campaign total, due to which your campaign total can fluctuate over time. Currently this is being waived for projects which are supporting their community due to the impact caused by Covid-19. If you think this applies to your project, you can email support@spacehive.com for advice on the next steps. There is then a transaction fee for the payment platform Stripe. The fee for card transactions is 2.2%, for BACS payments it is £0.80 and for Direct Debit payments it is 1% (min. £0.20, max. £2).
 - **Habitats and Heritage** - charge 5% plus transaction fee of 20p per donation and then a variable amount depending on the card used (1.2%-2.9%)
- **Functionality:**
 - How user friendly is the platform for donors and creators? For example, do you need to have an account, how many steps are in the donation process?
 - Can you give directly via a credit card or do you have to use a third party like PayPal?
 - What analytics will you get?
 - How easily can you access backer's data? In most cases you can't! Only one platform of the ones we checked (Crowdfunder) gives donors the option to share their data with the project creator. This is important if you want to keep in contact with these donors afterwards. Of course donors can opt out of hearing from you! You can however continue to keep in contact with donors through updates on the platform, which is another way of keeping them informed. Another way to get around the lack of data is to make sure you provide enough opportunities for the donor to contact you i.e. your project page links to your social media pages or website or a telephone number to call if they want to volunteer.

- Can you claim Gift Aid on donations? For example if you are a charity or CASC Spacehive allows you to set up an automated email to donors to allow you to claim Gift Aid from them but you have to do this in advance. As they are a registered charity, Habitats and Heritage do this for you. Crowdfunder allows charities to claim it directly as part of the process.
- **Match funding:** Some platforms run campaigns where match funding is available to charities and/or to allow for corporate or local authority giving which may be an added benefit for your project and is very attractive to donors.
- **Brand:** Is it a good fit for your project? What is the branding like? Does it support similar projects?

The best way to find out how a platform works is to spend some time looking at a shortlist of the platforms that you are considering.

Read their FAQs and try and get a handle on how easy the platform is to use.

Make a small pledge to one or two campaigns to test out the user experience.

Have a look at their successful and unsuccessful campaigns to identify common characteristics and help you get your pitch right.

Created by Julie Gavin
Capacity Building Manager, Richmond CVS

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