

## Home Movie Legacy



## CROWD-FUNDING

### What is it and what does it have to do with my home movie legacy?

Crowd-funding has become extremely popular in recent years as a way to raise money for a project. Websites such as [www.kickstarter.com](http://www.kickstarter.com), [www.gofundme.com](http://www.gofundme.com), or [www.indiegogo.com](http://www.indiegogo.com) allow you to create a campaign with a compelling page telling about your cause. You set a dollar amount for your project goal and ask people to donate what they can in exchange for various “rewards” based on the amount donated.

Crowd Funding works very well for raising the needed funds to scan your home movie legacy. It is a more comfortable and authentic way to ask our family members to “donate” the funds needed to properly digitize the film archive. While most of us would love to honor our home movie legacy by having the media scanned at the very highest quality by a professional company that will give it the red carpet treatment, this may not always be in the budget. Crowd-funding is a fantastic platform to reach out, connect and share your passion.

A Crowd-Funding Campaign will give you the opportunity to upload a legacy reel that you have had scanned as a computer file. You can talk directly to your family and friends (or even share the campaign with strangers) and tell them why this project is important to you, and allow the interested parties to donate directly to the project.

Here is an example of a great campaign my client Ken Paul Rosenthal launched for his project “MAD DANCE”. He was utilizing his actual home movies on film in the project <http://www.kickstarter.com/projects/912847805/mad-dance-a-mental-health-film-trilogy> .

### How to use Crowd-Funding for Non-Profits (501-C3)

I often talk with archives and historical societies about letting me help them launch their campaigns to get all the film that has been donated but that they do not have the funds to digitize. A common question amongst crowd-funders today is “Can I use crowd funding to raise money for my non-profit organization?” The

short answer is: Yes! Not only can non-profits use crowd-funding for their organization, but also there are several sites set up specifically for non-profits to raise money to support their causes.

Sites like Fundraise.com, CauseVox and Fundly are designed for the non-profit sector, while others like Kickstarter and Indiegogo are not non-profit specific, but have been used by charities to raise money to support their mission.

## **How Does Crowd-funding work for Non-Profits?**

At their most basic, crowd-funding sites are websites that allow your non-profit to set up an online fundraising campaign based around a fundraising page, and accept money directly from that page using the website's own credit card processor.

Many of these sites will also allow individuals to set up fundraising pages on behalf of charities they want to support, and others will allow your non-profit to set up a master page for your campaign and then allow your supporters to set up tangential pages that they can use to get their friends and colleagues to donate a portion of the goal of your master campaign.

Crowd-funding sites work best for funding specific projects or campaigns, and do not work well for general fundraising or things like annual giving.

## **What About Taxes?**

Tax treatment for Crowd-funding campaigns depends on the type of income the funds from donors represent. The most likely category that crowd-funding money will be put in is the income category. Since the crowd-funder is earning money for a product or service, which the backer is receiving, the money will usually be labeled as income. Other possible tax treatments include sales tax, gift tax, or equity depending on the nature of the transaction. The message here is to be careful in how you set up your campaign rewards and do your research on the tax treatment of crowd funding.

For Non-profits, if you contribute to a crowd-funding non-profit 501(c)(3) organization, the donations are tax-free to the recipient and tax-deductible to the donor. Offering tax deduction to backers can be an appealing way to draw in more funds. If a backer is giving money through a 501(C)(3) organization, make sure the money is funded under the name of the organization. If it does not go through the organization the money will not be tax deductible. For Kickstarter, you must fill out the 1099-K tax form and, for Indiegogo, the organization must have a PayPal account that the money can go to.

Let me help you launch a campaign that works for your home movie legacy project! Email me , [Rhonda@homemovielegacy.com](mailto:Rhonda@homemovielegacy.com)