

EDITORIAL POLICIES ADVICE NOTE CROWD SOURCED FUNDING

Background

A recent development in the area of external funding of co-productions is the use of bodies such as Creative Partnerships Australia (CPA, formerly AbaF) or the Documentary Australia Foundation (DAF) and crowd funding websites such as Kickstarter and Pozible.

This development poses a challenge to section 13 of the Editorial Policies, *External funding and relationships*, which imposes stringent requirements around external funding arrangements in order to protect the ABC's independence and integrity. In particular, all external funds require careful scrutiny (13.1) and sources of funds must be disclosed to the ABC (13.3).

This advice note sets out the current approach to managing scrutiny and disclosure of funds raised through crowd funding campaigns via Kickstarter, Pozible and other similar websites. A separate advice note, [Philanthropic Funding Bodies](#), sets out the approach to philanthropic donations made via CPA, DAF and other similar bodies.

As all external funding arrangements must be considered and assessed on a case-by-case basis, co-producers are encouraged to seek advice from their ABC Editorial Managers. It is also important to note that this is an evolving area of policy and the current approach will be revised periodically to reflect new developments.

Considerations

Source of funds

When funds are raised through a crowd funding campaign, the ultimate sources of those funds are the individuals who have chosen to contribute financially to the project. Such individuals typically choose to contribute because they have a personal interest in the subject matter or a personal connection to the producer. Contributions can broadly be described as philanthropic in nature as contributors are generally motivated by a desire to help the producer make the program. While some may also be motivated by rewards offered as part of the campaign (and may therefore be contributing in order to gain a material benefit such as a DVD), there is usually still an element of philanthropy involved. Accordingly, for the purposes of standard 13.3, the ABC regards the 'source of funds' in these circumstances as **'Philanthropic funds (via a crowd funding campaign)'**.

Scrutiny

External funding sources secured by co-producers are scrutinised to determine (among other factors) what, if any, interest the source has in the subject matter or broadcast of the content, and how that interest could be perceived by the audience. This is done to protect the ABC's independence and integrity and to prevent perceptions of inappropriate editorial influence. Should, at any time, the producer become aware of any inappropriate contributor influence or conflict of interest, they should disclose this to the ABC for consideration and management.

With crowd funding campaigns, it may not be possible (due to the crowd funding website's privacy policy) or practical (since crowd funding campaigns often result in hundreds of contributors) to apply scrutiny to individual contributors. Instead, it may be appropriate to apply scrutiny to the campaign itself: how it was run, what rewards were offered to contributors, whether people with inappropriate interests (such as direct commercial interests) were discouraged from contributing, etc.

In some cases, producers undertake crowd funding campaigns before they get involved with the ABC. Such campaigns will be scrutinised very carefully and the funds may be rejected. In other cases, the ABC is already on board when the campaign is run. This allows the producer to consult with their ABC Editorial Manager about how best to run the campaign so that the funds will be acceptable to the ABC.

Television has developed guidelines to assist producers when running crowd funding campaigns (see below). These guidelines form the basis of the scrutiny that is applied to all campaigns, regardless of whether they precede ABC involvement or have ABC input.

Risks and controls

It is important to acknowledge the risks associated with this approach. The ABC will usually not know the identities of individual contributors and will not always be able to fully consider the nature of any interests they may have in the content. This could lead to the acceptance of funds that undermine the independence and integrity of content, resulting in damage to the ABC's reputation.

To mitigate these risks, two key controls are necessary: **assessing the level of contentiousness** of the project (the more contentious, the more likely that details of contributors and their interests will be required) and **limiting the percentage of budget contribution** (the higher the contribution, the higher the perception might be of inappropriate editorial influence). In cases involving contentious content or significant contributions, identification of individual contributors may be required before the crowd sourced funds are accepted. Other controls are incorporated into the guidelines below.

As an additional control in instances where the campaign precedes ABC involvement in the project, the producer will be required to make a declaration stating that to the best of their knowledge no contributor interest will undermine the independence or integrity of the program.

Credits

Crowd funding campaigns receive an on-screen **text** credit such as 'Film financed with philanthropic funds via a crowd funding campaign'.

Generally, individual contributors are not credited by name. This ensures credits are not unacceptably long or unduly prominent. It also prevents situations in which credits are offered to contributors as rewards (in accordance with the [Credits](#) guidance note, "Credits or acknowledgements must not be given in return for any payment, reduced fee, benefit or any other advantage").

The exception to this is if an individual contributor must be named in order to adhere to standard 13.7, i.e. if not disclosing the identity of the particular contributor would be problematic for independence or integrity reasons.

Crowd funding websites are not eligible for logo credits.

Equity

In line with other grants, the producer will be entitled to the equity benefit of any crowd sourced funds.

Crowd Funding Campaign Guidelines

The following guidelines reflect best practice and if they are all followed it is likely that the crowd sourced funds will be acceptable to the ABC. Producers are encouraged to follow as many of the guidelines as possible when running their crowd funding campaigns:

- Don't raise more than **20%** of the total budget via crowd funding, and don't solicit or accept individual contributions exceeding **2%** of the total budget. (Should these limits be exceeded, further scrutiny will be required, e.g. supply of contributors' names and the nature of their interests in the production.)
- Use a crowd funding website that allows contributions to be rejected or returned if it is determined at a later date that a contribution is problematic. Kickstarter and Pozible both allow this, though in the case of Pozible you need to contact the website to arrange it.
- Use a crowd funding website with a privacy policy that doesn't prevent the producer from providing a list of contributors to the ABC if required. Kickstarter allows you to do so if you explicitly specify on the campaign page that you will, or if you need to do it in order to fulfil delivery of rewards. Pozible requires you to get permission from contributors before sharing their personal information with third parties such as the ABC.

- Don't offer problematic rewards such as credits in the broadcast version or anything that grants a contributor editorial influence. Acceptable rewards could include DVDs, posters, t-shirts, digital downloads, exclusive updates during production, tickets to screenings, etc.
- On the campaign page, clearly advise contributors that no editorial control can be provided to them.
- On the campaign page, clearly advise prospective contributors not to contribute if they have inappropriate interests, e.g. if they have a direct commercial interest in the content or represent a political/lobby group with a sectional interest in the subject matter.
- In some cases, the ABC may require you to ask each contributor to supply their full name as well as a brief description of the reason for their contribution and/or a declaration of any relevant interest they have in the content or subject matter. Crowd funding websites usually supply contributors' full names to project creators by default, and you can use the website's survey or messaging tools to collect the additional information.