

October 1, 2015

Guidance on Benefunder Funding

Prepared by the Offices of the Provost, Development and General Counsel

Note: Yale is preparing general guidance to the Yale community on crowdfunding platforms. This document provides important information on Benefunder that you should read before deciding on whether to seek funds for your Yale work on that site.

User Beware

Yale neither endorses nor prohibits use of Benefunder. Yale has no information on how Benefunder chooses which projects will be funded. Yale doesn't know whether more meritorious projects are more likely to be funded, nor whether any particular biases are present in the selection process.

Any Contracts You Sign Are Signed At Your Own Risk and in Your Personal Capacity

Some crowdfunding platforms, such as Benefunder, require you to sign a contract with the platform company. You do not have signature authority on behalf of Yale, and the contract is a personal contract between you and the company. In the event of any dispute with Benefunder, you will be personally liable for attorney fees and any damages assessed against you.

You may seek reimbursement through Yale for any costs you paid under the contract for establishing your profile, if there is a source of unrestricted funds available on which you are otherwise entitled to draw. Reimbursement does not mean approval or ratification of the contract by Yale.

Yale attorneys have reviewed the Benefunder contract, and it contains provisions that may cause problems for faculty researchers. See the attached Benefunder Research Agreement Guidance.

Standard Rules Apply

All existing rules and regulations pertaining to research apply to research using Benefunder funding. As just a few examples: if animals will be used, IACUC approval is required; work with radioactive materials must be approved by the Radiation Safety Committee; space commitments must be approved through your department.

Additionally, remember that all scientific equipment and materials must be purchased through Yale. You may not, for example, bring onto campus biological materials, radioactive materials, chemicals, or other hazards that you have acquired without going through EHS.

Standard indirect cost rates of 12% (for donations) apply.

You may not use Yale's name on your profile or otherwise in connection with solicitations other than for identification purposes. You may, for example, include your title followed by the Yale name, such as "Glorieta Garcia, Associate Professor of Disease Management at Yale University."

Benefunder Researcher Agreement Guidance

- This document does not represent legal advice.
- You do not have signature authority on behalf of Yale, and the contract is a personal contract between you and the company. In the event of any dispute with Benefunder, you will be personally liable for attorney fees and any damages assessed against you.
- You should consult with your attorney prior to executing any contract, such as the Benefunder contract, that may affect your legal rights.

Research Profile

The way the agreement is structured, you may either construct your own profile for your work, or you may pay Benefunder to do it. If you pay Benefunder, then Benefunder will own the copyright in the content, although you own the underlying information. The agreement restricts your ability to use what Benefunder creates — make sure you have read and fully understand it.

If you or Yale do pay for a Research Profile, your funds may not be returned if Benefunder terminates the Agreement.

Benefunder may use the information you provide in any way it wants for purposes of promotion, including modifying your words and providing your information to others. You should provide only public information. If you are working on potentially commercializable and patentable research, you should consult with OCR prior to releasing information to Benefunder.

Disputes

If you get into a dispute with Benefunder, any lawsuit will take place in San Diego, California.

Payments

Assuming your project is selected by Benefunder, they will send funds directly to Yale's Development Office, who will record and acknowledge the gift, and then forward on to the Provost's Office for disbursement to you. Standard indirect cost rates of 12% apply.

Information about KICKSTARTER Funding

Note: Yale is preparing general guidance to the Yale community on crowdfunding platforms. This document provides important information on Kickstarter that you should read before deciding on whether to seek funds for your Yale work on that site.

Yale-Curated Page

Yale has a [curated page](#) on Kickstarter. If you want your page promoted on Yale's curated page, you may make that request through the Jim Boyle, Managing Director, Yale Entrepreneurial Institute.

Kickstarter "Rewards"

Projects seeking funding on Kickstarter promise "rewards" to backers. Rewards pertaining to Yale must be approved by Yale. This includes, for examples, rewards involving visits to Yale facilities, rewards involving objects acquired by Yale employees, such as samples or prototypes, and rewards involving commitments by Yale employees or students, such as having a graduate student communicate future experimental results to a backer. Approvals will be coordinated by Jim Boyle, Managing Director, Yale Entrepreneurial Institute.

Funds Provided Directly to Researcher

Be particularly careful with crowdfunding sites such as Kickstarter that may provide funds directly to the individual rather than to the institution. ***Funds provided to you are personally taxable to you.*** They must be reported on your tax return, and you must pay income tax on them. This is the case even if you use the funds entirely for Yale-related projects. Neither Yale nor Kickstarter will reimburse you for your tax liability; this is your responsibility.

Funds to be used for salaries, including student salaries, must be processed through Yale. Additionally, all scientific equipment and materials must be purchased through Yale. You may not pay salaries with your own funds nor, for example, bring onto campus biological materials, radioactive materials, chemicals, or other hazards that you have acquired without going through EHS. You may transfer funds received from a crowdfunding source to Yale for purposes of paying salaries or acquiring scientific

equipment and material. Indirect costs of 12% (for donations) will apply and the transfer may not be tax deductible—consult with your tax adviser.