

# Cultural Daily

Independent Voices, New Perspectives

## Creative Documentary Fundraising

Lisa Bowers · Wednesday, September 16th, 2015

### Documentary Fundraising – The Big Picture

While many documentarians tend to first go [the traditional route to funding](#) – corporate sponsorships, foundations, individuals, and government agencies – a number of other funding sources are becoming viable additions or replacements. Some can be a filmmaker's lifesaver. As with more traditional sources of funding, persistence helps. While the focus for the sources below is public television, many of these more out of the box funding possibilities will also apply to independent film projects not distributed on public media.

The basics of a good film should prevail no matter what your funding source. Michael Rosenfeld, who has spent many years working on PBS-commissioned films, states that films seeking funding should have the following characteristics:

- A great story (even though this might be self-evident)
- Fresh
- Untold, ideally, or a fresh perspective, if covered before
- Compelling, with dramatic potential
- Strong characters (a video of these characters will help)
- Unique access is “golden.” Exclusive access to a major discovery will perk up the ears of a potential investor.
- Idea expressed compellingly but briefly. Be able to express the concept in 3 sentences that will attract audiences (think with a marketing point of view).

[JJ Kelley](#), director of [Warlords of Ivory](#), the premiere episode of National Geographic Channel's newly re-launched Explorer series, espouses that there are a lot of different ways you can pay for your film, especially if you are flexible about your length and message and the deal specifics. You have to know what is important to you and what you are willing to give up. For example, Mr. Kelley funded a recent short film [Gyre: Creating Art From a Plastic Ocean](#) through underwriting, but only got a fraction of that in acquisition funding. However, he was happy with the distribution and awareness the film received.

Lisa Tawil, ITVS (Independent Television Service) Interim Managing Director of Marketing and Communications, shares several funders that support documentaries, including [Creative Capital](#), [The Fledgling Fund](#) (which provides funding for audience engagement – a unique funding source for an oft overlooked funding need), [The National Minority Consortia](#) ([Black Public Media](#), [Vision Maker Media](#), [Pacific Islanders in Communication](#)), [Latino Public Broadcasting](#), [Center for Asian](#)

American Media), and Tribeca Film Institute's Documentary Fund. In addition, ITVS' Digital Open Call is open to filmmakers seeking funding for digital series and projects. Another organization to check out is the Sundance Institute Documentary Film Program, which supported POV's *When I Walk*, a co-production of AXS Lab Inc. and ITVS. Other potential funders are listed in the Resources section below.



Ron "Stray Dog" Hall and Alicia Soriano Hall, from ITVS release Stray Dog (premiering 11/9/2015)

## Co-production and International Sales

A co-production partner can solve a lot of issues for filmmakers seeking funding and willing to share various aspects of the production, such as equity, rights and backend revenues, and/or editorial control. Selling your film internationally, either via co-production or acquisition, is a common, and relatively risk-free, way to fund a film, even if it represents only partial funding.

If you're at a loss as to how to begin finding co-producers or international partners, think about attending the forums and conferences associated with many global film festivals. A few that are well-known for the financiers, filmmakers, and media decision-makers that attend include the Crossroads Co-Production Forum, San Sebastian Festival's III Europe-Latin America Co-Production Forum, International Rotterdam Film Festival's CineMart, the Sheffield Fest/Doc Marketplace, and IFP's Independent Film Week in New York City, held every September. Filmmakers who meet the requirements will find many countries and festivals very welcoming. One example is the Netherlands Film Fund, whose website states: "The Netherlands is home to a vibrant film industry with an open attitude towards international co-production and a successful track record in the production of feature films for children and feature length documentaries." Most opportunities have stipulations on the type of film, country of resident, % of financing, and other parameters, so be sure you read the fine print before you spend a lot of time on a pitch to one of them.

For filmmakers desperate to get their life's work seen, giving it away for free can sometimes seem like the only option. Mr. Kelley advises against this, "giving it away for a low cost can eventually catch up with you. You are in this industry because you love telling stories and the access it gives you. There can be a tendency to give content away or at a reduced cost. I've done a couple of projects where I didn't make any money. I was not doing a service to other people in this industry" who deserve to be paid for compelling and unique content.

## Nonprofit Partners

As video becomes an essential educational and marketing tool for all types of organizations, nonprofit organizations have become another potential funding source. As Natasha Giraudie, CEO of Micro-Documentaries, suggests, 'high-emotion documentaries' can tell important stories and move people to action. Nonprofits have learned that short films in particular, one to two minutes in length, are unrivaled when it comes to immediacy and viral potential, and thus are a powerful way to draw attention to a cause and inspire potential donors to give." In the case of Conservation International's award-winning Nature is Speaking video series, they even won \$1mm from HP when the #natureisspeaking campaign reached the 1mm mark!

## Special Awards

And sometimes you can find the holy grail! For example, winning the WPBT2 Shorts or WPBT2 Documentary award at [the Women's International Film and Arts Festival](#) in Miami provides both a cash award **and** broadcast distribution, the equivalent of your program being acquired.

Mr. Kelley really used awards to his financial advantage. The “Dudes on Media,” of which Mr. Kelley is one-half, made their sophomore adventure film [Paddle to Seattle](#), “the little tiny film that could,” for \$30K, which included hiring an editor and a lot of sponsorship dollars. They submitted the 86 minute film “to every film festival [they] could find,” and were accepted to 35 film festivals, winning over 20 awards. Mr. Kelley feels that the reason they ended up making \$170K on the film from DVD sales and acquisitions is their presence at every one of these film festivals, making them more likely to win the Audience Choice award at nearly every film festival they entered! This allowed “The Dudes” to create markets in certain cities, which led to strong sales on DVD, iTunes, Amazon, and [Vimeo Screening on Demand](#)... not to mention acquisition by the public television station in Seattle. This has led to their ongoing success model of funding with “a lot of little streams – underwriting, broadcast acquisition, DVD sales, online video sales – instead of thinking in terms of one big stream.”



Young Croatian cellists Luka Sulic and Stjepan Hauser, known as 2CELLOS, became sensations by breaking musical boundaries. 2Cellos  
— Live At Arena Zagreb from APT Premium Service

## Pledge Shows

Offering your program as a pledge show for public television distribution, and generating merchandise revenue, can often cover your licensing fees. Some seasoned producers pay their presenting station partner fees and make their dollars back on international distribution. While this may reduce your revenues – you are paying a management fee and the distributor is getting a cut – it can still be a way to get your film produced and make a profit.

## Self-funding

Self-funding is the funding method that most documentary filmmakers don't want to resort to – but it is a common option, particularly for first-time filmmakers. They use their savings and credit cards, take out personal loans, and/or draw down retirement savings. They are willing to take the risk, hoping that the film gets picked up and that their costs will be recouped down the road. If you use this option, make sure you have a high tolerance for risk, given the competition and the unpredictable nature of funders and distributors.

Those relying on self-funding reach out to friends, family, and their professional network, via a social media, e-mail or direct mail campaign. It may be best to first inform people about your project and update them before asking for dollars. You may also reach out to individuals with high net worth who have expressed an interest in the topic of your film. For example, perhaps they are a major supporter of Save the Children and your film deals with children at risk throughout the world.

## Crowdfunding

This can be a very promising source of funding, particularly for raising the finishing funds required to repackage a film for broadcast. The most popular crowdfunding platforms for filmmakers are

[Indiegogo](#) and [Kickstarter](#), although the options are increasing, with newer platforms like [Seed & Spark](#), [RocketHub](#) and [GoFundMe](#) growing in awareness.

Crowdfunding does not translate to automatic funding. A “Build it and they will come” strategy will most likely not generate the funds you need. A smart marketing strategy and a fairly significant amount of time are required to meet your fundraising goals.

While the creativity and attractiveness of the perks offered in return for various contribution amounts can affect the success of a campaign, filmmakers must remember that these perks and their fulfillment can get quite costly and need to be included in the budget. If you don’t hire a fulfillment house, you also need to account for the time required for fulfillment. Events, private audiences, promises of social media plugs, film-related premiums, and film credits each has costs. Depending on the perks, the collection of sales taxes may be legally required. Although the amount in sales taxes owed may be small, the headache of complying with applicable filing requirements may be large. A filmmaker/crowdfunding campaign creator needs to determine which of the perks offered are subject to sales taxes in each city, county or state involved in his or her campaign, according to Thomas Selz, a partner at [Frankfurt Kurnit Klein and Selz, PC](#).

Don’t forget taxes: money from a crowdfunding campaign in exchange for perks is sometimes referred to as “donations”. But unless you are a charitable organization, or using one as a fiscal sponsor (which many filmmakers choose to do), these amounts are not deductible by donors as a charitable contribution. And the money you collect will be taxable income (and deductible expenses can get tricky). As Mr. Selz points out, “If you own the copyright to your project, you can’t deduct production expenses as incurred, requiring legal structures to avoid paying income taxes before you are profitable.”



Sense the Wind Director/Producer and Crew interviewing Blind Sailor Matt Chao. Sense the Wind crowdfunded with INDIEGOGO.

Commensurate with crowdfunding’s extraordinary growth have been new opportunities for investors. While the donation model of individual gifts remains the most common, Mr. Selz shares recent developments that have opened up crowdfunding to both accredited (wealthy) and small investors. In 2014, the SEC authorized for-equity crowdfunding to accredited investors, allowing such investors to have a chance to recoup their investment and participate in profits. Then in 2015, the SEC put into effect a new Regulation A, authorizing two tiers of funding: Tier 1 is up to \$20mm (enough for most independent films and for a first season of a TV series). In Tier 2, a filmmaker can theoretically raise up to \$50mm, but given the need for audited financial statements and regular filings with the SEC, Tier 2 is probably not a practical alternative for most documentarians. Tier 1 requires advance planning, an SEC filing, and a filing with one state (acting on behalf of all 50 states) – Mr. Selz recommends contacting a lawyer for counsel if you want to crowdfund for equity.

When considering a crowdfunding campaign for your next film, remember that the FCC does not allow anonymous funding. Thus, every single funder must be mentioned – and on a successful crowdfunding campaign, that could be thousands of names!

There are many factors to consider when selecting a crowdfunding platform. While fees, amount of

direct support, and other factors will come into play, the key distinguishing factor is whether the platform allows the project creator to keep funds if the campaign doesn't reach its goals.

Despite the [Kickstarter](#) model where funds pledged can not be collected unless you reach your goal, 3.3 million people from all over the world pledged to help make 22,252 [Kickstarter](#) projects come to life in 2014, making it the platform with the largest user base. 3,846 of these were film and video projects. \$66.4mm was pledged to film and video projects, or 13% of total funds pledged. To date, film and video projects have had a 38% success rate, just over the Kickstarter average of 37%. In addition, 269 of Kickstarter's 18,500 film and video projects to date have raised between \$100K and \$1mm, and 4 have raised \$1mm+! According to Kickstarter, "Roughly 10% of the films accepted by the 2012 Sundance, Tribeca, and South by Southwest film festivals were funded on Kickstarter." [Source: Kickstarter website, August 2015] Even the Smithsonian has used Kickstarter for a major restoration project complete with [educational webcasting](#)!

Make sure you review a handful of platforms against your project's characteristics and evaluate where you have the greatest chance of success. (See links to reviews of crowdfunding sites in the Resources section at the end.) According to [Filmmakermagazine.com](#), [Seed & Spark](#) has both a "higher success rate (69%) and higher campaign average (\$14,700) than Kickstarter, perhaps on account of its sense of 'community,' which can be used to leverage funds from strangers." [Ideator](#) claims that [RocketHub](#), which has partnered with A&E, "gives its projects a lot more personal attention."

## Public Television Funding Guidelines

Familiarity with PBS underwriting requirements will help when fundraising because you will know what can and cannot be promised. Andrew Walworth, President of [Grace Creek Media](#), declares, "ignore at your own peril," given the increasing importance of these guidelines in an era where product placement and branded content are significant sources of funding. Producers and fundraisers should translate the benefits of public television sponsorship from public television parlance to language more familiar to the advertising marketplace, while being careful not to promise benefits that are not allowable on noncommercial television.

Credits (also called underwriting spots) are packaged into the actual programming, unlike on commercial TV, and are either messages of support for public television or product or brand messaging that adheres to the "public television underwriting guidelines," as defined in the "[Red Book](#)" or [APT's Underwriting Guidelines](#). The editorial guidelines follow a Rule of 3:

- **Editorial control** must remain with filmmaker, i.e., you should not be sending rough cuts to sponsor.
- **Perception Test:** Would viewers perceive that the underwriter has exercised editorial control? You might question some practices and wonder if they are following this guideline, but public television distributors take it very seriously. For example, the new products demonstrated on *This Old House* are not products of sponsors.
- **Commercialism Test:** Would viewers think that the program is on public television principally because it promotes the underwriter's products, services, or other business interests?



Jim Glassman and the Dalai Lama on the set of *Ideas in Action*.

Bob Petts, Program Development Manager at [NETA](#), offers some final advice for filmmakers

seeking funding: “Be ready for a lot of pavement pounding on the road to find someone with capital who likes what you’ve done. On one hand, it is daunting. On the other hand, if it were easy, everyone would do it. You are asking to be counted among the best programs on television.” And with the many sources of financing available above, every filmmaker with a high quality product should eventually be successful. Good luck!

## Resources

- [International Documentary Association](#) – serves as a fiscal sponsor for select documentaries.
- [Public Television Guidelines for Funders:](#) The funding guidelines for distributors are very similar, with some small nuances.
- [PBS Red Book](#) (currently under revision)
- [APT Underwriting Guidelines](#) – very clear. APT encourages discussion about the details.

## Domestic and International Sources of Documentary Funding

- [ilovedocs.com](#)
- [European Sources of Funding](#)
- [Docs in Progress](#) list – some national and some based on [geography.com](#)

## Crowdfunding Platform Comparisons

- [CrowdsUnite](#) (provides reviews and allows you to input filters to generate ratings for the crowdfunding platforms most relevant for your project)
- [Ideator](#)
- [efulfillment Service Blog](#)
- [Filmmaker Magazine](#)

*Featured image: Elephants in Amboseli National Park, Kenya. Elephants, born weighing approximately 200 pounds, can grow to be 5,000 to 14,000 pounds. Photo by John Heminway for National Geographic Studios. Used with permission.*

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