**COSTS AND COMMISSIONS OF THE TOP CROWDFUNDING PLATFORMS IN 2024**

**As a rule of thumb, you can incur fees up to 15% of the total raised through fundraising platforms, and withdrawals can take as long as a month. The specific fees and timelines depend on the chosen platform and its operational model. However, some exceptions allow for organizing online fundraisers completely free of charge, with immediate payouts. Learn here which crowdfunding platforms offer the quickest payouts and the best cost effectiveness.**

There are nearly four thousand total crowdfunding platforms in the world. But are there free collaborative funding portals? The short answer is no, although a more precise answer should be - 6no, with a few exceptions, e.g. 4fund.com. Many of the platforms claim to be free, but this usually means that only registration is free. On the other hand, the use of these platforms and the withdrawal of funds are subject to fees, which can sometimes be quite high, reaching up to 15% of the raised amount. This occurs because crowdfunding sites need to generate revenue, which they achieve by imposing various fees, commissions, and costs.

With as many platforms as there are, comes just as many fees. A subscription fee or registration fee is a one-time, monthly, or annual expense that a crowdfunding portal charges for the use of its services. For example, MightyCause offers two subscription plans starting at $79 per month, which can be billed monthly or annually. However, it is worth noting that most crowdfunding sites do not charge subscription fees; instead, they generate revenue through platform fees.

The commission, or so-called fundraiser's fee, is a percentage of each donation that an online crowdfunding platform deducts from each payment to a fundraiser. Most crowd-financing sites charge an average fee of 5%. For example, Kickstarter is free to use but charges a 5% platform fee and a 3% processing fee, in addition to a few other small charges. However, more expensive platforms exist as well. The cheapest Patreon plan takes 8% of the funds raised, while the most expensive takes 12%. Additionally, there are payment processing fees ranging from 2.9% to 6%, and from $0.10 to $0.30 per successful payment over $3, along with withdrawal fees.

There are also charges on the market from donors rather than fundraising organizers, known as fundraisers. This fee is an alternative to the platform charge. Crowdfunders usually list it as a voluntary "tip" that a donor can give to help cover the platform's expenses. Additionally, there are costs, e.g. up to a 5% platform fee depending on the project type, 1.9% to 2.4%  transaction fee and 20p (per pledge) and VAT on UK/EU cards, and extra funding fee 0-5% plus VAT.

A transaction fee, also known as a third-party processing fee, i.e. a payment provider, is a percentage of each donation that, for example, a debit or credit card issuer charges for processing a transaction. Most transaction fees are the industry standard of 2.9% plus $0.30 per donation. Bonfire is an example of one site that charges a high processing fee of, as much as 8%. However, it should be added that for verified nonprofit organizations this fee is reduced to 3.5%, which is still higher than most.

Note that some collaborative funding platforms also charge other fees. For example, StartEngine (formerly SeedInvest), an equity crowdfunding platform that connects startups with investors, charges a fee of 3.5% on top of the price of shares. With Crowdfounder, another such portal, you have to pay up to a 5% platform fee and up to a 2.4% transaction fee.

For portals that specialize in funding charitable projects, you can expect payment processing costs ranging from 1.9% + €0.25 in the case of Whydonate, and up to 5% for platforms if you raise money in the US, and Canada on the JustGiving platform. For the UK, the fee is 2.9%. Additionally, JustGiving’s processing fees depend on the method of payment in use., e.g. for Credit/ Debit Cards Ireland is 2.9%, the USA 2.9%, Australia & New Zealand 0%, Canada 2.598% + $0.26%, the UK 1.9% + 20p

*- The total costs and fees for crowdfunding platforms range from 2.9% to as much as 15% of the money raised. In addition, fundraising organizers can wait as long as 4 weeks for the money raised to be disbursed from online services. This is due to, among other things, the fact that almost all portals on the market, as far as I know, do not have a payment institution license and rely on the support of third-party payment service providers or financial institutions to manage all financial issues.* - says Krzysztof Ilnicki, CTO and vice president of 4fund.com. *- This affects the level of fees and overall costs, as well as the payout time. Hence, the process of delivering payouts to fundraising organizers on these platforms is long, costly, and time-inefficient. One of the few exceptions, from the above rule, is 4fund.com which is operated by zrzutka.pl, one of the most renowned Polish crowdfunding website providers which has been in operation for over 10 years. Our company has the status of licensed payment services provider i.e. payment institution. Thanks to this, we are able to offer instant payouts, as well as the ability to organize a fully free online collection for any purpose. It is worth mentioning that we subsist mainly on charitable donations.* - concludes  Krzysztof Ilnicki of 4fund.com.

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| **Comparison of the top crowdfunding platforms** | | | | | |
| **no** | **Name** | **Who can organize?** | **Goal of collection** | **Costs, commissions, fees** | **Time to process payouts** |
| 1 | **GoFundMe** | anyone | any goal - individual crowdfunding for various needs | 2.9% + $0.30 payment processing fee + optional donors contributions | 2 to 5 business days |
| 2 | **Kickstarter** | anyone | time-limited creative projects such as films, albums, board games, and product launches. The platform was created to fund specific, shareable projects such as books, games, and technology prototypes. | 5% platform fee + 3% processor fee + $0.20 transaction fee (or 5% + $0.05 per transaction if the donation does not exceed $10). | approximately 14 days after the project's funding period has ended |
| 3 | **4fund.com** | anyone | any goal and purpose | **0%, no costs**, i.e. no platform fee, no commission or processor fee, 0% transaction, and withdrawal fee | **instant payouts**, in exceptional cases, no longer than 24 hours |
| 4 | **Givebutter** | non-profit organizations | any goal of any kind, including charities, schools, teams, and social or religious organizations. | 2.9% + $0.30 per transaction for payment operator, which covers 95% of donors, free of charge for non-profit organizations | 3-5 business days |
| 5 | **Patreon** | artists, creators with an existing or growing fan base, including podcasters, journalists, and creative entrepreneurs | support for activities | 8-12% platform fee, plus payment processing fees ranging from 2.9% to 6% + 0.10USD - 0.30USD per successful payment over $3, withdrawal fees, and more | Once a payout is initiated, it typically takes 1-5 days for the funds to appear in a personal account. |
| 6 | **Indiegogo** | creators with an existing or growing fan base, including artists, podcasters, journalists, and creative entrepreneurs | launching new projects such as technology startups, artists, and other creative ventures. | 5% platform fee + 3%-4% + $0.30 transaction fee and transfer fee, which varies - depending on the currency and the bank | within 15 business days after a campaign has ended |
| 7 | **Bonfire** | anyone | crowdfunding through products. quick t-shirt or product campaigns. | an 8% donation processing fee which covers credit card transaction fees and other administrative expenses of the platform. 3.5% for verified nonprofit organizations | 2-8 business days after a successful campaign batch has ended |
| 8 | **Crowdfunder** | entrepreneurs, startups | a crowdfunding app for Shopify stores. connecting projects, charities and causes with people and partners who care | 0% to 5% platform fee depending on the project type, 1.9% to 2.4%  transaction fee + 20p (per pledge) + VAT on UK/EU cards, tipping optional + an extra funding fee of 0-5% plus Vat | within 7 working days after the project has closed |
| 9 | **Fundable** | entrepreneurs, startups | crowdfunding platform for financing small and medium-sized companies | $179 per month during active campaigns instead of a percentage of total funds raised (not including payment processing fees). | between 48-72 hours |
| 10 | **Crowdcube** | entrepreneurs, startups | equity crowdfunding investments | 7% (exc. VAT) of funds collected and a completion fee of 0.75% to 1.5%. Payment processing fees vary. | within 2 - 3 working days |
| 11 | **Whydonate** | anyone | charity/ donations | 1.9% + €0.25 Payment processing Costs | 3 working days |
| 12 | **Mightycause** | non-profit organizations | a crowdfunding service for non-profit organizations | $79 or $119/month plus payment processing fees vary, e.g. 1.99% and 49¢ for PayPal. | once a month, around the 10th |
| 13 | **iDonate** | anyone | charity/ donations | The Donor Cover Fee Model  4.5% platform fee for cause  transaction fees are 1.4% + €0.25 or 1.9% + €0.35 if donor uses PayPal  transaction charge on. 0% Platform Fee Model - donations 1.95% + 25c in; | a calendar month |
| 14 | **StartEngine** | entrepreneurs, startups | equity crowdfunding investments | 3.5% fee on top of the price of shares | up to 48 hours |
| 15 | **JustGiving** | anyone | charity/ donations | platform fees USA up to 5%, Canada 5%, UK 2.9% + 20p, rest 0%; processing fees depend on the method of payment in use., e.g. for Credit/ Debit Cards Ireland 2.9%, USA 2.9%, Australia & New Zealand 0%, Canada 2.598% + $0.26%, UK 1.9% + 20p | 4-6 working days |

According to research, less than half of all crowdfunding campaigns reach their goal. Therefore, some sites apply an all-or-nothing policy, which means that if an organizer does not reach the set goal, they will not receive any money. Hence, in order to not be surprised by the level of fees, it is worth reading the terms and conditions of each collaborative funding site, even before choosing a platform and organizing an online collection.

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**About 4fund.com**

4fund is a platform designed for creating online fundraisers for any purpose, such as gifts, trips, businesses, and charitable actions. Using 4fund.com is completely free; the portal does not charge any fees for contributions, withdrawals, or commissions, and it offers convenient deposit options including payment by card, Apple Pay, or Google Pay. Users can create one-off campaigns or collect regular contributions for a project or business. 4fund.com boasts 813,000 registered users, 1.2 million fundraisers, and nearly 300 million total donations paid to various types of projects on the platform. The platform has been operational for over 10 years and is a licensed payment services provider in the European Union, regulated by the Polish Financial Supervision Authority (UKNF).