

## Text5

Funding is the act of providing resources to finance a need, program, or project. While this is usually in the form of money, it can also take the form of effort or time from an organization or company. Generally, this word is used when a firm uses its internal reserves to satisfy its necessity for cash, while the term financing is used when the firm acquires capital from external sources. Sources of funding include credit, venture capital, donations, grants, savings, subsidies, and taxes. Fundings such as donations, subsidies, and grants that have no direct requirement for return of investment are described as "soft funding" or "crowdfunding". Funding that facilitates the exchange of equity ownership in a company for capital investment via an online funding portal as per the Jumpstart Our Business Startups Act (alternately, the "JOBS Act of 2012") (U.S.) is known as equity crowdfunding.