

Got Crypto?

Description

By [Elizabeth Manchester](#)

Charities increasingly receive inquiries from donors regarding the entity's willingness to accept cryptocurrency ("crypto") donations. In the wake of the pandemic, charities should consider ways to diversify fundraising efforts in a compliant manner.

Charities can best prepare themselves with the following steps to evaluate and accept cryptocurrency donations.

- Review and revise gift acceptance policies. Every organization should have such a policy in place. Gift acceptance policies allow for high quality donor relations, facilitate seamless fundraising and will only enhance your charitable giving efforts.
- Discuss with the Gift Acceptance Committee the desire to accept crypto. Keep in mind the demographics of the donor base, likelihood the issue will arise in the near future, and variety of fundraising vehicles.
- Explore and identify a broker or third-party company to liquidate cryptocurrency donations, should you move forward. Review pricing and fees for the service.
- Review receipting practices.
- Review understanding of the acceptance of gifts in conjunction with Form 8283.
- Understand the capital gains tax benefits of appreciated asset giving.
- Familiarize fundraisers with the diverse array of cryptocurrency vehicles. NFT's or non-fungible tokens and the income generated from the ownership of NFT's are an increasingly popular vehicle for donors. The ownership of NFT's may also involve the use of limited liability companies.
- When you are ready, market this method of giving to the organization.

We at [Partridge Snow & Hahn](#) have a multifaceted [Nonprofit Organizations Group](#) to guide you through the myriad decisions and advice necessary to consider crypto donations. Please contact [Elizabeth Manchester](#), Chair at emanchester@psh.com.

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