



PASTOR EDITION

CREATIVE GIVING TOOLS

FOR CHURCHES

ACS Technologies®

Does your church have a sizeable endowment?

Don't worry - if the answer is no, you certainly are not alone. Often our church stewardship plans are annually focused: we're striving to make ends meet in the current budget year. We're scrambling to secure the funds for a building or other capital project. Seeking ways to build a legacy fund or endowment for the future falls by the wayside for most ministries.

In this article, we're exploring creative giving tools for churches. We'll unpack what pastors need to know about non-cash giving - stocks, property, estate planning and more. We'll also cover some timely information your members should know about giving before the end of the 2021 calendar year.

Finally, as a bonus, you'll find a primer on what pastors need to know about cryptocurrency at the close of this article.

Why do we as pastors need to turn our attention to generosity through creative (non-cash) giving tools?

Most major donors have the vast majority of their wealth in assets, not cash. In fact, for many of your church's most generous donors, less than 10 percent of their wealth is likely to be in cash assets. Unfortunately, we see many churches and ministries who do not communicate to or educate donors about how to give with anything other than traditional cash.

The easiest place to begin this work on building your giving beyond cash is by asking your church members to consider a planned gift in their wills and estate plans. What do we mean by planned gift? Typically this is a legacy gift that a donor outlines in his or her estate plan and is given in death. There are many types of planned giving vehicles (some donors can give during their lifetimes, through vehicles such as charitable gift annuities) but today, we'll focus on the most common and simple ways your church's members can make a lasting impact on your church long after their passing.

Pastors, remember that contributions from wills and estates tend to be much larger than what donors could give in their lifetimes. Encourage your congregation to consider including the church as a beneficiary when they outline or restructure their wills.

One organization made the commitment not to spend the funding from any planned gifts they received that didn't have specific restrictions. Instead, they allocated those contributions to their endowment fund. By not spending any of the sizable gifts they received over a period of several years, they were able to establish a significant endowment to support the church and its ministries. This approach also honored the intention and legacy of the donors whose final gifts made it possible.

One pastor recently shared with me how when one of his long-standing members passed away, the obituary notice asked for contributions in his memory to several charitable organizations - but not to the church, where he'd been active and where the memorial service was held. While these things will happen, we can increase the chances of our members making their church as part of their legacy giving at the end of their life by talking about it as a congregation now.

Pastors, build strategic communications to your members sharing how important planned gifts are for the future of your church.

Ideally, ask one of your members who has an estate gift in place to share his or her story. Or perhaps you have a choir room, library or other place/item in your church named for a beloved member whose bequest funded the gift. Tell that story and paint a picture of what's possible when donors fund their passion with proceeds from their assets.

Some churches also host occasional planned giving workshops for their members. A trusted partner with an expertise in these tools can provide important and timely information about tax implications and how to best structure a basic will and estate plan. Those sessions can give you as a pastor the opportunity to deepen your relationships with those planning for that season...those workshops can also broaden your own understanding of ways to communicate to donors about legacy giving options.

Here are some additional non-cash giving tools to offer your members:



PROPERTY AND REAL ESTATE

Often, there are tax benefits to the donor when he or she donates property (car, land, rental home) to the church rather than selling it and then donating cash proceeds. A donor who no longer wishes to maintain a second home or rental property will likely incur high capital gains taxes when selling it, which also cuts into what he or she can donate from the sale. Donating the property to their church or a nonprofit charity eliminates those tax implications, creates tax and other benefits for the donor, and allows the church to hold or sell the property based on ministry needs.

Many donors do not think of this as an option when they reach the point of wishing to offload acreage, a rental property or an inherited home. Pastors, look for ways to let your congregation know that there are impactful contributions they can make to the church through gifts of real estate.

STOCK GIFTS

Similarly to the reasons to donate property rather than sell, gifts of appreciated stock given directly to a church or charity also have tax benefits for the donor. Donors can make a larger impact by not selling off stock and contributing the cash, and instead donating the shares to the church. Most charities sell stock gifts for cash upon receipt. In most cases, your financial institution (or your religious or community foundation) have staff who can assist your church in understanding and accepting stock gifts.

Pastors, look for ways to communicate to your congregation that stocks are an easy way to generously support your church's ministry. If you have a donor who has donated stock, ask him or her to share that story as it will inspire, educate and encourage others to look at their portfolios through the lens of generous giving.

AN IMPORTANT NOTE FOR 2021

Finally, a word about cash giving that is time-sensitive for year-end. Several CARES Act provisions – temporary tax changes that benefit individuals who give to charity – were extended through 2021.

Donors who itemize their deductions can now give more cash to charity before reaching their adjusted gross income (AGI) limitation. The CARES Act raised the prior 60% limitation for cash contributions to certain public charities to 100% of an individual's AGI. Donor giving beyond this 100% limitation also may be carried forward for the next five tax years.

The extension of CARES Act provisions through 2021 also benefits donors who do not itemize their deductions. The CARES Act allows for up to \$300 of a taxpayer's charitable contributions to qualify as an above-the-line deduction. It also increases the amount to \$600 for married couples filing joint returns. This means donors don't have to itemize deductions in order to claim the \$300 (or \$600) as a deduction. Qualifying donations must be made in cash.

Many of your church's members may not be aware of these CARES Act charitable giving tax benefits. This can make a timely and important year-end message for your congregation, especially because we don't know what 2022 will hold and these increases may go away.

Again, don't feel like you have to learn all there is to know about these or more complicated giving tools. Partners at ACS Technologies are here to help answer your questions if you need help at any point.

The fundamental – and simple – tools we've covered in this article can make a significant difference in your stewardship program. Focusing on even a couple of those creative generosity pathways at year-end and in 2022 will bless your ministry...and your donors.

TIMOTHY L. SMITH

B O N U S

C R Y P T O C U R R E N C Y

B R I E F I N G

F O R P A S T O R S

Pastors, you've likely heard a lot about cryptocurrency but have questions about the tool itself...and if it's something your church needs to think about going forward. I've invited my colleague and friend Jeremy Reis to unpack and demystify cryptocurrency. Jeremy is an expert in philanthropic fundraising. He's worked with ministries large and small to improve how they use technology to build their stewardship and donor relationships. He also serves on the Advisory Council of the Christian Leadership Alliance. I asked Jeremy what pastors need to know about this new currency tool and here is his response.

TIMOTHY L. SMITH

With the recent rise in popularity of blockchain technology, church leaders need to understand cryptocurrency. In this blog post, we will explore what cryptocurrency is and why you, as a pastor, should care about crypto.

What is cryptocurrency?

A cryptocurrency is a digital currency with no physical form that can be used as money and exchanged online. Because cryptocurrencies are decentralized, they allow individuals to exchange value without the need for an intermediary.

Bitcoin was the first cryptocurrency released in 2009 by pseudonymous developer Satoshi Nakamoto, and it remains one of the most popular today. Other well-known cryptocurrencies include Ethereum, Litecoin, Cardano, Tether, Binance Coin, and Dogecoin. These currencies don't have any intrinsic worth other than their current market price (the worth people assign).

Most cryptocurrency allows for fast transfer times because there's no third party or centralized authority required to handle transactions that usually take time, such as bank account transfers or traditional payment methods like checks or credit cards.

How is cryptocurrency transferred?

Every cryptocurrency transaction has a unique address for the sender and receiver. The sender must know the destination address to send the cryptocurrency to. The sender initiates the transaction, and it is added to the blockchain for confirmation by miners or staking pools. Once a transaction is confirmed, the amount is recorded into the blockchain and registered at the destination. A transaction can take from less than one second to several hours, depending on the type of cryptocurrency and congestion on the network.

How is cryptocurrency exchanged?

People buy and sell cryptocurrency on exchanges. Exchanges provide a list of cryptocurrencies they offer for sale, the price and currency it is sold in, as well as any trading fees on these transactions. Many exchanges will sell cryptocurrency in exchange for fiat currencies – such as the U.S. dollar – or in exchange for other cryptocurrencies. A transaction from one type of cryptocurrency to another is expressed in a pair. Most exchanges will pair with Bitcoin, USDT (linked to the the U.S. dollar value), and Ethereum.

Popular exchanges include Coinbase, Binance, and Kraken.

What is a cryptocurrency wallet?

A cryptocurrency wallet is a digital wallet that stores cryptocurrency. Most wallets are a software program but can also be a physical device or paper wallet.

There are two types of wallets: online and offline. An online wallet is connected to the Internet and is available for transacting different types of cryptocurrencies. An offline wallet is disconnected from the Internet to prevent hacking. When you move your cryptocurrency into an offline wallet, it is referred to as being in “cold storage.”

Why should our church accept cryptocurrency?

Cryptocurrency is an asset of value. Just like stocks, land, or an automobile, cryptocurrency has value that can be easily converted to cash. Unlike many of those other donation types, cryptocurrency is much simpler to accept.

Cryptocurrency is also more popular among younger generations. Accepting cryptocurrency may open your church to donations from younger donors. Many churches have expanded their audience through livestreaming and now have people watching services from all over the globe. Cryptocurrency provides a way to accept donations from people who live overseas without worrying about transfer fees or exchange rates.

What are the risks of cryptocurrency?

Risks of using cryptocurrency include volatility in price, fraud (inadvertently transacting with fake bitcoin exchanges), theft if you store your coins online without security precautions, and regulatory risk because new laws could change how cryptocurrency operates.

Other risks include the following:

- A decrease in value if your church decides to keep the cryptocurrency.
- Cryptocurrency from illegal activities is subject to clawback laws, meaning that the church may be required by law enforcement to return the cryptocurrency.
- It's a nascent area of law. Some countries have banned cryptocurrency. Will there be laws impacting recipients of cryptocurrency? Does receipt of cryptocurrency in a money-laundering scheme put a church at risk?

Due to volatility and money laundering risks, many organizations have clear policies stating that refunds of cryptocurrency donations are impossible.

How do we accept cryptocurrency?

Our experts at ACS Technologies can help you identify the best way to receive the donation, convert it to cash, and distribute funds to your church. These types of services often perform this for a small percentage of the donation. Having a trusted partner process the transaction helps reduce risk for the church and makes accepting different kinds of cryptocurrencies easy.



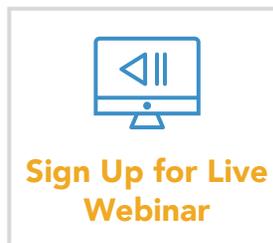
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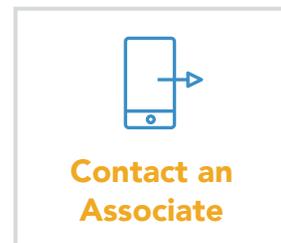
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Our Mission: To help you have *real* ministry impact

ACS Technologies has provided over four decades of services and software to churches of all sizes throughout the world. During that time we have accumulated data, gained vital insight, and received thousands of first-hand testimonials on best practices and methods that most effectively help ministries.

Our years of service have allowed us to become the world's largest provider of ministry solutions to churches of all sizes. It is our mission to furnish advice, examples, tips, and information to help you turn your ideas into real ministry impact.

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ACS Technologies is the original pioneer of Church Management Software (ChMS). We are firmly dedicated to serving local churches all over North America by providing the best-in-class ministry software and service solutions that help you fulfill Christ's mission for your Church.

Tools and support to strengthen churches.

We build great software, but we don't stop there. We have a "service-first" approach that truly sets us apart. With hundreds of dedicated support and consulting personnel, your staff can reach our team 24/7. We're in your corner to help you with the ministry challenges you face every day.

Ideas and solutions powered by integrity.

Integrity is real for us, and it means consistently being faithful stewards by doing the right thing for church success. We have earned the trust of pastors, church staff, congregants, our employees, and colleagues for over 40 years.

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We believe in YOU!

ACS Technologies believes in the local church. Over 75% of our team has experience serving in their local churches. We know firsthand that serving the Church means serving people, and we take seriously our commitment to helping ministries like yours achieve their God-given mandate - to make disciples in their communities, states, and across the world.

Let's Talk

We know the challenges of switching or implementing new technology and how that can be intimidating. But we also know the unbelievable changes that have happened within churches that have partnered with us for their ministry needs. Let's connect and see how we can assist you in the greatest thing you do - grow God's Kingdom.

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