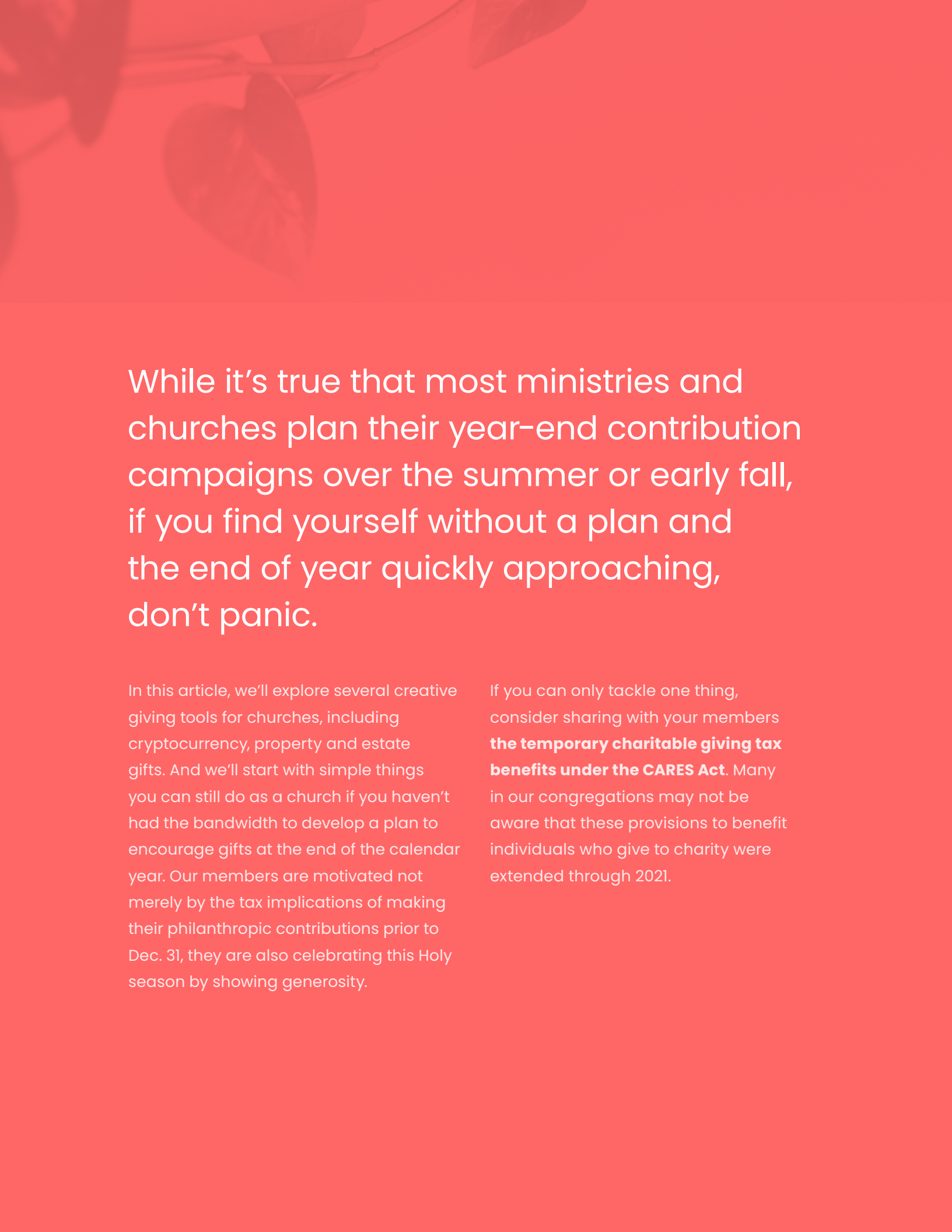# CREATIVE GIVING TOOLS

FOR CHURCHES

While it's true that most ministries and churches plan their year-end contribution campaigns over the summer or early fall, if you find yourself without a plan and the end of year quickly approaching, don't panic.

In this article, we'll explore several creative giving tools for churches, including cryptocurrency, property and estate gifts. And we'll start with simple things you can still do as a church if you haven't had the bandwidth to develop a plan to encourage gifts at the end of the calendar year. Our members are motivated not merely by the tax implications of making their philanthropic contributions prior to Dec. 31, they are also celebrating this Holy season by showing generosity.

If you can only tackle one thing, consider sharing with your members **the temporary charitable giving tax benefits under the CARES Act**. Many in our congregations may not be aware that these provisions to 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.

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.

Regardless of what time you have left in this year - or if you're getting a jump on next year - here are some steps you can take that will position your stewardship program well.

1

GATHER STORIES ABOUT YOUR CHURCH'S IMPACT NOW AND YEAR-ROUND.

Too often our churches don't do a good job telling the story of our ministry's impact.

Before you can write your next great fundraising appeal, you need a great story. Great stories come from a lot of hard work, preparation, and research. Chances are, you'll need to connect with others in your organization to gather the stories of those whose lives have been touched by your mission and your donors.

Make the time to ask for these stories regularly from your frontline church staff or volunteers who can help you illustrate the difference you're making.

Find a place to house those stories, quotes and photos.

How is our youth group making a difference? How are we impacting families in our children's ministry? How is our worship band helping bring people into the church?

Consider inviting your ministry volunteers and general members to share their stories about how the church has made an impact on them, on their families, in your community. Gather stories and photos from your outreach and mission efforts. Gather testimonies year-round and get in the habit of asking for them.

2

TELL THOSE STORIES IN ANY YEAR-END MESSAGING (EMAIL, WEB, SOCIAL) AND IN YOUR JANUARY TAX RECEIPTS.

Donors are inspired when they know their giving has a direct impact and is making a difference.

Look for ways to include the testimonies you gather in any congregational messages, website and social media to remind people of how important their gifts and tithes are to furthering your church's Kingdom work. Share the specifics of a story and the faces of those impacted by your ministry.

One common mistake that churches make is not leveraging their year-end tax receipt communication to members.

We have to view that mailing not as an IRS requirement but as an opportunity to tell our givers what they helped us accomplish. Include bullets of your ministry outcomes, stories or testimonies of how your church through your donors advanced the Kingdom of God this past year. Be clear with donors that they are indeed transforming the lives of real life individuals.

3

THANK EARLY

AND OFTEN.

Include several touchpoints for thanking your donors in the last months of the year.

It could be a thank you or Thanksgiving card, a thank you calling campaign, or handwritten thank yous from staff or beneficiaries. It might mean a special thank you just for first-time donors or something unique for your recurring monthly partners. If those ideas are not something you and your staff can pull off this year, focus on your January receipt as a donor thank you.

Churches also need to offer creative giving tools to their donors. We'll unpack what you need to know about the most common and impactful tools to encourage your givers' generosity.

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. So what does that mean for our fundraising efforts? 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.

Here are some tools to consider:

PROPERTY AND REAL ESTATE

Let's start with the more simple donation instruments: 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. 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 AND SECURITIES

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.

Find 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 their story as it will inspire, educate and encourage others to look at their portfolios through the lens of generous giving.

IRA/RETIREMENT FUND GIVING

For those in your congregation who hold IRA accounts, another creative giving tool is known as a qualified charitable distribution (QCD). This allows donors to make a contribution directly to a charity or church from their taxable IRA instead of taking the required minimum distribution, a move that can have tax benefits.

There are some limitations, but for donors who have to take mandatory IRA distributions even if they don't need or want the funds, this can be an excellent tool to fund generosity.

Segment your members age 70 and above (who are mostly likely in the position of managing mandatory IRA distributions) and consider an informative communication to them outlining the benefits of a QCD. While it's ideal to do this near year-end, keeping this tool in front of those entering that phase of life will be important year round.

Insurance policies and retirement accounts are accessible generosity tools for givers of almost any capacity. These can enable donors who couldn't make major gifts in their lifetime to make a generous contribution in death. Donors simply need to designate the church as a beneficiary of a life insurance policy or for their IRA or retirement account funds.

CRYPTOCURRENCY

While this is not necessarily common yet, cryptocurrency is quickly becoming a tool many donors want to use to make charitable gifts. My colleague, Jeremy Reis, shares what churches need to know about this emerging technology for digital giving:

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.

LEGACY/PLANNED GIFTS

Donors can leave cash, property or other valued assets to the church as part of their bequest and estate plan. But the only way to begin seeing gifts of this type is to communicate to your members the importance of these options.

What do we mean by planned gifts? Typically these are legacy gifts donors outline in an estate plan and are given after their passing.

The easiest place to begin is by asking your church members to consider leaving a gift in their wills and estate plans. Planned gifts 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.

Planned gifts can be instrumental to building an endowment for your ministry. 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.

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 sizeable 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.

Build strategic communications to your members sharing how important planned gifts are for the future of your church. Ask one of your members who has an estate gift in place to share his or her story. 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.

There are experts in these creative giving tools who can assist your church, and ACS Technologies is glad to talk with you and connect you to the best resources. Focusing on even a couple of those creative tools will bless your ministry...and your donors.

TIMOTHY L. SMITH

Thank you to my colleague and friend Jeremy Reis for demystifying cryptocurrency in this article. Jeremy is an expert in philanthropic fundraising and serves on the Advisory Council of the Christian Leadership Alliance.

Realm provides solutions that will make your ministry and life easier. It is cutting-edge church management software that combines administration, accounting, and community into one system. It also connects your entire church and personalizes each person's involvement in your ministry.

We'd encourage you to explore all that Realm makes possible by taking a demo, walking through a self-guided tour, or speaking with an associate today!
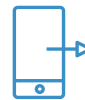
Take a Self-Guided Tour

acstechnologies.com/
products/realm/demo

Sign Up for Live Webinar

acstechnologies.com/
products/realm/demo/tour

Contact an Associate

1-800-736-7425

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.

Powered by the people of **ACSTechnologies.**

Family owned
for over 40 years

#1 rated
in service

Nearly 50,000
churches served

Over 400 staff
ready to serve

Best place
to work

www.acstechnologies.com
1-800-736-7425

Choosing the Right Ministry Partner

The know-how you need from experts you trust.
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.

A plan to meet your needs and move your ministry.
We're not just interested in satisfied customers. We see ourselves as your real ministry partner and will work with you to make disciples that will last for an eternity. We're excited to talk about your goals, create a plan together, and set you up with the software, service, and resources you need.

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.

📞 1-844-467-3256

✉ solutions@acst.com

📍 180 Dunbarton Dr, Florence, SC 29501

acstechnologies.com
1121 Copyright © ACS Technologies Group, Inc.