



EXCERPTS OF RECENT MEDIA COVERAGE

NONPROFIT AND EDUCATION PRACTICE

A SAMPLING OF BDO THOUGHT LEADERSHIP IN THE MEDIA FOR Q4 2014

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#NONPROFITS #SOCIALMEDIA AND #TAXES: IS YOUR ORGANIZATION PROTECTED?

By **Sandra Feinsmith**



Social media can offer cost-effective platforms through which nonprofit organizations can better communicate with stakeholders and raise awareness of their causes and fundraising

efforts. Following major online giving success stories such as #GivingTuesday, more nonprofits are actively participating on social media channels to get in front of potential donors: U.S. nonprofits saw 37 percent growth in followers on Facebook in 2013, and 46 percent annual growth in Twitter followers, according to the 2014 eNonprofits Benchmark Study by M+R.

While nonprofit organizations are increasing their use of social media, the IRS has so far provided very little guidance to organizations regarding both the use of social media and its potential tax implications. The official IRS stance is to treat online communications—including email, blogs, Facebook, Twitter and the like—the same as printed media...

A lot of damage can be done in 140 characters. In order to make sure your

organization is protected, you must take care to accurately report all online activity. To help organize and implement this process, your organization should develop and enforce social media policies for the organization as a whole, as well as its individual employees and volunteers. As with normal offline activities, consult your tax advisor and legal counsel to make sure the organization's online and social media activities are structured correctly. This will go a long way in minimizing exposure to regulatory scrutiny, and it will help protect your organization's reputation.

► AMERICAN SOCIETY OF ASSOCIATION EXECUTIVES

BITCOIN IN THE CHARITABLE SECTOR: WHAT NONPROFITS NEED TO KNOW

By **Laurie De Armond, Laura Kalick** and **Sandra Feinsmith**



"Should we accept donations of Bitcoin?"

It's a question many nonprofit executives and their boards may be asking as they encounter potential donors wishing to make



For 100 years, BDO has provided services to the nonprofit community. Through decades of working in this sector, we have developed a significant capability and fluency in the general and specific business issues that may face these organizations. With more than 2,000 clients in the nonprofit sector, BDO's team of professionals offers the hands-on experience and technical skill to serve the distinctive needs of our nonprofit clients – and help them fulfill their missions. We supplement our technical approach by analyzing and advising our clients on the many elements of running a successful nonprofit organization.

In addition, BDO's Institute for Nonprofit Excellence (the Institute) has the skills and knowledge to provide high quality services and address the needs of the nation's nonprofit sector.

their contributions with Bitcoin. Within the sector, organizations such as Greenpeace and The Water Project have recently announced that they are accepting Bitcoin donations. However, the digital currency's use is still very much in early adoption phase. Organizations that currently accept Bitcoin donations tend to do so in order to outwardly support innovation, appeal to their tech-savvy donor bases, and give their donors a low cost option for making donations.

For background, Bitcoin is a digital currency. Essentially, those who buy Bitcoins assume that the currency is worth something, and its value subsequently fluctuates based on supply and demand. That being the case, Bitcoin is not controlled or backed by any central authority or sovereign government. The supply of Bitcoins and all transactions are instead controlled on the currency's peer-to-peer network. Still, Bitcoin exchanges exist and can easily convert

the digital currency into most national currencies.

The process for accepting Bitcoin donations is reasonably simple. An organization creates an account with a third-party processing company (e.g., Bitpay or Coinbase), and then incorporates the payment option into its online donation portal. With this system in place, organizations can accept incoming Bitcoin donations and then exchange them at the time of transaction, if desired, for legal tender via third-party processors...

As the use of Bitcoin continues to grow, it's critical that organizations understand best practices of accepting donations in virtual currency. If your organization is considering whether or not to accept such donations, we encourage you to consult an experienced advisor to navigate these complex and evolving rules, and to help you make the best possible decision.

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