



Raise[®]
2022

Decoding Cryptodonations— Fundraising in the Next Frontier

Barbara O'Reilly & Mark Ulrich

Welcome!

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2022



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every.org

Agenda

1. What are Cryptocurrency and NFTs?
2. Why should nonprofits care?
3. 2022 crypto crash
4. Risks and regulations
5. Crypto gift acceptance

1.

Cryptocurrency & NFTs

Fiat Money



Issued by government



Governed/regulated by
central bank

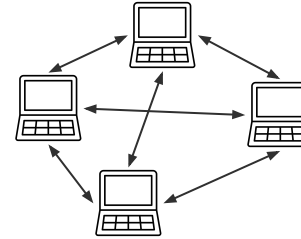


Needs intermediary for
transactions

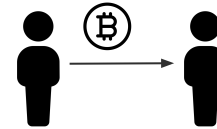
Cryptocurrency














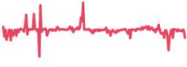






Generated by code



Maintained by
decentralized network



No intermediary required for
transactions

#	Name	Price	1h %	24h %	7d %	Market Cap ⓘ	Volume(24h) ⓘ	Circulating Supply ⓘ	Last 7 Days
☆ 1	 Bitcoin BTC Buy	\$21,570.68	▲0.25%	▲0.22%	▼7.92%	\$412,825,458,683	\$31,174,171,161 1,444,640 BTC	19,130,718 BTC	
☆ 2	 Ethereum ETH Buy	\$1,668.40	▲0.76%	▲1.71%	▼9.02%	\$203,480,692,408	\$17,152,383,709 10,291,851 ETH	122,093,402 ETH	
☆ 3	 Tether USDT Buy	\$1.00	▼0.00%	▲0.01%	▼0.01%	\$67,552,512,983	\$47,877,653,699 47,875,557,248 USDT	67,549,555,016 USDT	
☆ 4	 USD Coin USDC Buy	\$1.00	▲0.01%	▲0.00%	▲0.02%	\$52,337,205,920	\$6,956,206,104 6,955,935,503 USDC	52,335,169,964 USDC	
☆ 5	 BNB BNB Buy	\$297.68	▲0.31%	▼0.34%	▼3.18%	\$48,074,807,018	\$920,378,796 3,088,757 BNB	161,337,261 BNB	
☆ 6	 Binance USD BUSD	\$1.00	▼0.01%	▼0.00%	▲0.00%	\$19,045,034,759	\$4,627,649,032 4,627,146,063 BUSD	19,042,964,798 BUSD	
☆ 7	 XRP XRP Buy	\$0.3456	▲0.36%	▲1.05%	▼7.27%	\$17,135,019,018	\$883,138,637 2,553,147,805 XRP	49,537,223,666 XRP	
☆ 8	 Cardano ADA Buy	\$0.4637	▲0.64%	▲0.42%	▼13.39%	\$15,593,345,559	\$487,253,613 1,054,261,479 ADA	33,739,028,516 ADA	
☆ 9	 Solana SOL Buy	\$35.78	▲0.95%	▲0.13%	▼12.91%	\$12,472,843,661	\$840,451,313 23,533,400 SOL	349,250,946 SOL	

Source: [CoinMarketCap](https://CoinMarketCap.com) (8/24/2022)

	COLLECTION	VOLUME ▾	% CHANGE ↕	FLOOR PRICE ↕	SALES ↕	% UNIQUE OWNERS ↕	% ITEMS LISTED ↕
1	 Bored Ape Yacht Club 	513	+2%	73.70	7	65% 6,462 owners	7% 744 of 10,000
2	 Finiliar	366	+95%	0.37	869	20% 2,032 owners	10% 1,034 of 10,000
3	 Lady Ape Club	358	+40%	1.05	60	79% 555 owners	46% 319 of 700
4	 Mutant Ape Yacht Club 	316	+36%	13.69	21	67% 12,960 owners	5% 988 of 19,425
5	 ABC (abracadabra)	14K	-59%	2.90	4,221	24% 2,430 owners	0.5% 50 of 9,999
6	 Azuki 	275	+152%	6.87	38	51% 5,098 owners	5% 547 of 10,000
7	 DeGods	13K	+440%	—	33	42% 4,248 owners	0% 0 of 10,000
8	 MoonPudgy	255	—	0.04	1,529	28% 894 owners	18% 564 of 3,137

Source: [OpenSea](#) (8/24/2022)

2.

**Why should
nonprofits care
about crypto?**



21 million or 14%

of adults in the US own crypto and they're charitable.

Nearly 11 million

donated \$1,000 or more to charity in 2020.
(up from 1/3 of all investors in 2019)

66%

 remaining are crypto-curious.

>70% are **25 to 44 years old**

Sources: [2021 State of Crypto](#) - Gemini
[Fidelity Charitable](#)

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Meet Your New Donors

Almost **60% of crypto holders** are under the age of 35, and almost 80% male.

An estimated **53% of the “crypto-curious”** are women.

Keep an eye on **Millennials**

nearly half believe that cryptocurrency is a smart investment.



It's Easy and Attractive

Make it easy to donate crypto to you on your website.

Promote your program in your marketing channels (especially Twitter).

Tell your donor audience. Share information in donor communications and ask if they are interested in making a crypto donation.

3.

2022 crypto crash

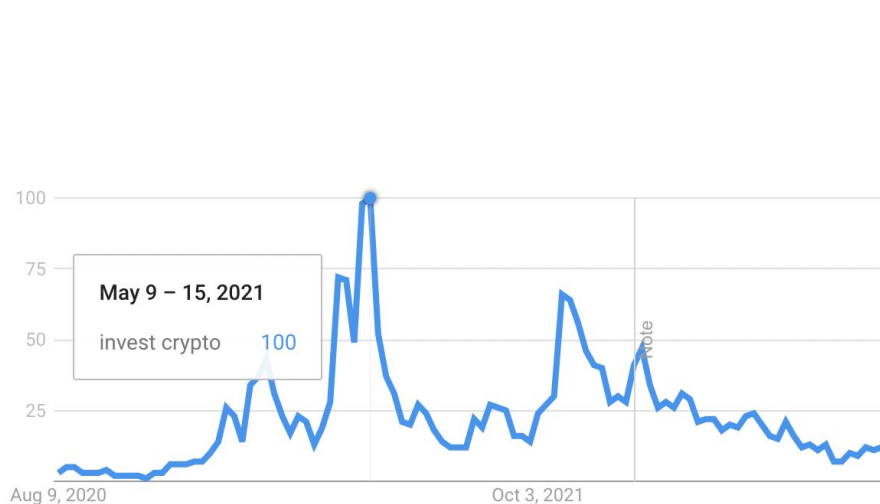
Early 2021 saw many new cryptocurrency investors

Rapid increase in the number of both institutional and retail investors.

VC firms invested \$33B in crypto

Bitcoin went from to \$29k on Jan 2021 to \$65k in November 2021.

Over \$1B of cryptocurrency donated in 2021



Almost \$2 Trillion Lost

Total cryptocurrency market cap reached \$3 trillion in November of 2021, now it is at \$1.1 trillion.

Bitcoin was \$65k, now \$23k.

Terra LUNA went from a \$41 billion market cap to 0.



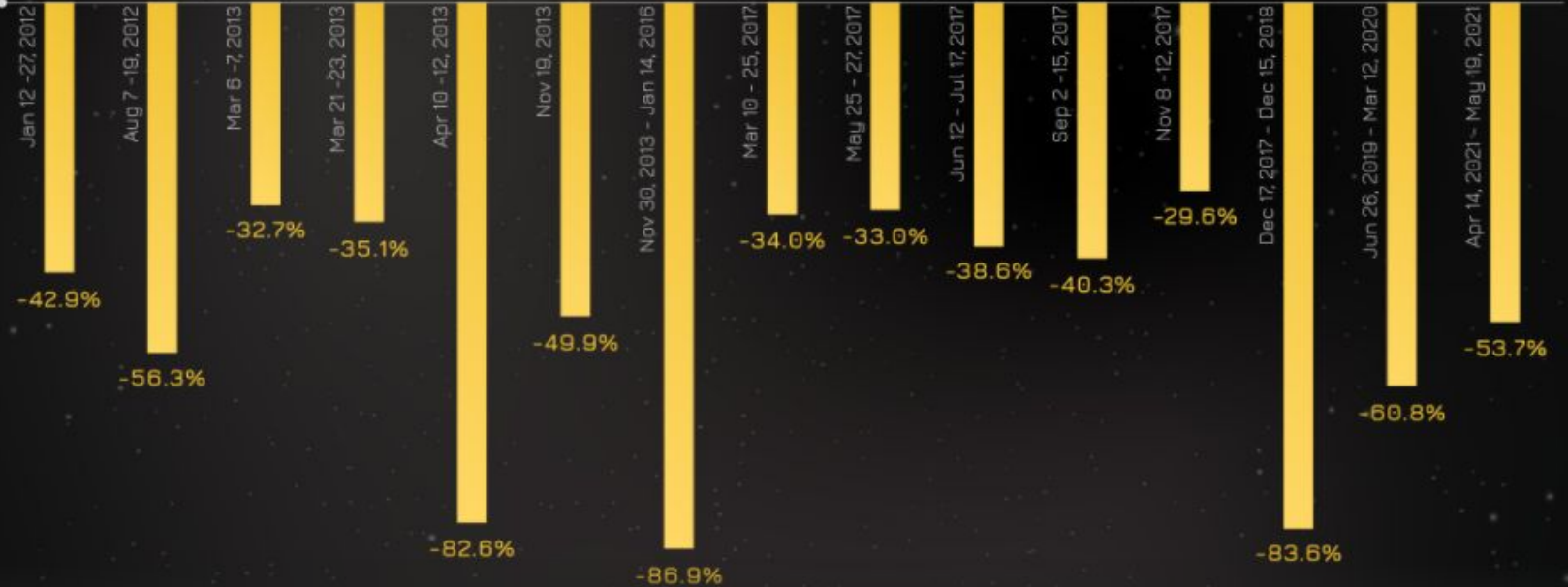


BITCOIN'S HISTORICAL CORRECTIONS

(FROM ALL-TIME HIGHS)

High Price	\$7	\$16	\$49	\$77	\$259	\$755	\$1,163	\$1,350	\$2,760	\$2,980	\$4,980	\$7,888	\$19,666	\$12,867	\$64,854
Low Price	\$4	\$7	\$33	\$50	\$50	\$378	\$152	\$891	\$1,850	\$1,830	\$2,972	\$5,555	\$3,220	\$5,040	\$30,000

Percent Decline



Volatility expected

Is this crash different?

Hurt many more retail investors compared to previous crashes

Complete collapse of related currencies (Terra LUNA), lending platforms (Celcius), and crypto hedge funds (3AC)

Cryptocurrency failed to provide a good hedge against inflation, recession, or war



**Governments are
taking notice.**



4.

Risks and regulations

**Regulations
are in flux.**



Even WHO will regulate is in flux

IRS – Internal Revenue Service

Treasury Department

OFAC – US Office of Foreign Assets Control

FinCen – The Financial Crimes Enforcement Network

SEC – Securities and Exchange Commission

CFTC – Commodity Futures Trading Commission

Accounting guidelines in flux.

General guidance from AICPA and KPMG say to treat it as **intangible property**, rather than an investment.

The FASB is currently investigating whether to directly address cryptocurrency in US GAAP and consider **fair-value accounting** rules instead.



5.

Crypto gift acceptance

Risks go down depending on the method you use to accept cryptocurrency.

Your own
crypto wallet

Crypto brokerage

Payments processor

Intermediary
501(c)(3)

Most Risky
Most Flexible

Least Risky
Least Flexible





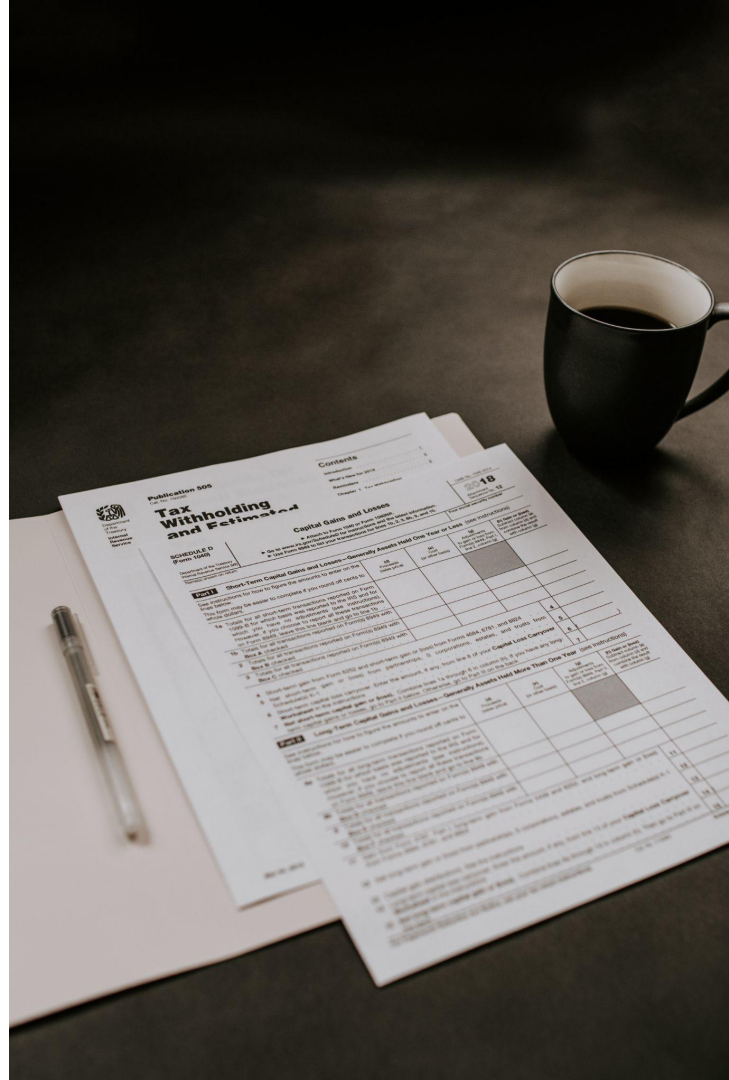
Integrate IRS reporting requirements.

Written acknowledgement for in-kind donation of a noncash contribution

990 Schedule M

File Form 8282, Donee Information Form

Sign Form 8283, Noncash Charitable Contributions





Review your policies.

Consider any gift acceptance policy and internal security and financial controls, especially if you choose to accept crypto directly.

Before holding or investing in any cryptocurrency, carefully consider the environmental impact.

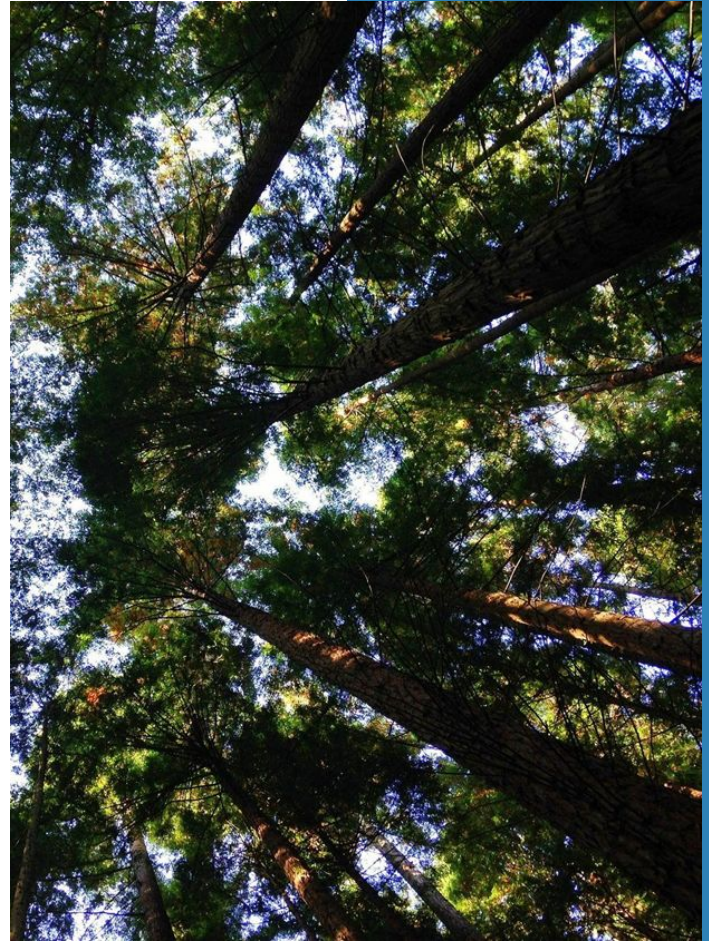
6. Rapid Fire Myth Busting

Myth:

High Bitcoin price is bad for the environment.

Reality:

A nonprofit accepting **and selling** Bitcoin can **reduce** its valuation and thus is better for the environment.





Myth:

My leadership thinks this is a fad.

Reality:

Just like online, DAFs, and Facebook Fundraisers, donors are telling us how they like to give. It's becoming a more mainstream form of payment.

Myth:

I can't steward these donors like my "traditional" supporters.

Reality:

Yes you can. But it may be different. Learn how these donors want to stay connected with you.





Myth:

Crypto is too risky and illicit. It will ruin our reputation.

Reality:

Majority of transactions are normal day-to-day. Have proper financial controls and gift acceptance policies in place to mitigate against risks.

Let's Stay Connected

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A blue-tinted photograph of three women smiling and laughing together. The woman on the left is wearing a light-colored, textured sweater. The woman in the center is wearing a dark, long-sleeved top. The woman on the right is wearing a dark, patterned top. A thin yellow horizontal line is positioned above the text.

QUESTIONS?

Now's our time
to hear from
you!

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FOLLOW US ON SOCIAL

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fb.com/onecause



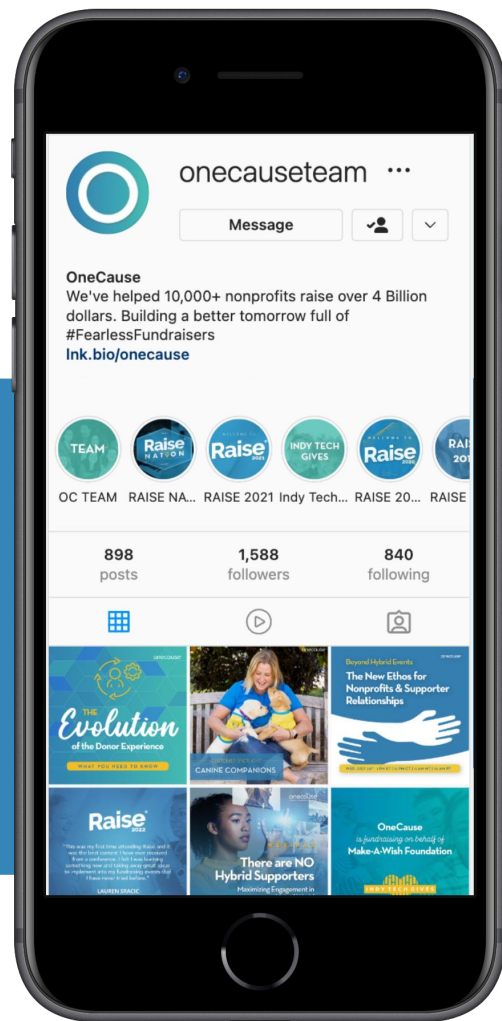
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