Cryptocurrency Solutions Decision Tool

For most organizations who choose to accept crypto donations, *routing them through intermediaries* may be the best option to maximize ease and efficiency and minimize risk.

Low and no cost intermediary solutions handle the liquidation of donations to cash and enable organizations to accept them *without having to master crypto* transaction processes or implement new policies and procedures.

Use this tool to explore whether an intermediary is right for you while *understanding alternatives*.

See additional details in the **Solutions Guide.**

NONPROFIT FINANCIAL COMMONS   BDO

START HERE →

Does your organization have the capacity to manage a wallet and the **compliance and reporting required** to accept cryptocurrency directly into a wallet you manage, OR is your organization **able to invest in growing** this capacity?

Note that managing this capacity includes
- ✓ *staying up-to-date with **changes in compliance** and reporting,*
- ✓ ***direct interaction** with donors, and*
- ✓ ***managing transfers** and liquidation.*

NO →

YES ↓

Are end-to end crypto transactions **without the involvement of a third party** important to your organization or a major donor?

NO →

Are you expecting to **invest in crypto**, expecting to **receive NFTs**, or want the ability to accept **any coin** in the future?

NO →

The cryptocurrency community is often enthusiastic about blockchain technology.

*Organizations expecting to accept relatively large donations may have reasons **to prioritize custodial control** of those transactions.*

YES ↓

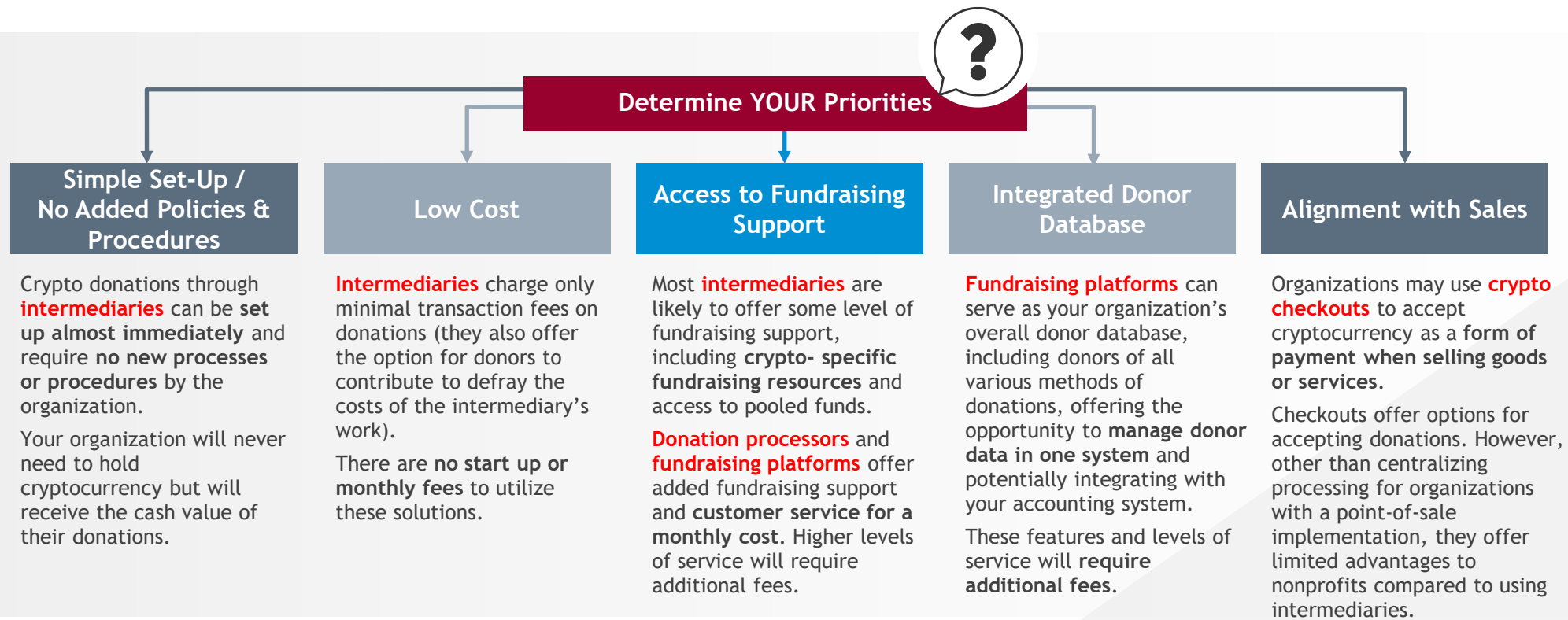**YES** ↓

THIRD PARTY ACCEPTANCE

Based on your response(s), you may want to accept cryptocurrency donations ***through a third party*.**

*Continue to the **priorities** on the next page to determine which type may be right for you.*

DIRECT ACCEPTANCE VIA WALLET

Based on your responses, you may want to accept cryptocurrency donations ***through a wallet you manage*.**

CONTINUE →

CONTINUE

Third-Party Acceptance Considerations

Determine YOUR Priorities

Simple Set-Up / No Added Policies & Procedures	Low Cost	Access to Fundraising Support	Integrated Donor Database	Alignment with Sales
Crypto donations through **intermediaries** can be **set up almost immediately** and require **no new processes or procedures** by the organization. Your organization will never need to hold cryptocurrency but will receive the cash value of their donations.	**Intermediaries** charge only minimal transaction fees on donations (they also offer the option for donors to contribute to defray the costs of the intermediary's work). There are **no start up or monthly fees** to utilize these solutions.	Most **intermediaries** are likely to offer some level of fundraising support, including **crypto- specific fundraising resources** and access to pooled funds. **Donation processors** and **fundraising platforms** offer added fundraising support and **customer service for a monthly cost**. Higher levels of service will require additional fees.	**Fundraising platforms** can serve as your organization's overall donor database, including donors of all various methods of donations, offering the opportunity to **manage donor data in one system** and potentially integrating with your accounting system. These features and levels of service will **require additional fees**.	Organizations may use **crypto checkouts** to accept cryptocurrency as a **form of payment when selling goods or services**. Checkouts offer options for accepting donations. However, other than centralizing processing for organizations with a point-of-sale implementation, they offer limited advantages to nonprofits compared to using intermediaries.

Types* of Third-Party Acceptance Solutions

Intermediaries take cryptocurrency donations on your behalf into their own 501(c)(3) entity. They manage all related reporting and compliance of doing so and issue a donation to your organization in cash. They are quick and simple to setup, require no changes to your procedures (though all organizations receiving donations should have a gift acceptance policy), no new compliance or reporting, and are likely the best solution for small or medium size organizations. Many intermediaries also provide access to crypto-specific fundraising resources and pooled funds.	**Donation processors** offer additional fundraising support, access to community forums and events, and a dedicated customer service representative, along with crypto specific fundraising resources and access to pooled funds. The offerings of donation processors come with a monthly cost and can often require organizations to manage differing pieces of process and compliance.	**Fundraising platforms** serve as the organization's donor database, offering the opportunity to manage donor data in one system and potential integration with accounting. These full service platforms are utilized for many different forms of donations (with cryptocurrency included) and are available to organizations on a subscription style model with a monthly cost, and require the organization to handle some aspects of compliance and reporting responsibilities.	**Crypto checkouts** are common in the for-profit marketplace, and while they offer limited advantage to nonprofits over using intermediary solutions, organizations with an existing crypto point of sale implementation (or interest in implementing one) may see benefit in using an aligned donation solution.

*This categorization of the types of solutions was drawn from research including an article by Tina Roh via the National Council of Nonprofits. To learn more, read the full article here.