

Fund Raising Dos and Don'ts – Next Steps 2015

This has to be understood from the premise that as an individual the missionary is not a valid 501(c)(3)

As such, the individual cannot issue any type of valid taxable receipt to the donor

You work for a valid charitable organization but you are not one as an individual

There are two main reasons why people want to go outside of WEC for donations:

1. More donors not connected to UPCI or church
2. Bypass the 10% assessment charge

Social Media

- Should direct all offerings to WEC
- Any offerings made to you and deposited into your bank account become your personal tax liability
- Even if the missionary donates back to GM they still have to deal with the tax issue and it is more work for them.
- IRS is looking more closely at these fund raising efforts

Pay Pal

- Cannot use this for paying PIMs and projects
- Simply too complicated for WEC to handle this due to the account structure, sub-accounts, etc.

Square

- Currently, this is too difficult as it would involve giving each missionary the UPCI bank account and that will not happen.
- Tracking of donations would be nightmarish right now. As technology progresses it will probably become easier but simply not feasible right now

Go Fund Me

US donations are hit for 7.9%

UK donations 7.4%

International 7.9%

Charities 9.25%

From the GoFundMe website

<http://www.gofundme.com/questions/> under “what about taxes and stuff”. Ironically the last item on a very long page. 😊

Unfortunately, we're unable to provide specific tax advice since everyone's situation is different. While this is by no means a guarantee, most donations on GoFundMe are simply considered to be 'personal gifts' which are not taxed as income in the US. Additionally, only donations made to a legally registered non-profit or charity may be considered eligible for donors to claim as a tax deduction. Again, every situation is different so please consult with a tax professional in your area.

Gifts to GoFundMe are not gifts for when you “solicit” funds they are no longer considered as a gift. A gift is money your parents give you but as soon as you solicit funds publicly these funds become income and the “gift” exempt portion is lost.

Anyone receiving funds from GoFundMe will be responsible for paying taxes on this. Per their website, if funds exceed \$20,000.00, you will receive a 1099 from GoFundMe and this means tax liability.

Donors giving to GoFundMe will not receive any tax receipt for this either from GoFundMe or from the UPCI. They simply gave money to you as an individual so they do not receive a tax receipt for their funds. Notice that GoFundMe say only legally registered non-profits can extend tax receipts that can be used for a tax deduction. Any funds you raise would not fall under this.

They are covering themselves and won't really answer. In other words, you are on your own when it comes to taxes. 😊

Gifts in Kind –

- Vehicles, boats, etc. – UPCI would have to take ownership of these then allow a missionary to use them. For insurance purposes this will not happen
- Other goods donated we cannot place a value on – we can only give a letter saying it was donated.