

5 TAX LAW MYTHS EVERY NONPROFIT SHOULD KNOW

Uncertain about the impact of the new tax law passed by Congress? You're not alone.



Many nonprofit organizations are unclear about what the new tax law means and its impact on individual giving. Let us help de-mystify the key tenets of the tax law to give you confidence that it all goes back to the fundamentals of fundraising.

Just the facts ahead.....

myth

1 THE TAX DEDUCTION IS MORE IMPORTANT THAN THE RELATIONSHIP WITH YOUR DONORS

fact

False. Donor motivations for giving to a charity are largely due to a personal connection to the cause. If you've been using tax deductibility of donations to inspire people to give, you should consider focusing your communications strategy on the goals of your organization.



TIP Tell your org's story through videos about your mission and the impact donations make.

myth

2 MAJOR DONORS ARE THE ONLY TYPE OF DONORS AFFECTED BY THE NEW TAX LAW

fact

Nope. 75% of charitable contributions by the very rich are never deducted. Mid-tier donors who give between **\$700 and \$1,000 a year**, may opt for a change in giving behaviors for accounting purposes.



TIP Keep your donors updated on tax changes via email, social and text as Congress continues to reduce social benefit funding.

myth

3 COLLEGES, UNIVERSITIES AND ENDOWMENTS CAN NO LONGER SOLICIT DONATIONS FOR ATHLETIC EVENTS

fact

Not exactly. Donors who pay for a license ("seat license") to purchase tickets or seating for athletic events at nonprofit colleges and universities can no longer **deduct 80% of the payment** as a charitable donation.



TIP Host an online or silent auction at your next fundraising event to create a 'game-like' experience for donors who like to 'give to get'.

myth

4 "BUNCHED GIVING" WILL BECOME THE NEXT NONPROFIT GIVING TREND

fact

Unlikely. Instead of making annual donations to nonprofits, some donors will choose to "bunch" their giving dollars over multiple years to make several years' worth of donations in one year.



TIP Campaigns that appeal to those that give generously are those steeped in legacy and purpose. Personalize the giving experience across communication channels to make your donors feel connected.

myth

5 DONORS THAT GIVE RECURRING GIFTS WON'T ANYMORE

fact

Not the case. Studies have shown that those that give on a recurring basis – typically with religious organizations or social services groups – don't change their giving patterns in economic unrest, because they give for a shared purpose.



93% of donors would likely give again if communicated with them more effectively, yet **75% never give again.** Build relationships with your donors with a **3:1 rule**. Send at least 3 messages about your org, a project or impact before you ask for money.

There's no cause for pausing your annual fundraising planning. In fact, now is the perfect time to get started on a comprehensive digital fundraising and donor engagement program to achieve your mission faster.

MobileCause provides an innovative suite of digital fundraising and donor engagement solutions that help nonprofits do more good.

To speak directly to an expert about implementing MobileCause software and strategy for your organization please call **(888) 661-8804** or go to **mobilecause.com/free-consultation**

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