



The Roman Catholic Archdiocese of Washington

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Cryptocurrency Donation Frequently Asked Questions Updated April 12, 2023

What is cryptocurrency?

Cryptocurrency, also known as Virtual Currency or “Crypto,” is a digital asset designed to function as an alternative to sovereign fiat currency, e.g., US Dollars. Public, distributed ledgers, also known as a blockchain, verify transactions between two parties. While Bitcoin is the original cryptocurrency, and most widely followed, the Roman Catholic Archdiocese of Washington accepts nearly 100 cryptocurrencies through the Engiven cryptocurrency donation platform.

What is the Engiven Platform?

Engiven is a third-party donation software platform and technology provider that enables nonprofits to receive cryptocurrency donations safely and securely and then convert those donations into usable fiat currency such as United States Dollars.

Why have you chosen to accept cryptocurrency donations?

The Roman Catholic Archdiocese of Washington accepts a variety of donation payment methods to make supporting the Good works of the Church as easy as possible. Cryptocurrency, as an asset class and recognized as property by the IRS, joins other ways a donor can give to the Church, including check, credit card, debit card, stocks/bonds, mutual funds, charitable IRA transfers (QCDs), charitable trusts, private foundations, real property, in-kind and tangible personal property, and donor advised funds. The Roman Catholic Archdiocese of Washington reserves the right, at our sole discretion, to decline donation offers for any amount, from any source, and for any reason.

How are cryptocurrency donations treated for tax purposes?

The IRS considers cryptocurrency donations as “property” for tax purposes (See [IRS Notice 2014-21 and 2014-16 I.R.B 938 and FAQ](#)) when a donor has held the donated cryptocurrency as a capital asset.

Transactions using virtual currency must be reported in U.S. dollars. Therefore, taxpayers will be required to determine the fair market value of virtual currency in U.S. dollars as of the date of donation. If a virtual currency is listed on an exchange and the exchange rate is established by market supply and demand, the fair market value of the virtual currency is determined by converting the virtual currency into U.S. dollars (or into another real currency which in turn can be converted into U.S. dollars) at the exchange rate, in a reasonable manner that is consistently applied.

Donors who give cryptocurrency donations will receive an electronic donation receipt and access to downloadable forms and appraisals as required by the IRS directly from the Engiven platform with comprehensive details about each transaction. The Roman Catholic Archdiocese of Washington will provide an acknowledgement in the mail, and, when needed, completed IRS forms and appraisals as well. The Roman Catholic Archbishop of Washington (EIN: 53-0196550), dba The Roman Catholic Archdiocese of Washington, is recognized as a 501(c)3 tax-exempt organization.

How do you manage the market volatility associated with cryptocurrencies?

The Roman Catholic Archdiocese of Washington immediately converts all cryptocurrency donations to United States Dollars (USD), minimizing the risk of a donation significantly changing in value from the moment of the charitable transfer.

Is the process of giving cryptocurrency safe and secure?

As with any form of paper or electronic payment transaction, there are risks. However, our provider, Engiven, has created certain safeguards to ensure that cryptocurrency transactions are secure. With the transfer of cryptocurrency from donor to nonprofit, Engiven believes the transaction can be more secure than many other forms of payment.

How do you mitigate the risk of receiving fraudulent cryptocurrency donations?

Engiven and The Roman Catholic Archdiocese of Washington have implemented the following safety and due diligence protocols to prevent the fraudulent use of cryptocurrency in the donation process:

- By using the Engiven platform, both the nonprofit and the donor are required to undergo a simple but effective Know Your Customer (KYC) and Anti-Money Laundering (AML) screening, as required by the Patriot Act, which provides a high level of background security to ensure both parties are properly screened.
- As with any cryptocurrency transaction, when transferring tokens to donate, Engiven reminds donors to refrain from sharing his/her wallet's private keys at any time.
- The Roman Catholic Archdiocese of Washington does not permit anonymous donations of cryptocurrencies.
- The Roman Catholic Archdiocese of Washington will conduct due diligence on donations received from previously unknown or new donors or gifts from existing donors that deviate from the donor's historical giving patterns.
- The Roman Catholic Archdiocese of Washington reserves the right, at our sole discretion, to decline donation offers for any amount, from any source, and for any reason.

Does the Roman Catholic Archdiocese of Washington retain a percentage of donations that are designated to parishes, schools, ministries within the borders of the Archdiocese?

No. The beneficiary parish, school, ministry, or designated program receives 100% of the net proceeds (after the merchant transaction fee) of the donation. The Roman Catholic Archdiocese of Washington will provide the donor an acknowledgement of the gift, including noting the donor's designation. Parish, Schools, Ministries, and affiliated corporations will receive the net proceeds of restricted gifts upon the reconciliation of accounts (typically two- to three weeks).

Who can I contact for questions about donating to The Roman Catholic Archdiocese of Washington?

Contact Joseph Gillmer, Executive Director of Development, at (301) 853-5375 or gillmerj@adw.org.

DISCLAIMER

The Roman Catholic Archdiocese of Washington and its affiliates do not provide tax, legal or accounting advice. These frequently asked questions (FAQs) are prepared for informational purposes only and are not intended to provide – and should not be relied on for – tax, legal or accounting advice. Please consult your own tax, legal and accounting advisors before engaging in any transaction. The Roman Catholic Archdiocese of Washington reserves the right, at our sole discretion, to decline donation offers for any amount, from any source, and for any reason.