



Christ Centered Generosity. A new book for every Christian leader on the global perspective on Biblical stewardship, generous living, and Kingdom-focused giving by Sas Conradie. The book will be published this month and can be pre-ordered through Kingdom Life Publishing. [Click here](#) to pre-order.

ECFA Member? If you are serving with one of the 1,935 ECFA member ministries, committed to observing high standards of excellence, THANK YOU! If not, learning whether your ministry may qualify for ECFA membership just takes 7 minutes. Call John at 1-800-323-9473. It may be one of the most important calls you make in 2015!

ECFA Is Looking for a Compliance Associate. ECFA is adding a staff person to assist serving our growing number of accredited churches and nonprofits. An accounting degree from a 4-year college and 5+ years of experience, plus CPA certificate, or pursuing CPA, experience in the ministry environment desirable. Please [click here](#) for more information.

Do You Need a Consultant or a Pastor? Not every governance issue can be solved by a consultant or a new book. Those of us with platitudes, PowerPoints, and preachy epistles on best practices, need to take a breath occasionally and take a boardroom backseat—and just listen. Listen for heart issues, not just health issues. Listen for pain, not just problems. Listen for God's voice, not just the loudest voice. In his [blogpost](#), John Pearson eloquently encourages us to listen to the underlying issues in our boardroom conversations.

CEO Dialogues Coming to Your City in 2015. Join other CEOs in a roundtable and off-the-record discussion in one of these five cities: Colorado Springs on May 1, West Covina, CA on May 15, Chicago on September 11, and Philadelphia area on October 16. (These exclusive events are for ECFA-accredited ministries.) [Register today.](#)

Half of Nonprofits Plan to Add Jobs This Year. This year's hiring plans essentially mirror what happened last year, when 49% of nonprofits increased the size of their staffs. Of those surveyed, only 7% said they planned to downsize in 2015 and 7% planned hiring freezes. Nonprofits experienced 19% turnover in 2014. Insufficient pay was the reason many nonprofit employees left, with 27% citing it as the biggest problem in retaining staff. 85% of nonprofits don't have a formal recruiting strategy. As the job market warms up, nonprofits face higher competition for employees. (*The Chronicle Board Report, March/April 2015*)

Erroneous "Change of Address" Notices from IRS. Have you received a mysterious "we have changed your mailing

address" notice from the IRS—and you don't recall every asking them to make a change? You are not alone: apparently numerous taxpayers of all stripes have been receiving these notices. What is the best response to this incorrect notice? Contact the IRS as soon as possible, letting them know that the notice was received in error. For now, the cause of these incorrect missives is unknown. (*Tatetryon.com*)

Charities Find Strength in Telling Stories About Programs. The ancient art of storytelling may seem quaint in an era when many outreach efforts are driven by big data. Nonprofit organizations spend too much time numbing audiences with numbers instead of stimulating them through stories. Data is important, but stories are really what make the data matter. Recognizing the power of storytelling, the Rockefeller Foundation made a \$4-million commitment last year to support storytelling conferences, grantee workshops and training, and website resources offering charities storytelling tools, tips, and case studies. (*The Chronicle Board Report, March/April 2015*)

IRS Approves Twice As Many Charities in 2014. The IRS has now released data showing the number of approved 501(c)(3) applications for tax-exempt status more than doubled from approximately 38,000 approvals in 2013 to more than 94,000 in 2014. Tammy Ripperda, the new IRS director of Exempt Organizations, explained at a recent nonprofit tax conference that the streamlined procedures have been not only popular with applicants but also helpful in reducing the application backlog, which had totaled around 74,000 last April.

The IRS now has 1,568,454 on its rolls of 501(c)(3) organizations.

ECFA Convenes First-ever International Accountability Summit. On April 13-14, ECFA is convening an International Accountability Summit in Dallas, Texas. The focus of the Summit is to (1) develop a community of global representatives, (2) set a framework for global collaboration, (3) form a global support network, and (4) discuss international accountability standards. Attendees will represent South Korea, India, Ukraine, United Kingdom, Australia, Guatemala, Philippines, Ecuador, Hong Kong, China, Kenya and Uruguay. Dr. Gary Hoag, ECFA International Liaison, will lead the Summit.

Favorable Treatment for IRA Rollovers to Charity Will Likely Be Reinstated for 2015. Congress is expected to reinstate the tax break that expired on December 31, 2014. It is doubtful if the reinstatement will come until late in 2015, again leaving givers with little time to plan these gifts. The House's efforts to make this tax break permanent will likely stall in the Senate. (*The Kiplinger Tax Letter, 03/27/15*)

If the Supreme Court Nixes Premium Subsidies for Federally Run Exchanges, What Will Happen? The subsidies will probably not end abruptly. If the Court rules against the IRS, the Court may provide transitional relief so millions don't lose coverage right away. Otherwise, Congress is likely to step in to provide a period of temporary aid to help affected individuals afford their health coverage. (*The Kiplinger Tax Letter*, 03/27/15)

CAFO2015 Summit. We'll be at CAFO2015 and would love to meet you there in person! The CAFO2015 Summit is a gathering like no other — including orphan and foster care advocates, adoptive and foster families, pastors, issue experts, church and org leaders, and much more from across America and 30+ countries. 120 workshops. Unforgettable special features and plenary sessions, and music by Jars of Clay and Audio Adrenaline. Nashville, April 30-May 1. [You don't want to miss it!](#)

e-Giving is Thriving in 2015. The adoption of e-Giving is following trends in retail payments. As consumers are getting more comfortable with paying online, and increasingly on mobile, it has increased the demand for ministries to offer electronic payment options to givers. It's not just millennials carrying less cash and using less checks. It's also baby boomers, and they are the most generous group of givers. There is an uptick in ministries wanting additional channels like Apple Pay, with givers making gifts using their phone. But the bedrock benefit of e-Giving is still recurring donations, which do so much to help ministries map out revenue and patterns for the year. (*Based on an article by Steve Hewitt, Christian Computing Magazine, March 2015*)

Governance Toolbox Series No. 3 Is Now Available. *Addressing Board and Organizational Conflicts of Interest* is a critical subject. ECFA is pleased to provide this new Toolbox Series for the education, enrichment, and engagement of board members, who are called by God to protect and advance their ministries. [Click here to order.](#)

Don't Expect the IRS to Answer Their Telephones. IRS Commissioner John Koskinen said service at his agency has gotten so bad that they are ignoring more than 60 percent of taxpayers' phone calls. Mr. Koskinen pleaded for more money, saying a budget boost would help them staff their overwhelmed customer service lines. He also said it would help reverse staffing cuts in their compliance division, where he said the government will lose \$2 billion this year in money it would otherwise have been able to collect if it had better staffing. [Click here](#) to read more.

Take-aways From the Recent Alliance for Charitable Reform (ACR) Meeting. At an ACR meeting on March 18, the following talking points emerged to support retaining the current charitable deduction provisions in the tax law: (1) Non-profits employ about 10 percent of the workforce in the U.S.; if donors have less incentives to donate, nonprofit programs are reduced, hurting program recipients, as well as the overall economy, (2) the charitable deduction is a "lifeline, not a loophole" as it funds the essential safety-net services provided by charities for millions of the most vulnerable Americans, and (3) the charitable deduction is unique as it is the only deduction which requires that assets be given away.

ECFA's Nonprofit Financial Management Survey. Here is a sneak peak at the pre-publication results of the survey:

Budgeting

- Over 30% of ministries agree or strongly agree they will need to increase health insurance deductibles.
- Over 34% of ministries agree or strongly agree they will increase employee contributions of health insurance.
- Over 65% of ministries agree or strongly agree they are learning how to do more with less.
- Over 42% of ministries agree or strongly agree that sustainability issues predominate their budget.

Internal control concerns

- The risk of cyber fraud is increasing as our online donations increase.
- Difficulty keeping staff accountable to policies and procedures without resorting to discipline
- Reducing staff jeopardizes full separation of duties.

What is keeping you up at night?

- Having a capital campaign and meeting the operating budget
- Dependence on one very large donor
- Our growth is outpacing our administrative structure.
- Expenses are growing faster than revenue.
- Sleeping well but lack of resources is a constant concern.

What financial performance trend may have a significant impact on your organization?

- Health insurance costs
- Aging donor base
- Donors preference to give to specific projects
- Continuing zero interest rate environment has decimated investment returns.

What are the key obstacles to effective financial management?

- Integrated financial reporting system
- Pushback on following financial policies by leaders
- Insufficient financial management staffing
- Management that does not understand finances



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