



**Ministry Leaders and Metrics.** Read Gary Hoag's latest blog on measuring and reporting ministry outcomes. "Givers tend to think that they can control outcomes through their giving when, in reality, only God controls outcomes." [Click here to read the full blog post.](#)

**Are You Ready for Generation Z?** Twenty percent of children and teenagers say they want to start a charity in their lifetimes, according to new data by the marketing firm Deep Focus. "I call them the PhilanthroKids," says Beth Kanter, an author and social-media consultant, of young people who are wasting no time putting their technical and social-media skills to use for charitable causes. "They grew up without knowing what it was like to not have a mobile phone or Facebook. They feel very in control and intend to change the world." For years, much of the charity world has been focused on how to attract millennials—people in their 20s and early 30s—as supporters, volunteers, and employees. Now more leaders are stressing the importance of focusing younger still, to those born around 1995 or later and dubbed Generation Z. (*The Chronicle of Philanthropy, March 29, 2015*)

**Register today** for an ECFA exclusive webinar on Thursday, May 28 at 1 pm Eastern with Dave Moja, National Director of Not-for-Profit Tax Services with CapinCrouse. Dave will discuss the 10 Mistakes Often Made on the Form 990. [Register now.](#)

**Affordable Care Act's (ACA) Cadillac Tax Looms For Some Nonprofits.** Some nonprofits will face administrative challenges when the ACA's 40 percent excise tax on high-cost health plans goes into effect in 2018. The tax, also known as the Cadillac tax, is a looming concern for employer-provided group health plans.

Under the ACA, beginning in 2018, both fully insured and self-funded employer health plans will be assessed a nonrefundable 40 percent excise tax on the dollar amount of any employee premiums that exceed annual limits of \$10,200 for individual coverage and \$27,500 for family coverage. While stand-alone dental and vision plans are excluded from the cost limits triggering the tax, the law does include several other costs paid by employers and employees such as contributions to flexible spending accounts or health savings accounts. (*ASAE Inroads, May 7, 2015*)

**How Long Do You Have to Retain Payroll Records?** The Social Security Administration and the IRS have issued a joint publication—the Spring 2015 issue of SSA/IRS Reporter—which offers valuable pointers for employers who want to clean up their old payroll files. (*CMB Circular, May 11, 2015*)

**Inspire Your Board** with this short story about governance faithfulness, "The Board and the Bachelor Farmer." ECFA's Governance of Christ-Centered Organizations blog, written by John Pearson and posted on April 27, 2013, has been visited almost 1,000 times by ministry leaders and board members. [Read the blog.](#)

**Altering Time Sheets Can Mean Personal Liability.** The Fair Labor Standards Act allows employees to sue their bosses, executives, and HR professionals for personal liability for altering pay records. Make sure supervisors don't tolerate—or, worse, encourage—off-the-clock work or the altering of time records. US Department of Labor officials say they are receiving more complaints about employees forced to work through breaks. For breaks to be unpaid, employees must be completely relieved of their duties (that's one reason to discourage them from eating lunch at their desk.) (*HR Specialists Employment Law, May 2015*)

**Post All Job Openings In-House.** While no law specifically requires that all vacant jobs be posted in a particular way, the failure to post vacancies internally opens the door to "glass ceiling" discrimination claims. This is especially true if your practice has resulted in a homogenous group of high-level managers. Cut the chances of lawsuits by regularly posting all job vacancies. (*HR Specialists Employment Law, May 2015*)

**"Service" Is Still in the IRS's Name.** Yet their service is declining rapidly. The IRS's funding level has fallen sharply in recent years because Congress was upset about wasteful spending on videos and conferences and the improper targeting of conservative exempt organizations. Over 60% of callers aren't getting through to the IRS. And assisters aren't answering any tax law inquiries on the toll-free phone lines. Instead, callers are directed to the IRS website to find the answers themselves. The House Ways & Means Committee claims the IRS deliberately diverted millions of dollars away from customer service. Thus, the IRS is unlikely to escape another budget cut for next year. (*The Kiplinger Tax Letter, May 8, 2015*)

**Not-for-Profit Financial Reporting 3.0: New FASB Exposure Draft.** Upgrades seem to be pervasive these days, from software to electronics and even accounting standards. Some upgrades we dread, and some we welcome. For not-for-profit entities, an important accounting standards upgrade is coming with the release of the new Financial Accounting Standards Board (FASB) Exposure Draft in April 2015. [Read the full article](#) by Gregory Capin, CPA. (*CapinCrouse LLP*)

**Join ECFA President Dan Busby and Vice President Michael Martin** at the Association of Gospel Rescue Missions Conference on May 27–30 at the Hyatt Regency Bellevue in Seattle. They will present a workshop entitled, “Five Governance Challenges” on Friday, May 29 from 3:15–4:30 pm. [Click here to register for this conference.](#)

**Using Mobile Pay Devices (Like Square) to Accept Payments: Internal Control and Security Considerations.**

Nonprofit organizations are discovering the flexibility and mobility of such payment systems and are using them with increasing frequency. With fewer people carrying cash or checkbooks, collecting money from people often requires the ability to accept card payments. Mobile payment devices and apps are particularly convenient for collecting money for event admissions, concessions, and similar activities. When considering the use of mobile payment methods, nonprofit organizations often have questions about the internal control and security considerations. [Click here](#) for the full article by Michael Batts, CPA. (*Batts Morrison Wales & Lee, Nonprofit Insight*)

**Ways and Means Aims for “Limited Tax” Overhaul in 2015.** House Ways and Means Committee Chairman Paul Ryan (R-WI) said that his panel is now crafting a limited tax reform plan this summer focused on areas of agreement between House Republicans and the White House.

Ryan said Ways and Means will avoid major differences with President Obama around individual taxes for now and focus on changes to tax policies that apply to businesses operating internationally and on the package of expiring tax breaks known as extenders. “Extenders (including the so-called charitable IRA rollover) can be either part of a limited tax reform package this summer or if we just can’t come together with the administration on that, then we immediately move to extenders and do those as early in the fall as possible so we can give people time to prepare and plan.”

On the other side of the Capitol, Senate Finance Committee Chairman Orrin Hatch (R-UT) has asked his five tax reform working groups to begin briefing committee members on their suggestions for overhauling the tax code. (*ASAE Inroads, May 7, 2015*)

**Does Your Ministry Ever Have Concerns About Related-Party Transactions?** If so, the newest ECFA Governance Toolbox, Conflicts of Interest, is for you! A 16-minute DVD, 10-minute discussion guide, plus a facilitator guide is just your ticket for board training on this important topic. Too often, conflicts of interest are either not addressed in the board room or relegated to the back burner due to more pressing concerns. [Order this toolbox now](#) to elevate this subject and, in turn, elevate trust and integrity with your givers and the public.

**Health Care Reporting Is Coming.** The Patient Protection and Affordable Care Act, as amended by the Health Care and Education Reconciliation Act of 2010 (together, the Affordable Care Act) and the regulatory guidance issued thereunder, imposes additional reporting requirements for employers and insurers. The first of these reporting requirements, which pertains to W-2s, is already required for certain employers. The

other two reporting requirements, which require completion and submission of new IRS forms, begin with respect to 2015 (with reporting due at the beginning of 2016). Employers should begin planning now to address these new reporting requirements. [Visit the Batts Morrison Wales & Lee website](#) for an excellent overview of these ACA reporting requirements that apply to churches and nonprofits.

**If the Supreme Court Favors Same-Sex Marriage, Will Religious Organizations Forfeit Tax Exemption?** During the recent oral arguments in the same-sex marriage case before the U.S. Supreme Court, an unexpected question from one of the Justices shed light on a potentially significant consequence of the case to churches and ministries: If the Court rules in favor of same-sex marriage, will this lead to religious organizations with biblical and traditional views of marriage being forced to forfeit their tax-exempt status? [Click here for the full story.](#)

**Sneak Peek At Highlights of ECFA’s Nonprofit Financial Management Survey.** Next month the results of ECFA’s Nonprofit Financial Management Survey will be released. Here is a quick look at some of the survey results relating to budgeting:

- In response to 6 budgeting assumptions, CFOs gave their highest “Agree/Strongly Agree” ratings to these three assumptions: (1) “Generally, our salaries, wages and benefits are competitive with other nonprofit ministries in our areas” (72.8%), (2) “Somewhat because of the recession (and other factors), we are definitely learning how to do more with less” (65.2%), and (3) “Sustainability issues (reserves and liquidity) predominate our budget” (42.7%).
- When asked “Does your ministry annually budget for cash reserves?” 38% of the ministries responded “Never” or “Rarely.”

**Immediate Need for President/CEO for Christian City, an ECFA member.** This expansive ministry includes a Children’s Village, and senior health and residential services on 500-acre campus with 1,000 residents in Atlanta Suburb. Seeking strong leader with compensation commensurate with experience. Inquiries/resumes may be directed to Lisa Tolleson at [lisat@christian-city.org](mailto:lisat@christian-city.org) or call 770-703-2689.

**ECFA Member?** If you are serving with one of the 1,942 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!



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