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# **Nonprofits and decisions to accept cryptocurrency donations: a qualitative study to examine potential opportunities and risks**

*Completed Research*

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## **Abstract**

Several studies believe that cryptocurrency is the future of money, and crypto fundraising is a new way to help nonprofit organizations (NPOs) raise funds. Recently, foundations have started to take cryptocurrency donations. Several third parties have assisted nonprofits in setting up for this type of donation to smooth the new fundraising process. In this qualitative study, in-depth interviews were conducted with five managers of nonprofits that accepted crypto donations in the last seven years. The data were analyzed and coded using NVIVO to classify conceptually similar themes mentioned by the interviewees. This qualitative paper is among the first steps to discussing the pros and cons of crypto donation and explaining essential grounds that a nonprofit should consider when taking crypto donations. The results offer practical implications as understanding these factors can help NPO managers identify potential benefits and risks in the planning, developing, and using crypto donation platforms.

## **Keywords**

Nonprofits, NPOs, cryptocurrency, crypto donations, qualitative study.

## **Introduction**

There is about \$300,000,000 donated in the form of cryptocurrency each year<sup>1</sup>. Bitcoin donations make up over 90% of yearly cryptocurrency donations<sup>2</sup>. Several foundations have announced accepting crypto donations on their websites. For example, Save the Children (based in Connecticut) was the world's first INGO (international non-governmental organization) to accept a bitcoin donation in 2013 in response to Typhoon Haiyan that struck Southeast Asia and devastated the Philippines<sup>3</sup>. Also, Florida children's hospital was among the first nonprofits to accept cryptocurrency donations in South Florida. Miami-based Nicklaus Children's Hospital Foundation announced on Oct. 5, 2021, that it would accept cryptocurrency donations, making it among the first nonprofits and the first healthcare foundation in South Florida<sup>4</sup>. These foundations partner with the Giving Block, which works with nonprofits on cryptocurrency fundraising. Crypto donations continue to grow every year, and this initiative could help open the door to many prospective supporters and enable nonprofits to serve their donors' giving preferences. Although more foundations have joined this digital movement, the crypto donation space is still emerging, and less than 1% of nonprofits accept cryptocurrency<sup>5</sup>. This study takes a qualitative methodology to explore values, barriers, and concerns associated with accepting crypto donations from the perspectives of nonprofits'

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<sup>1</sup> <https://www.matter.ngo/donate-bitcoin/>

<sup>2</sup> <https://thegivingblock.com/resources/faq/>

<sup>3</sup> <https://www.savethechildren.org/us/about-us/media-and-news/2019-press-releases/bitcoin-tuesday-2019>

<sup>4</sup> <https://www.nicklauschildrens.org/news-and-events/press-releases/nicklaus-childrens-hospital-accepts-cryptocurrency>

<sup>5</sup> <https://thegivingblock.com/resources/why-don-t-nonprofits-accept-crypto-donations/>

managers. The results can be a step forward in this research direction by investigating potential opportunities and risks that should be measured by nonprofit organizations (NPOs) to enter the crypto donation area. Furthermore, the findings can provide practical implications to managers of NPOs by highlighting the key organizational and strategic concerns that should be well-addressed to encourage the widespread adoption of cryptocurrency donations.

## Methods

### Design

Since issues with crypto donations have not been examined clearly in existing studies, a qualitative methodology based on a grounded theory framework can be used to generate deeper insights (Charmaz 2006). The grounded theory uses systematic inductive methods to build concepts and theory from data (Bryant 2017). Moreover, the Promoting Action on Research Implementation in the Health Service (PARIHS) framework was considered as a basis for selecting interview questions. The PARIHS framework proposes three factors (i.e., evidence, context, and facilitation) that influence the successful implementation of evidence-based practices (Ward et al. 2017). Evidence refers to knowledge-based supports for the effectiveness of an intervention (which is crypto donations in this study). Context explains the environment or setting where the intervention is implemented (which is nonprofits in this study). Facilitation posits the technique or process used to smooth change management, such as changing others' attitudes, perceptions, or behaviors to increase the odds of successful implementation (Kitson et al. 2008).

According to a study (Helfrich et al. 2019), the PARIHS framework explains interactions among core elements. (1) Evidence denotes stakeholders' codified and non-codified sources of perceived knowledge (nonprofits' managers in this study). (2) Context discusses the quality of the environment, context, or setting where the research is implemented (nonprofits in this study). (3) Facilitation brings up a procedure or method to help people change their working systems, attitudes, perceptions, habits, and skills (Crypto donations in this study). This framework suggests that a successful implementation of a system consists of these three factors and their interrelationships. The logic behind using the PARIHS framework in this study is to examine how (1) users (i.e., managers) perceptions and attitudes, (2) nonprofit-related factors, and (3) blockchain-based solutions (i.e., crypto donations) and their interrelationships (among individual, organizational, and technological) factors are essential in the successful implementation of crypto donation solutions.

Thus, interview questions are guided by the grounded theory and PARIHS framework. In this study, questions on evidence are related to NPO managers' awareness and experience with crypto donations. Questions on context focus on current issues with crypto donations and managers' ' attitudes about adopting crypto donations in NPO settings. Finally, questions on facilitation cover perceived benefits, risks, and suggestions for the successful adoption of crypto donations (Lee et al. 2020). As the purpose of this study was to explore NPO managers' expectations, attitudes, and experiences about crypto donations, using the PARIHS framework can be helpful to apply the knowledge into practice. Table 1 shows the list of questions.

Category	Interview questions (baseline)
Evidence	<ul style="list-style-type: none"> <li>- Your current awareness of cryptocurrency?</li> <li>- Your general knowledge about crypto donation initiatives in NPOs?</li> <li>-Your knowledge about crypto donation technology platforms?</li> <li>-Your prior participation in a crypto donation solution?</li> </ul>
Context	<ul style="list-style-type: none"> <li>- The critical problems with the existing donation acceptance and exchange process?</li> <li>- The main concerns with exiting donation management platforms?</li> <li>- Your opinions about using crypto donation platforms in the donation ecosystem?</li> <li>-Your attitudes about integrating various cryptocurrencies into charity fundraising?</li> </ul>

Category	Interview questions (baseline)
Facilitation	<ul style="list-style-type: none"> <li>- The potential benefits of accepting crypto donations?</li> <li>- The concerns and risks associated with using crypto donation platforms?</li> <li>- Your suggestions about integrating cryptocurrency into fundraising initiatives?</li> <li>- Your recommendations about the successful implementation of crypto donation solutions in NPOs?</li> </ul>

**Table 1. Interview questions**

### ***Participants***

The participants were managers of nonprofits that had already accepted crypto donations. A series of semi-structured, open-ended interviews were conducted online through Zoom (the video conferencing software) to collect and evaluate their perceptions and concerns about crypto donations. The interviews were mainly directed by a list of semi-structured questions used to facilitate more in-depth conversations and allow a more profound understanding by the researcher.

### ***Setting***

The five interviewed managers were recruited from the list of nonprofits that recently accepted crypto donations in the last seven years, and they have a clear announcement on their websites about accepting crypto donations. The researcher used random sampling to recruit managers directly involved in crypto donation initiatives. An invitation email was sent to 34 foundations that met the inclusion criteria. The purpose and significance of the study, followed by a written consent form, were emailed to potential samples. Two reminders were also sent to them: the first one after two weeks and the second one after one month from the initial email. Finally, seven respondents agreed to participate in a one-on-one online interview. Managers who had accepted to be interviewed could avoid participating in this study at any time voluntarily. Two managers withdrew their acceptance and did not participate in their scheduled interviews. Therefore, the researcher conducted five in-depth interviews with nonprofits' managers in November and December 2021. Three of the respondents were male, and two were female. Their age ranged from 43 to 57, and their work experience in the NPO space was between 11 to 32 years. All of the respondents were middle-level managers in the organizational chart of their nonprofits.

### ***Data collection***

Data collection was conducted using the Consolidated Criteria for Reporting Qualitative Research (COREQ) guidelines proposed by previous studies (Tong et al. 2007). This approach is used as a checklist for detailed and comprehensive reporting of qualitative studies in health care. The proposed checklist can be helpful for researchers to report essential aspects of the research team, study design, and data analysis and interpretations. The research team and reflexivity refer to interviewers' personal characteristics and their relationship with participants. The study design denotes the theoretical framework used to support the study (e.g., grounded theory), participant selection (e.g., sampling method), study setting (e.g., characteristics of the sample), and data collection (e.g., interview guide and questions). The analysis and findings explain data analysis (e.g., derivation of themes and software) and reporting (e.g., clarity of major and minor themes).

The interviewers referred to the baseline questions that covered the main topics under examination in this study and then asked some follow-up questions for clarity purposes or to collect deeper information. The interviewers did not use any positive or negative connotations associated with cryptocurrency not to lead the answers. Each interview lasted approximately 30 to 45 minutes, depending on the length of answers and the number of follow-up questions.

## **Data analysis**

The grounded theory analytical techniques were used to analyze the data since there was no prior theoretical framework or coding schema. The interviews were transcribed by two researchers who researched healthcare, cryptocurrency, and blockchain platforms in the United States to perform explorative content analysis. The baseline questions were used to systematically review and code the interviews' transcripts until the entire text was covered. The coding schemes used in this study were open, axial, and selective coding procedures suggested by Corbin and Strauss (1990) to identify conceptually similar themes mentioned by the interviewees. Open coding is an analytical process that identifies concepts, properties, and dimensions by clearly defining these codes. Axial coding refers to relating categories to identified open codes based on conceptual similarities. Selective coding is the final stage of data analysis. These selective codes represent theoretical constructs formed by connecting the axial codes to provide a theoretical explanation of concerns and barriers to crypto donations.

Two coders independently coded interviews. Our main goal in the coding was more content analysis (where inter-rater reliability (IRR) scores toward concrete constructs are desired), not just gaining a deep sense of the phenomenon being studied (Hedman et al. 2021). Using the three phases of coding, the two researchers coded five interviews. Using NVIVO-12, the coders proceeded line-by-line, sentence-by-sentence, paragraph-by-paragraph, page-by-page, and section-by-section. This approach ensured that the analysis results were "grounded" in the data (Corbin and Strauss 1990). To identify open codes, which we subsequently grouped into categories representing axial codes, we obtained IRR of 70% and Cohen's Kappa of 0.69. Because the IRR metric was less than 75% and Cohen's Kappa metric was less than 0.75 (Pieper et al. 2017), we repeated the coding process until the agreement metrics fell within the acceptable range. Before repeating the coding process, the coders met to resolve coding disagreements and reach a coding consensus. At the end of this phase, the coders obtained an IRR close to 93% and Cohens Kappa of 0.87, demonstrating that the coding process was reliable and valid across the two coders.

## **Results**

### ***Factors affecting acceptance of cryptocurrency donations***

Interviewees were asked about the main factors shaping crypto-donation adoption decisions by NPOs. Relying on grounded theory, coding procedures (open, axial, and selective codes) are used to find the common concepts, constructs, and themes. Due to the length limits, exemplary quotes from the interviews are not included in the result. This section demonstrates common themes extracted from interviews. In total, seven themes have been identified.

#### **1. Type of cryptocurrency**

Nonprofit organizations should decide the types of different cryptocurrencies they are willing to accept donations. For instance, Bitcoin and Ethereum are some of the most popular ways people use to support patients and families served by hospitals. Some technology platforms enable NPOs to accept various cryptocurrencies. For example, Engiven empowers foundations to accept forty-two cryptocurrencies<sup>6</sup>. Nonprofit organizations can accept a range of eligible cryptocurrencies. Factors such as the number of people who hold it, social media influences, compliance with legal requirements, and market traction can shape nonprofit organizations' decisions. Using a wide range of cryptocurrencies may provide flexibility for donors. However, it can complicate holding or investment decisions because it needs close attention to various cryptocurrencies' fluctuations, volatility, and market statistics.

#### **2. Tax efficiency for donors**

Accepting cryptocurrencies allows donors to support nonprofit foundations in a tax-efficient way. Cryptocurrency donations are tax-deductible and receive no capital gains tax. Paying donations in crypto can be more tax-efficient than donating cash and can save donors money. The Internal Revenue Service (IRS) classifies cryptocurrency donations as property, meaning they are not subject to capital gains tax and

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<sup>6</sup> <https://engiven.com/>

are tax-deductible on the donor's tax returns<sup>7</sup>. Thus, individuals may tend to donate property instead of cash. When people donate crypto, they do not owe capital gains tax on the appreciated amount and can deduct it from their taxes. By donating crypto, individuals receive a tax deduction for the fair market value of the crypto, and they avoid the capital gains tax they would have incurred if they had sold the crypto and then made a donation. If donors provide an email, they will automatically receive a tax receipt after donating. Therefore, donors can save on their taxes by donating cryptocurrency, and it is better for their balance sheet. Donating cryptocurrency to charity is a great way to partially offset or completely eliminate crypto taxes (taxes on any gains on cryptocurrency investments).

### **3. Third-party donation platforms**

An important decision for NPO is using a third party as a crypto donation platform or developing their own in-house platform to manage donated cryptocurrency. Outsourcing is an option for NPOs to focus on their own expertise and main job. Trust, reliability, security, and reputation may make NPO accept crypto donations through third-party platforms. Through the partnership, cryptocurrency donations are powered by a trusted partner. The partnership makes it easier for NPO to handle the process of crypto donation, especially when they do not have the required infrastructure or trained staff. IRS compliant third parties can meet legal requirements and automation and meet Know Your Client (KYC) procedures and Anti-Money Laundering (AML) laws. The nonprofits have their own accounts on third-party platforms and actively promote their cryptocurrency fundraising. Using third parties can be easy to use and avoid mistakes that may hurt donors, as these donation platforms have already figured out crypto donations. Thus, NPOs do not have to encounter hassles. Moreover, third parties can provide support, tools, campaigns, and other initiatives for nonprofits to successfully fundraise with cryptocurrency. The NPO profile is more likely to reach crypto donors looking for causes to support by becoming part of a reputable third-party network.

### **4. Organizational strategic-alignment**

Proactive NPOs believe that crypto can be a force for good. The cryptocurrency donation must align with nonprofits' vision to create a healthy future for their beneficiaries. Accepting cryptocurrency should be in line with the mission statement to be a crypto-friendly nonprofit. For instance, accepting crypto donations can be compatible with the strategic planning of NPOs if their main direction is to inspire hope and promote lifelong health by providing the best care to every child. Being found by crypto donors, receiving donations digitally and instantly, and becoming part of a network of crypto media partners may support NPOs' missions. Cryptocurrency can be an important means for NPOs to achieve their long-term goals because many individuals may want to pay their donations in Bitcoin or Ethereum. Being hesitant to accept crypto may mean losing a significant portion of donors in the future and departing from the strategic directions of NPOs. However, the adoption of crypto donations depends on how much risk the organization can tolerate. For instance, federal monetary policies regarding financial reporting and record-keeping should be carefully measured. Otherwise, the regulatory environment, such as the Securities and Exchange Commission (SEC) or IRS, could devalue or freeze their holdings. This decision should be made with the input of a nonprofit's board and executive team. The foundations should consider how this move fits within the organization's overall investment strategy and portfolio. Other factors such as requirements of state laws governing the careful management of institutional funds/assets should be reflected in this strategic decision. Moreover, accepting crypto donations requires organizational changes such as learning and training. NPOs can begin with the basics (like learning what Bitcoin is) and familiarize themselves with basic crypto terms. Consistent with being innovative, foundations can take the initiative by providing a glossary of the most popular, essential, and amusing jargon, terms, shorthands, and slang or higher education and cryptocurrency guides.

### **5. Investment policy**

Investment decision about crypto donations is essential in the adoption phase. Foundations should decide whether to hold or cash out crypto. A possible option is to liquidate all donated crypto right away and deposit cash into a local bank account to avoid the volatility and possible loss of financial sources. In this case, all crypto gifts are immediately liquidated through the automated exchange for USD, and the net

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<sup>7</sup> <https://www.irs.gov/individuals/international-taxpayers/frequently-asked-questions-on-virtual-currency-transactions>

proceeds will be transferred into the NPO fund for investment. Another option is to hold some portion of crypto (for instance, 50%) empowered by the custody service option (hold crypto in cold storage) to profit from the long-term value appreciation and cash out the rest. Holding crypto as an asset of the charity can open a new source of revenue for nonprofits, but it requires additional considerations for custody and ongoing valuation. For example, cryptocurrency donation management platforms may charge NPOs for providing a custody service option. Nonprofits may decide to hold all or portion of virtual currency as part of the organization's investments, or donors may ask them to hold the funds as an endowment or long-term investment. For instance, when a donor chooses this fund, the donated cryptocurrency is automatically deposited into a custody account and held. The third option is to convert cryptocurrencies into a class of cryptocurrencies called Stablecoins. Stablecoins (such as USD Coin) have their price fixed to a reserve asset (US dollar) at a one-to-one ratio.

## **6. Innovative way of making donations**

There are different alternatives for making donations, such as cash, check, and cryptocurrencies. Many NPOs accept various payment methods (such as Visa, PayPal, and Amazon Pay) to provide flexibility to donors who use different payment services. As cryptocurrency exchange platforms become more common, it is easy and safe for foundations to provide this option for the crypto community to support their favorite foundations. Like cash payment (online payment), sending crypto can be anonymous or not (donors can provide names if they want). Donors can remain unknown with an email only to get a tax receipt. The cryptocurrency community offers innovative ideas, and foundations may take advantage of these insights by connecting with them more directly. For instance, crypto donation platforms provide a dashboard with full transparency reporting on donations. Donation tracking on the blockchain can bring transparency and integrity to donations; everyone will see how many bitcoins (as an example) an NPO has and how many ethers (as an example) a certain donor has donated. Thus, donors can clearly monitor how their donations are spent, and NPOs will not deal with misusing donated money and money laundering cases.

## **7. Crypto users**

Donating in crypto is not mandatory; it is an option for individuals, specifically, millennials and Gen Z. Crypto donations can attract cryptocurrency users. According to a recent study, cryptocurrency adoption has significantly risen (Soomro et al. 2022). Donating in cryptocurrency is mainly a preferred option for innovative people who have already accepted cryptocurrency and want to reduce tax. Accepting cryptocurrency donations is a great way for nonprofits to engage millennials and Gen Z, who are more eager to use cryptocurrency as a payment method or investment vehicle (Lincoln et al. 2019). Half of the millennials prefer crypto investing to stocks. According to Pew Research Center (Perrin 2021), in 2021, 43% of U.S. males aged 18 to 29 reported that they had invested in, traded, or used a form of cryptocurrency. They may look at it as an easy, efficient, safe, and universal means for transferring funds. Thus, crypto may seem the best alternative for younger generations for donation purposes rather than cash, credit cards, or other payment methods.

## **Discussion**

### ***Crypto-donation adoption barriers and suggestions***

Consistent with the identified themes, several barriers are raised by interviewees. These factors explore obstacles to adopting crypto donations by NPOs. The interviewees also propose a number of solutions to help NPOs shape strategies for accepting crypto donations. The barriers to be addressed and solutions are classified into four categories as follows:

#### **1. Awareness and education:**

Many nonprofits are still likely to use traditional payment options due to a lack of insights into cryptocurrency. One fundamental issue is a lack of knowledge about cryptocurrency, blockchain technology, and how it works. Moreover, it is simply not clear how much the crypto community will use its digital money for philanthropic purposes. Thus, there is still a gap between NPOs and the world of blockchain and crypto. On the other side, there is also a lack of propensity from the blockchain community to cooperate with

traditional NPOs. Through communication technology and information sharing channels, the connection between these two entities can mitigate crypto-donation adoption barriers.

## **2. Instability of price:**

An essential characteristic of cryptocurrencies is being volatile. Volatility may cause uncertainty for NPOs, especially when markets start to shift dynamically. Due to the inherent instability, an NPO may not want to accept a donation whose value might drastically change every day. NPOs need some solutions to keep them away from the volatility of crypto donations. The major crypto fundraising platforms allow immediate liquidation of donations. For example, all crypto donations can be matched up to USD value and immediately liquidated using the automated cashout feature powered by crypto-giving platforms. This is the option most nonprofit organizations choose to ensure they will not lose crypto donations due to the highly volatile crypto market.

## **3. Negative publicity:**

A critical risk associated with the cryptocurrency space is negative publicity about illegal use. Online stories and social media feeds may affect public perceptions about the whole concept of crypto and digital money. Most people may only hear negative news about the criminal use of crypto in the mainstream media. Another public relations issue is criticism of blockchain networks' energy and carbon footprints. Lack of regulations and working without authority controls based on a decentralized network may also affect public attitudes. However, NPOs can leverage regulated U.S. crypto donation platforms that provide an ecosystem for foundations and charities to fundraise cryptocurrencies.

## **4. Infrastructure and security:**

Accepting donations in cryptocurrency needs the adoption of new technology and infrastructure. Security issues are an ongoing concern related to implementing a new technology that enables financial transactions. NPOs should figure out the issues related to compliance, setup, security safeguards, and integration of crypto donations into their traditional business model. For example, the Federal Deposit Insurance Corporation (FDIC) compliance requirements should be met when the "Auto-Conversion" feature is turned on to sell crypto donations for cash. Moreover, the infrastructure should ensure the privacy of donors' information. For instance, using dynamic wallet addresses can protect donors' privacy. A secure fundraising platform enabling crypto donations also requires easy setup for donors, automated tax receipts, technical support, and marketing tools. Nonprofits can receive and hold crypto in a secure platform that they develop and control. However, they may lack staff capacity and expertise to manage the process internally, especially in the case of sizable crypto gifts. Thus, most foundations prefer to use the services of a third-party payment processor to receive, hold, and sell crypto on their behalf. Nonprofits outsource these services to exchange platforms for obtaining technical know-how, convenience, and greater security that they may not perfectly manage on their own.

## ***A guiding framework***

In this qualitative research, we attempt to reach a deeper understanding and build toward a theory. The findings imply that NPO managers expect several benefits from crypto donations; however, concerns and risks are also not negligible. The calculus of perceived benefits and risks may determine the value of accepting crypto donations. Thus, if crypto donations deliver less added value than conventional donation methods (such as cash, credit cards...), NPOs will negatively favor crypto donations. This study contributes to the current discussion on crypto donations by providing a better picture of what benefits and concerns may shape NPO managers' perceptions about cryptocurrency initiatives.

Based on the results, the main factors affecting NPO managers' perceptions of crypto donations can be categorized into four groups: individual, organizational, technological, and crypto-related factors:

1. The first group refers to individual factors such as the characteristics of crypto users (e.g., millennials and Gen Z) and perceived benefits for donors (e.g., tax efficiency) when they use the crypto donation option.
2. The second groups denote organizational factors such as organizational strategic alignment (i.e., congruency between entering crypto donation space and the mission statement and strategic directions of



NPOs), investment policy (i.e., holding or cashing out cryptocurrency), and organizational training (i.e., educational campaign on how crypto donations work).

3. The third group indicates technological factors such as innovative characteristics (e.g., transparency and integrity), third-party platforms to manage crypto donations (i.e., outsourcing initiatives), and security concerns (i.e., what security measures should be used to protect information from internal and external misuse).

4. The last group explains crypto-related factors such as choice of cryptocurrency (i.e., limited or wide range of options), price volatility (i.e., the price of crypto entails large swings), and negative publicity (i.e., whether news and media broadcast negative information about crypto usage).

These four groups can affect managers' perceptions of crypto donations and, in turn, shape their decisions on whether their NPOs should adopt crypto donations. Thus, decisions to accept crypto donations can be a function of whether this fundraising initiative would benefit donors, offer strategic values for NPOs, demand changes in technological infrastructure, and address crypto-related issues. Figure 1 displays a guiding framework to show the main themes, categories, and concepts resulting from interviews. This framework can serve as a starting point to provide implications for future research aimed at theory building and theory testing.

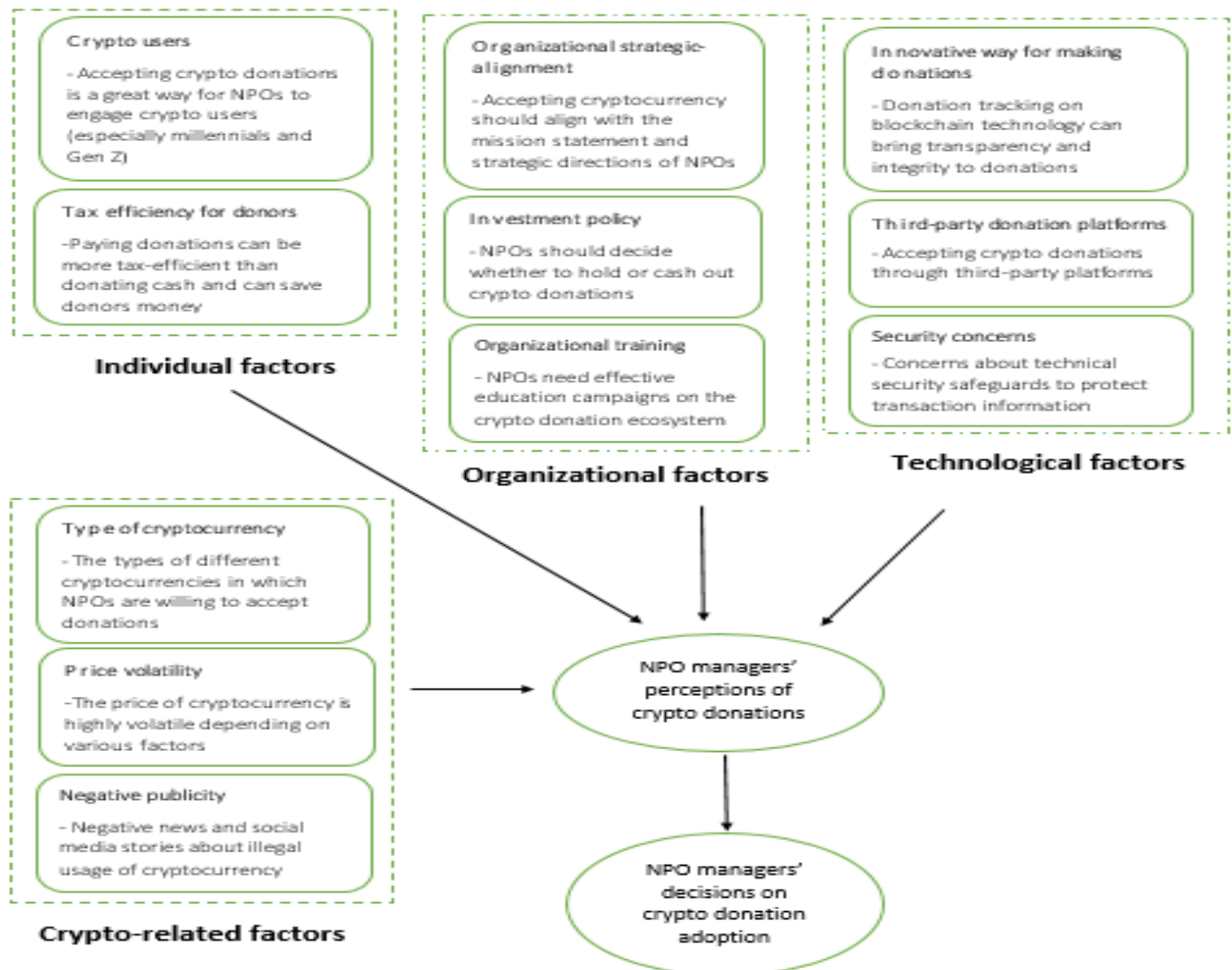


Figure 1. Guiding framework

Respondents also point out some crypto-donation adoption barriers. First, managers are concerned about the lack of organizational knowledge about cryptocurrency and crypto donations. Thus, they emphasize the importance of awareness and education of traditional NPOs. Providing effective education campaigns to the nonprofit community could be a valuable means to increase their understanding of crypto donations, their possible effects, and the most appropriate donation management platforms. Education can significantly affect individual, organizational, and technological factors. Second, the volatility of crypto is mentioned by all respondents as an essential barrier derived from the unique characteristic of cryptocurrency. However, in collaboration with the crypto community, NPOs can leverage various strategies to attenuate possible risks of highly volatile cryptocurrency prices, such as swapping crypto to stablecoins or using instantaneous cashout features. Third, negative publicity around crypto originating from the market may also affect managers' perceptions. Stories covered by social media on cryptocurrency usage on the darknet for malicious purposes may reduce NPOs' interest to involve in crypto. However, the crypto donation is an appropriate use case for cryptocurrency that the crypto community, media, and NPOs can highlight by clarifying the advantages of such initiatives. Finally, managers denote concerns over infrastructure and security safeguards as a potential threat that may impact technological factors. Crypto scams, security concerns, privacy issues, human errors, and technical malfunctions are some threats that may prevent NPOs from managing crypto donations in-house. Thus, respondents believe that due to a lack of expertise, outsourcing management of crypto donations to third-party platforms could be a better decision for NPOs.

## **Limitations and future studies**

Although results could offer some managerial contributions, this study has several limitations. First, the findings of this study, which focused on a group of NPO managers in the US, may not be generalizable to other countries. Moreover, 5 participants cannot entirely represent the opinions and perspectives of the entire NPO managers' population. It would be interesting for future studies to examine the perceptions of more NPO managers in other countries with different technology infrastructures. Second, the participants in this study were selected based on their familiarity and experience with crypto donations. Thus, future research can extend this study using other respondents (e.g., managers who have not adopted crypto donations) to include a more diverse sample of NPO managers. Third, this study attempted to explore the opinions and attitudes of NPO managers, not other beneficiaries (such as donors). It can be of interest for future research to investigate the perceptions of other stakeholders, such as donors or third-party platforms. Fourth, the coding procedure consisted of two researchers using NVIVO software to compare and contrast the interview transcripts, identify themes, and choose exemplary quotes. Other researchers may have identified different concepts, themes, or quotes. Future researchers can extend this study and mitigate researcher bias by regular discussions with a larger research team. Finally, this study identified several factors that may affect NPO managers' decision to use crypto donations. Future quantitative and empirical research is needed to examine the significance and importance of these constructs in the successful adoption of crypto donations at NPO levels.

## **Conclusions**

Entering the world of cryptocurrency donations could be a great way for nonprofits to distinguish themselves as innovators, create a new source of revenue, and engage millennials. Nonprofits may include cryptocurrency in their gift acceptance policy and investment policy to help guide their development professionals in considering whether and how to accept crypto donations. However, there are misconceptions and uncertainties associated with cryptocurrency, and the sector of crypto donation is still young. Thus, NPOs need to educate themselves on cryptocurrency concepts, blockchain technology, required infrastructure and expertise to manage in-house solutions, security measures, crypto donation platforms, strategic alignment, regulatory requirements, and the risks and benefits of crypto fundraising to donors. Analyzing the mentioned factors will help foundations be better positioned in the medium of crypto donations. For instance, using a wallet solution that automatically converts donations into U.S. dollars can be a suitable remedy for volatility and reduce concerns about losing donated funds. Moreover, connecting nonprofits with the cryptocurrency community and partners can help the crypto donation ecosystem become more established in the future. This study can serve as a framework for future empirical research

designed to assess crypto donations in the NPO context. Further quantitative studies with empirical data are required to shed more light on this research area.

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