

IRS Proposes Nonprofits Collect Social Security Numbers of their Donors.

The IRS is proposing new requirements for nonprofits to collect the Social Security numbers of their donors. Currently, nonprofits send donors a form verifying their contributions, which they use for tax purposes. However, the IRS is proposing changes that would require these nonprofits to collect their donors' SSN's and to provide this information directly to the IRS. As you might expect, nonprofit groups across the country are criticizing the proposed rule and warning that the regulations could dry up donations while leaving them vulnerable to hacking.

In comments received so far by the IRS the general theme has been to say that nonprofits do not have the resources to protect that sort of sensitive information from hackers. Most reason that if federal agencies and big financial corporations cannot stop hackers, how can nonprofits be expected to protect the sensitive data of their donors?

So far, the IRS has received more than 34,000 comments on the proposed rule change. It remains to be seen if the IRS will implement the requirement or not. Stay tuned.

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