

FTC 2020

Blockchain in Charity: Platform for Tracking Donations

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The problem: lack of trust among potential donors



- The continuous **decline in trust** on the part of potential donors is justifiable: according to Essential Research 35% of citizens have little or no trust in charitable institutions.
- 52% of charities are **not adequately funded** and cannot match the distressing increase in demand for their services



- No guarantees that no one can **manipulate and overwrite data**.
- Too much **lag between the time of receiving a donation** and the provision of assistance, due to the ineffective fund management

Conclusion

Due to its ability to control and monitor information, distributed register technology has also become useful in charity as it provides each stakeholder with an opportunity **to track the movement of funds and evaluate the work of each link in charity work.**

Global statistics

According to a survey by Fidelity Charitable, **41% of donors say they have changed their giving due to increased knowledge** about nonprofit effectiveness.

Complicating matters, organizations transferring funds internationally **may lose from 3% up to 10% of the funds in transaction fees** and inefficiencies caused by having to go through multiple intermediaries such as banks, agencies, and governments.

With the rise of **online platforms** and mobile devices, charitable giving trends are shifting too that causes additional security and privacy risks

Overall giving grew
**4.1% over the past
year worldwide**

**(2.4 % to \$449.6
bln in US)**

10%
of global gross
domestic product
stored
on blockchains
by 2027

Online giving grew
by **12.1%** over the
past year

Our Solution: Blockchain

Blockchain technology can resolve integrity, data privacy, security and fraud issues, increase openness, transparency and accessibility of reporting, provide access to better services.



Ability to track cash flows with out geographical restrictions or legal barriers to transfer funds



Secure and guaranteed payments, supported with decentralized cryptographic protocols



Higher speed of receiving a donation and provision of assistance due to the absence of intermediaries



Cost reduction due to low transaction fees, the absence of taxation on cryptocurrency



Reporting provided to the donor with the entire history of his transfer to the final destination



We conducted the research of all interested parties within charity ecosystem

Donors:

“I want to be sure that my funds will go in the right hands and my donation will really benefit those whom he has decided to help”



Fund and charity organizations (NPOs):

“I want to have a good Fund reputation and nonprofit effectiveness to attract more donations”



Recipients of donations

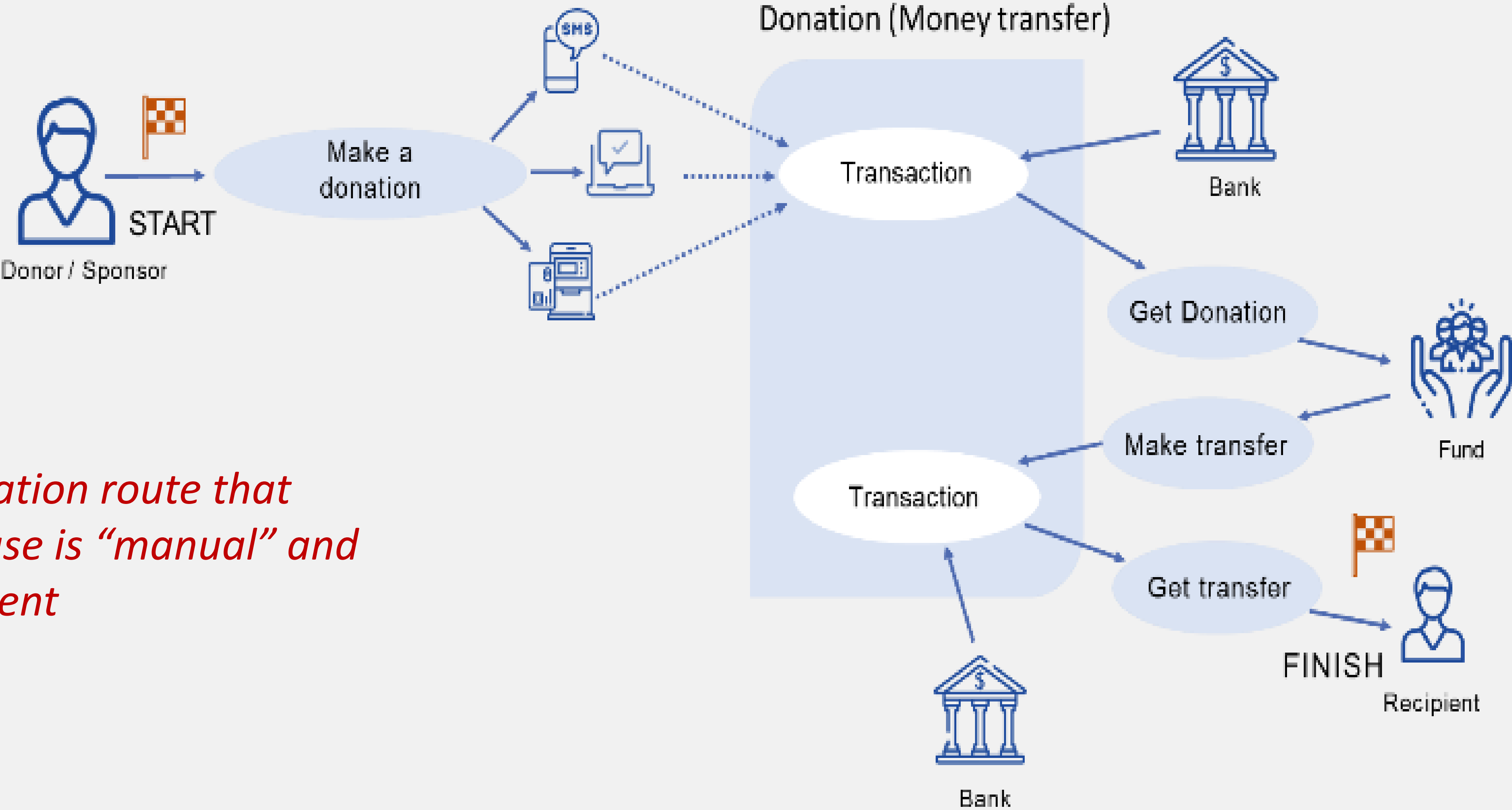
“A want to get an assistance much faster with out any organizational delays ”

The proposition of the requirements & features

1. Donors should be able **to easily join instructions** with their contributions, such as "I would like my donations to be sent only to food expenses, through charities that have less than 10% overhead and that work in my state."
2. Donors need to receive the most **complete report** on how their money were spent.
3. Donors do **not need to spend a lot of time** looking for projects that match their interests, or checking how their contributions are spent, even if they keep a full account.
4. In addition to transferring funds, donors should be able to **remain anonymous**. However, donors wishing to publicly recognize or incentivize others

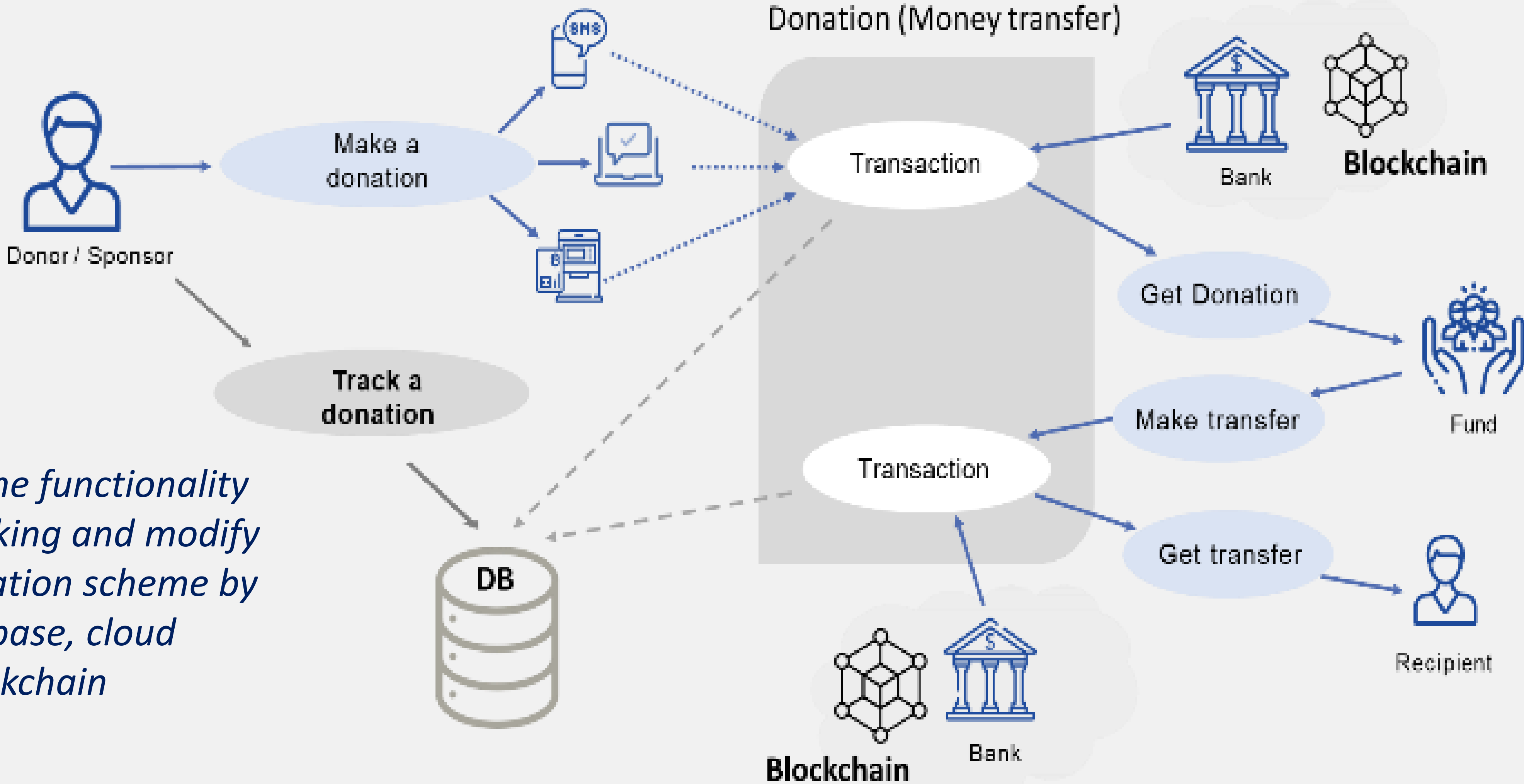


Proposed Solution: Modified donation route (with Blockchain)



Now the donation route that many funds use is “manual” and non-transparent

Proposed Solution: Modified donation route (with Blockchain)



We implement the functionality of donation tracking and modify the existing donation scheme by adding the database, cloud storage and blockchain components

Blockchain Digital Platform Flow Chart

1) Donor registration and beneficiary verification

2) Making and disposal of donations

3) Control of the donations spending by the donor



Blockchain uses a digital platform that stores and verifies the entire history of transactions between donors across the network

Transactions between donors are broadcast across the network and are verified by cryptographic algorithms

Whenever required, the data from the various connected devices can be accessed in a report

All payments are made with cryptocurrency / Tokens and safe for the donor, transactions are made through a secure distributed registry system

Blockchain has enormous potential in solving the problems of charity today

Blockchain provides a technology to build a positive charity ecosystem:

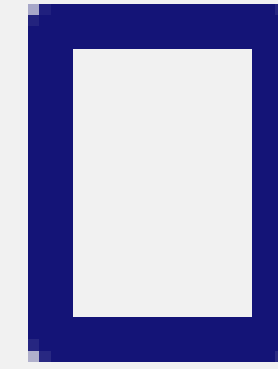
- *Ensure the anonymity of donors and aid recipients from the internal operators*
- *Only authorized persons is given access to personal information*
- *Transparency and accuracy of operations that positively affect the reputation of the fund*



Not only technical solution (platform) is need to be in place, but there also should be a level of confidence and motivation from people before any organization can adopt new blockchain technology.

Any Questions

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