



New Ways To Create Transparency With Charitable Donations

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Month after month, we continue to read informative articles about the potential uses of blockchain in tracking the money and goods sent to charities, NGOs and relief agencies. The oft-stated facts that transparency is increased and administrative costs are lowered are becoming more ingrained in the consciousness of charitably-minded donors. Some of the newest information is equally encouraging.

A new startup called Giftcoin, who will be initiating a test-run in June 2018 and launching a month later, plans to use smart contracts that are embedded in their blockchain to ensure that donations are correctly tracked and applied. Each charitable project will have milestones that must be met before the supply-chain of funds and goods can progress. Whether it's for digging a well in a drought-stricken region or supporting the arts in a specific country, these principles will apply to all projects. Another clever offering from Giftcoin will be an app that allows the user to round-up the cost of a purchase and send that small amount to Giftcoin and then on to a chosen charity. The idea is that a small amount, rounded-up from something like the purchase of a cup of

coffee, will add up as more and more users participate. The Giftcoin site notes that you can even set up an automatic schedule for donating your 'spare change' each month.¹

Giftcoin also aims to combat donor anxiety with transparency and an easy method of following donations that are made through every step of the process. As research revealed that donors were concerned about charities that spent 45% or more on administrative matters, the organisation determined that it was important to be transparent about where donations are being spent. Large charities in the UK such as British Heritage have already signed up for a partnership with Giftcoin.²

Offering grants to start-up blockchain developers, the UNICEF Innovation Fund announced, at the beginning of 2018, that it would be offering grants from \$50,000 to \$90,000 to start-ups who were registered in specific countries that had programmes authorised by UNICEF. The funds are intended to encourage the creation of open-source prototype software for blockchain use. Beyond the monitoring and administration aspects, these new software programmes will be examining how cryptocurrency transactions can offer incentives for charitable use, how to expand their use for additional benefits to humankind and how social good could benefit from digital collectables or digital scarcity. They are also quite interested in harnessing the ability of digital tracking to make strides against human trafficking.³

In spite of the roller-coaster-like prices of crypto such as Bitcoin, Fidelity Charitable acted as a conduit for just under \$70 million in cryptocurrency donations during the year 2017. An article in Fortune magazine notes that the upsurge in the dollar-figure amount of profits received by investors translated into an urge to make more charitable donations.⁵

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