

Annual Report 2018



PayPal
Giving Fund

A letter from the Chair and CEO

Dear Supporter,

PayPal Giving Fund aims to inspire a new wave of philanthropy by making giving a part of everyday life. In doing so, we strive to create new sources of funding for charitable organizations around the world, helping them to address some of society's most critical challenges.

2018 was a year of tremendous progress for PayPal Giving Fund, marked by significant achievement and growth. Most notably, we helped to raise more than \$177m during the year (an increase of 69% on 2017's total), from more than 4 million individual donations, and granted funds to more than 73,000 charities. 26,000 charities enrolled with PayPal Giving Fund during the year, enabling them to take advantage of more of our programs, and make connections with new supporters.

Much of our growth can be attributed to the amazing efforts of our partners, including PayPal, GoFundMe, Humble Bundle, eBay and Facebook, who encourage their customers to support good causes through programs enabled by PayPal Giving Fund.

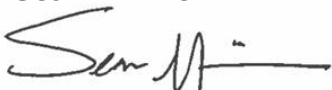
In addition, during the year, we expanded into two new countries, establishing PayPal Giving Fund in Canada and Australia. We also continued to enhance our transparency and accountability to donors, and to charities by providing additional information about the sources of our donations.

We are excited by the tremendous opportunities ahead and will continue our mission for the benefit of the charitable sector.

We are very grateful for your continued support.

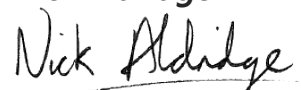
Regards,

Sean Milliken


Chairman of the Board



Nick Aldridge


Chief Executive



Our Vision and Mission

PayPal Giving Fund's vision is to inspire a new wave of philanthropy, harnessing the power of technology to make giving a part of everyday life. We pursue this vision by developing innovative programs that introduce charitable giving in relevant and engaging ways to new audiences, benefitting the charity sector.

Through our partnerships, we make it easy for donors to support the charities they care about on the websites and apps they use every day. In doing so, we enable charities to forge relationships with new supporters, and to benefit from new sources of funds to apply in pursuit of their missions.

In all that we do, we strive to innovate – to provide more opportunities to give, engage more donors, and raise more funds. We provide donation and donor reports, issue tax receipts, distribute grants, and handle registration requirements — all without charging charities for our services.



Our Key Achievements in 2018



Extending our reach

In the last quarter of 2018, we established PayPal Giving Fund in Canada and Australia and launched programs for the first time in each country. This doubled PayPal Giving Fund's footprint from two to four countries. In our first two months of operation in Canada and Australia, we had raised more than \$3m USD and enrolled more than 1,500 charities in those countries. In both Canada and Australia, we launched our PayPal programs and partnered with Facebook to enable its users to support any of the organizations in PayPal Giving Fund's directory.



Growing our partnerships

PayPal's 2018 holiday giving campaign was its most successful yet, with PayPal Giving Fund receiving more than \$20 million in donations. We also continued to support PayPal with their disaster relief campaigns, with the Hurricane Florence campaign raising \$0.75m and more than £1m donated to the Indonesia tsunami appeal.

GoFundMe increased the prominence of certified charity campaigns across its websites, resulting in dramatic growth in funds raised. We also extended our partnership with GoFundMe to the UK, enabling more charities to benefit from funds raised on the GoFundMe platform.

We also partnered with Facebook in 2018 to enable its UK users to support any of the UK charities in our directory.



Focusing on donors and charities' needs

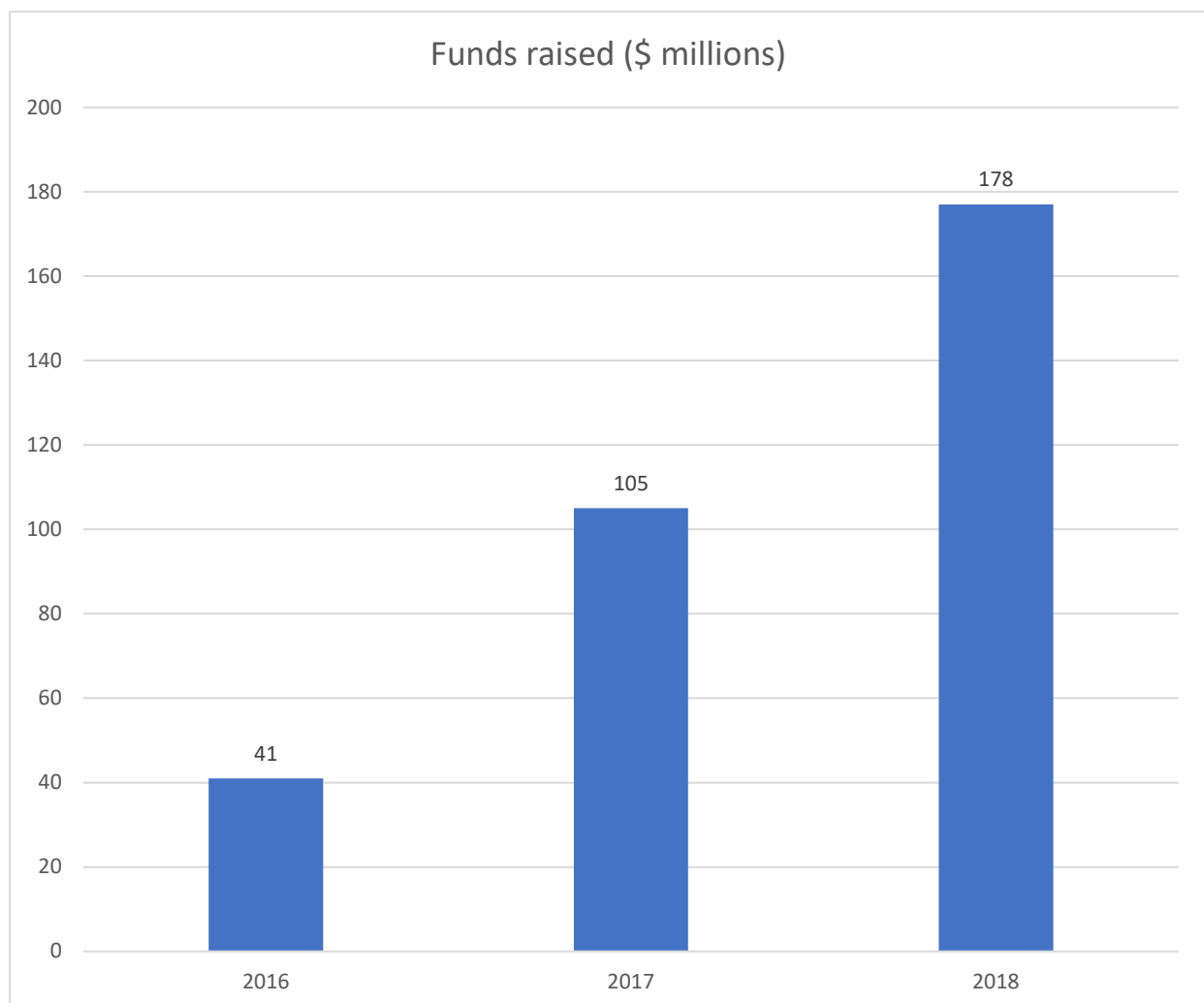
In 2018 we continued to focus on our customers' experience and the support we provide. We launched new websites to better explain PayPal Giving Fund to donors, charities and other stakeholders, and operated as a "donor advised fund", in which we seek new recommendations from donors in the event that we are unable to

follow their initial recommendation. Through our continued focus on due diligence and enrollment, we ensured that more than 99.9% of donated funds were granted to the charity originally recommended by the donor. We also worked to provide more information to charities on the campaigns through which donors had supported them, giving charities greater insights into our fundraising successes.



Driving up funds raised

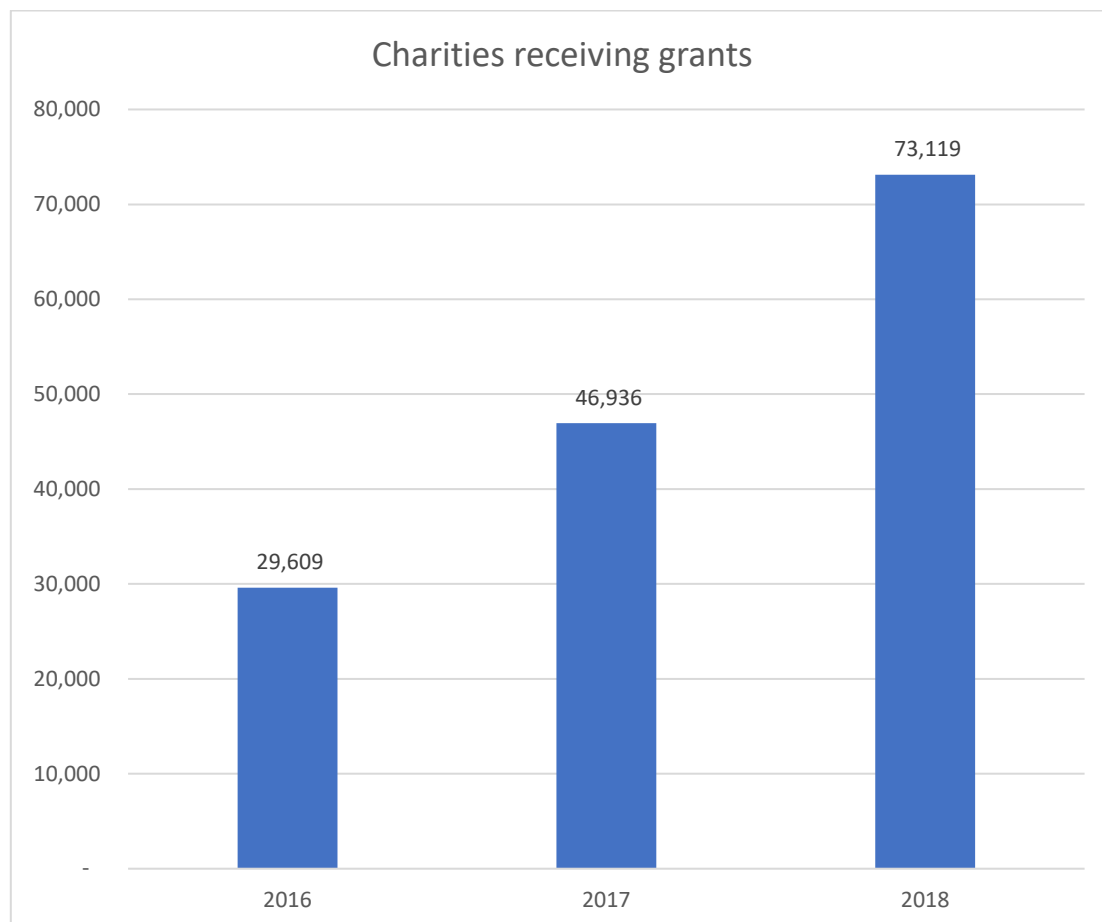
PayPal Giving Fund continued its strong growth trajectory in 2018. For the full year, we raised nearly \$178M across our four countries of operation, a **69% increase in the total donations** raised compared with 2017, and more than quadruple the amount received just two years ago.





Supporting more charities

PayPal Giving Fund significantly increased the number of charities that benefitted from its programs in 2018. More than 73,000 charities (a 68% increase compared with 2017) benefitted from grants we distributed during the year.



“PayPal and PayPal Giving Fund provide a streamlined and frictionless way for us to reach more donors, and for donors to connect with us and provide support.”

- **Thomas Tighe, President and CEO, Direct Relief**

“On behalf of the DEC and our member charities, please accept my deepest gratitude for supporting our Indonesia Tsunami Appeal. You have now raised an outstanding amount and we are not yet done!”

- **Saleh Saeed, Chief Executive, Disasters Emergency Committee (UK)**

About our programs



PayPal makes it easy for donors to find and support their favorite charities. Giving opportunities embedded in the PayPal web and mobile app customer experience are enhanced by seasonal campaigns and promotions that inspire people to give more - and give more often. We also tested a Give at Checkout feature within PayPal in the US, creating a new way for PayPal customers to give.



GoFundMe is a social fundraising platform that lets people raise funds to benefit their favorite charities through donations made to PayPal Giving Fund. Through the site, users can create their own unique fundraising campaigns to support a charity of their choosing, and share their campaigns through social media to drive donations.



Facebook enables its users to create and donate to charity fundraising campaigns, sharing them with friends and family. Donations in the UK, Australia and Canada may be made to PayPal Giving Fund, which makes grants to the charities recommended by fundraisers.



Humble Bundle is a leading retailer of digital games and eBooks that offers its customers the opportunity to support the charities in our network with every purchase they make. Through an innovative "pay what you want" pricing model, customers can choose not only what they want to pay, but also designate a portion of the sale to be donated by Humble Bundle to PayPal Giving Fund to benefit the charity of their choice.



eBay for Charity makes it easy for buyers and sellers to support their favorite charities in one of the world's largest marketplaces. When a charity enrolls with PayPal Giving Fund, eBay sellers can donate a portion of their sales to PayPal Giving

Fund to, in turn, benefit an organization they select, and buyers can add donations at checkout. Special features help eBay for Charity items stand out, and eBay incentivizes charitable selling by crediting sales fees on charitable proceeds.



Zakatify aims to provide an easier and more meaningful way for Muslims to make their zakat donations. Through its partnership with PayPal Giving Fund, Zakatify enables users to discover zakat-eligible charities, create a personalized portfolio, and to donate to support those charities quickly and easily, meeting their annual zakat goal.

Financial Summary

Our financial results

PayPal Giving Fund achieved significant growth in the US and UK, as well as launching operations in two new countries. We present our consolidated financial results below.

	Year ended December 31, 2018 <i>(does not include in-kind*)</i>	Year ended December 31, 2017 <i>(does not include in-kind*)</i>
Donor contributions	\$ 177,627,893	\$ 105,013,258
Program service revenue	1,889,810	1,834,939
Miscellaneous income	1,223	7,495
Total revenues	179,518,926	106,855,692
Grants to charitable organizations	172,040,882	102,400,417
Other program services	6,800,779	3,699,137
General and management	460,845	330,723
Fundraising	235,576	220,425
Total grants and expenses	179,538,082	106,650,702
Foreign currency translation adj.	(127,041)	42,028
Change in net assets	(146,197)	247,017
Net assets, beginning of year	1,688,484	1,441,467
Net assets, end of year	\$ 1,542,287	\$ 1,688,484

Managing our expenses

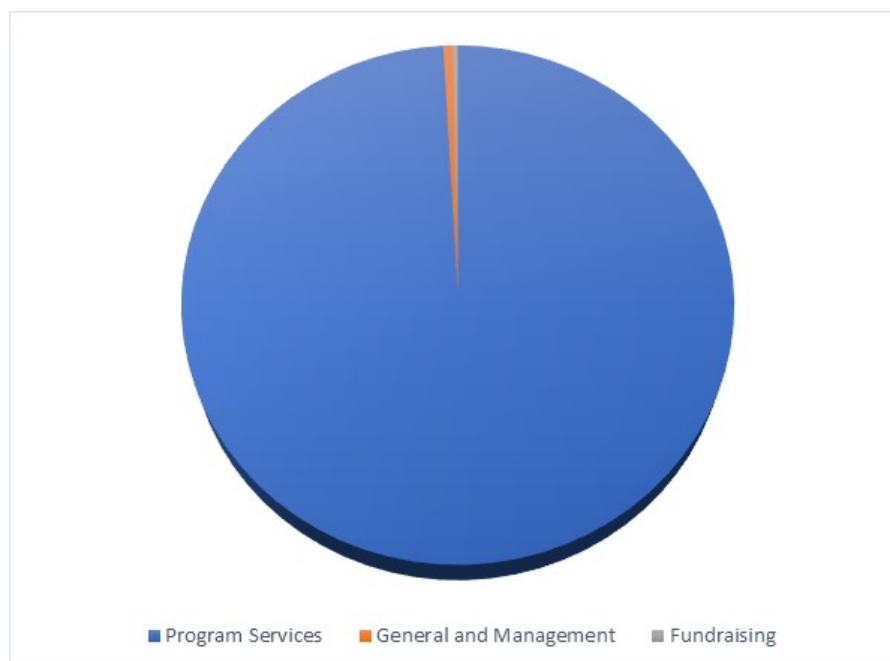
At PayPal Giving Fund, we are proud of the fact that, as in previous years, we've been able to continue our work without deducting any fees for ourselves from the donations we receive. Thanks to the support of PayPal and our other partners, our operational expenses continue to be fully covered.

Due to several system, process, and staff improvements throughout 2018, PayPal Giving Fund was able to increase funds raised by 69% while increases in general and management and fundraising costs were limited to 26%. Our direct overhead expenses were less than \$0.005 per \$1 raised in 2018.

	2018	2017	2016
Funds raised	\$178m	\$105m	\$41m
Direct general and management and fundraising costs	\$696,422	\$551,148	\$748,341
Direct cost to PayPal Giving Fund to raise \$1 for charity	<\$0.005	<\$0.01	\$0.02

Our in-kind support from PayPal

PayPal Giving Fund receives considerable in-kind support from PayPal, including product and engineering development and support, customer service resources, legal advice and use of PayPal's office space, servers and equipment, as well as payment processing on some of our donations. The value of these services, across PayPal Giving Fund's operations, totaled \$3.3m in 2018. Even taking into account these in-kind costs, PayPal Giving Fund devotes >99% of its expenses to the delivery of its programs: the issuing of grants to charities from the donor advised funds we sponsor.



Board and Governance

PayPal Giving Fund is a Donor Advised Fund recognized by the IRS as a 501(c)(3) public charity in the US, and a registered charity in the UK, Canada and Australia. We accept charitable contributions in all these countries, issue charitable tax receipts to donors where applicable, and make grants to the charities recommended by donors.

PayPal Giving Fund in the US is overseen by an experienced Board of Directors which, on behalf of our donors and beneficiaries, is charged with establishing overall strategy, governing our operations, and monitoring our effectiveness. Among other responsibilities, the board meets regularly to oversee the organization's policies and practices to promote integrity, transparency, and accountability. The PayPal Giving Fund charities in the UK, Canada and Australia are each governed by their own board of directors, appointed by PayPal Giving Fund US.

PPGF US Board of Directors:

- **Sean Milliken**, Head of Global Social Innovation, PayPal (Chair)
- **Aaron Anderson**, Chief Accounting Officer, PayPal
- **Bill Barmeier**, Philanthropic and Investment Professional
- **Ellie Diaz**, VP, Global Customer Services, PayPal
- **John Kunze**, VP, Global Consumer Product and Xoom, PayPal
- **Steve Yankovich**, Chief Product Architect, eBay

PPGF US Officers:

- **Nick Aldridge**, Chief Executive Officer
- **Joshua Tripp**, President and Chief Financial Officer

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