



PayPal Giving Fund

**PayPal Giving Fund
Annual Report and Financial
Statements 2020**

501(c)(3) nonprofit organization
(Federal Tax ID: 45-0931286)

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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.

2020 began with bushfires in Australia destroying 21% of the country's forests, killing hundreds of people and affecting nearly 3 billion animals. Soon after, the COVID-19 pandemic hit, affecting the five countries in which PayPal Giving Fund operates, and resulting in almost 750,000 deaths linked to the virus and widespread shutdowns of economic activity in efforts to contain its spread. In the US, the murder of George Floyd by a police officer in May catalyzed "Black Lives Matter" protests that spread around the world, demanding an end to racial injustice.

These tragic events, and the public response to them, spurred a wave of social action, including fundraising and charitable giving, as people came together in support of the causes they cared about: whether helping Australia to recover, providing health care and support to people affected by the pandemic around the world, or backing charities that are working to address racism and help people who experience it.

Due to the pandemic, a growing proportion of everyday interaction in 2020 took place online, and this led to a surge of interest in PayPal Giving Fund's offerings from donors and the public. During 2020 we received nearly \$500 million in donations, more than doubling 2019's total of \$246 million. More than 13 million donors contributed to PayPal Giving Fund, triple the total in 2019, and we made grants to nearly 128,000 charities.

Since its launch in 2019, PayPal Give at Checkout has enabled a total of 20 million donations from shoppers using PayPal. We overhauled our enrollment process, so that more than 78,000 charities joined our platform during the year (nearly doubling our enrolled base of charities). We also launched PayPal Giving Fund Ireland, bringing our footprint to five countries, and partnered with PayPal to support fundraising efforts in 14 others.

Our partners, leading internet businesses such as PayPal, GoFundMe, Humble Bundle, Facebook, NextDoor, eBay and Airbnb, launched and supported fundraising efforts in response to the crises of 2020, raising far more in funding than ever before. Our new accounting system, developed with support from PayPal, IBM and SAP, meant we were well-placed to handle the dramatic growth in volume we experienced.

In the most challenging year in recent history, we are grateful that so many millions of you joined us in charitable giving – a simple act that proves our willingness to come together and help those around us when it is most needed.

Regards,



Oktay Dogramaci

Oktay Dogramaci
Chairman of the Board



Nick Aldridge

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 or individual donors for our services.





“ The support provided by PayPal Giving Fund during the catastrophic 2020 Australian bushfire emergency was a key contributor in helping us access global support for WIREs’ Emergency Fund for Wildlife. It allowed us to reach and engage with a broader audience to raise vital funds to support our impacted wildlife. PayPal Giving Fund is a very valuable component in our suite of fundraising tools. ”

Leanne Taylor
CEO WIREs (Australia)

Photo: Kara Rosenlund

Our Key Achievements in 2020



Extending our reach

We launched PayPal Giving Fund in Ireland during 2020, with PayPal fundraising programs including Give at Checkout proving popular from launch. With continued growth in Canada and the UK, and a spectacular response to the Australian bushfires with more than US\$65m donated, we raised more than 38% of our funds outside of the US in 2020 (compared with 27% in 2019).



Growing our partnerships

Our 2020 holiday giving campaign with PayPal raised a record \$39m in donations (up 45% on 2019), including \$1.9 million raised through Give at Checkout. 1.8 million people donated, and nearly 150,000 donors set a favorite charity during the campaign, which should encourage future giving. We launched with many new partners in 2020, including Nike, NextDoor and Deed, engaging new donors and boosting funds raised.



Building for scale to meet customer needs

In 2020 we benefited from the additional power provided by our recently launched accounting system – the world's largest cloud-based SAP implementation by transaction volume – delivered by PayPal, SAP and IBM. The new system provided increased speed, reliability and security, and has begun to enable better information and analysis to guide our decision-making.

In 2020 we focused on simplifying the enrollment process for charities, making it easier for charities with PayPal accounts to benefit from PayPal Giving Fund programs. The number of charities enrolled rose by more than 78,000, up 242% on 2019's total of 23,000 enrollments. Through our continued focus on due diligence and engagement with charities, we ensured that 99.9% of donated funds were granted to the charity originally recommended by the donor.



“ Every eight minutes, when a family’s life is turned upside down by disaster, partners like PayPal help ensure Red Cross volunteers are there to provide shelter, food and other assistance when help can’t wait,” said Don Herring, chief development officer at the American Red Cross. “We’re extremely thankful to PayPal for its generous support of the Red Cross and inspiring others to join in their commitment to aid families in need. This year, PayPal Giving Fund’s efforts have contributed specifically to delivering the Red Cross mission during Coronavirus, Western Wildfires, Hurricane Laura, and spring storms in the Southeast. This is in addition to the contributions that go where help is needed most every day of the year. ”

Don Herring

Chief Development Officer American Red Cross (US)

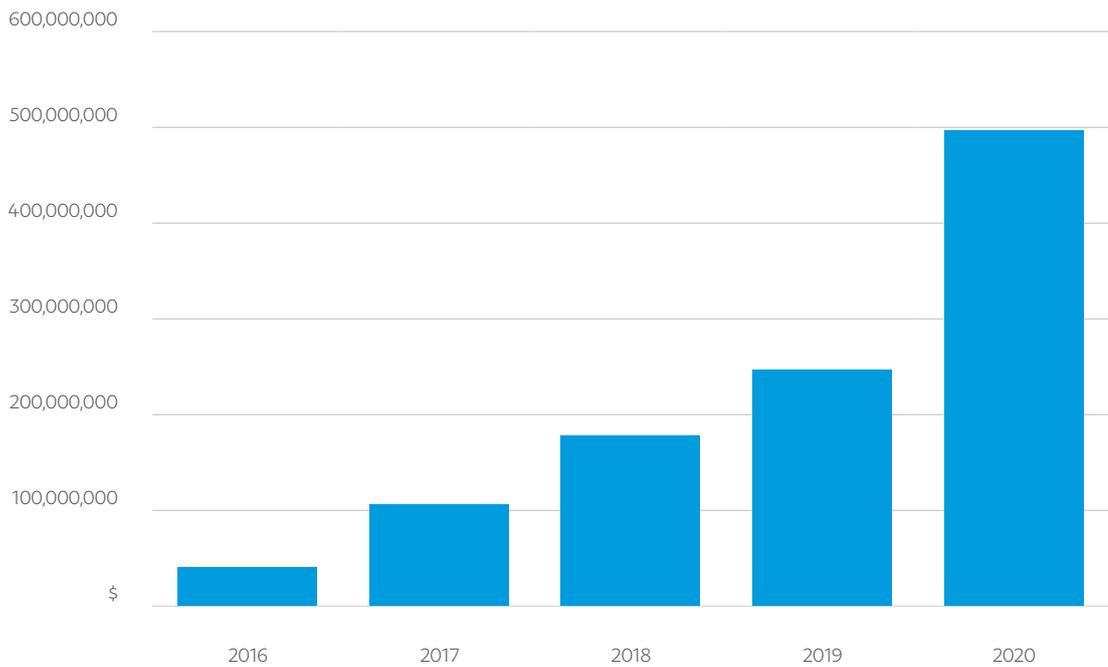
Photo: American Red Cross



Driving up funds raised

PayPal Giving Fund's growth accelerated during 2020, as we launched new programs and more people participated in high profile fundraising campaigns. For the full year, we received more than \$495 million across our five countries of operation, more than double 2019's total, and twelve times the amount generated in 2016.

Funds raised by PayPal Giving Fund

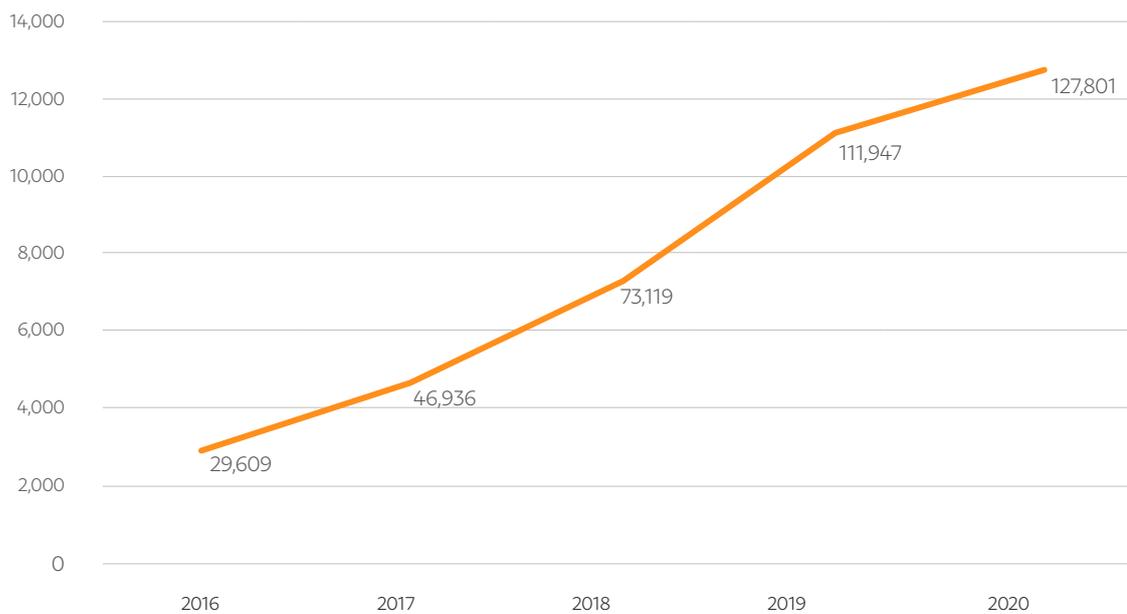




Supporting more charities

PayPal Giving Fund increased the number of charities benefitting from its programs in 2020. More than 127,000 charities benefitted from grants we distributed during the year, up 9% on 2019.

Charities receiving grants from PayPal Giving Fund



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, and in checkout, are enhanced by seasonal campaigns and promotions that inspire people to give more – and give more often.



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

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.



Airbnb hosts can donate a percentage of each payout they receive to support charities that help people in times of need find temporary housing. 100% of funds donated go to help nonprofits.



ShoppingGives provides a simple solution for eCommerce and Direct-to-Consumer brands to seamlessly give back, creating purposeful and profitable relationships with customers through social impact.



Sell For Good gives neighbors the ability to support local charities, by simply buying and selling items on Nextdoor's For Sale and Free. An easy way for Nextdoor members to revitalize their neighborhood by giving back to support a local cause.



Deed helps companies harness the passion of their employees and customers to take a stand, sharing values, and making a lasting impact in their community.



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.



“ Mary’s Meals Ireland are delighted to be partnering with PayPal Giving Fund. We are very grateful to them for allowing us to be part of this wonderful initiative, which allows people to support the work of Mary’s Meals without incurring any extra costs so 100% of their donation gets to us. We joined PayPal Giving Fund in October 2020 and to date over €70,000 has been raised: enough to feed 3,835 children for a whole school year. All these little acts of love help us to fulfill our vision that every child deserves an education and enough to eat. ”

Patricia Friel

Executive Director Mary’s Meals (Ireland)



“ The BHF’s vision is a world free from the fear of heart and circulatory diseases. We raise money to fund groundbreaking research that saves and improves lives. The work of PayPal Giving Fund and the money raised through this platform means we can continue to keep more families together, for longer. £50,000 could fund a heart attack research project for around 6 months. With more than 100,000 hospital admissions each year in the UK due to heart attacks, the funds raised could help us fund research so more people survive. ”

Paul Davies
Head of Corporate Partnerships,
British Heart Foundation (UK)

Proud to support



**British Heart
Foundation**

Financial Summary



Our financial results

PayPal Giving Fund presents its consolidated financial results below.

	Year ended December 31, 2020	Year ended December 31, 2019
	USD	USD
Donor contributions	\$ 497,199,835	\$ 246,354,521
Program service revenue	3,290,182	2,691,685
In-kind contributions	10,580,538	5,572,104
Miscellaneous income	40,061	1,872
Total revenues	511,110,616	254,620,181
Grants to charitable organizations	490,990,992	241,581,488
Other program services	16,913,699	10,343,001
General and management	1,740,228	1,960,629
Fundraising	679,420	655,983
Total grants and expenses	510,324,339	254,541,101
Foreign currency translation adj.	(23,011)	71,437
Change in net assets	763,266	150,519
Net assets, beginning of year	1,692,806	1,542,287
Net assets, end of year	\$2,456,072	\$1,692,806



Leveraging operational support

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. In addition, 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 10.5m for 2020 in-kind. The large increase on 2019's \$5.6m was driven by a greater contribution from PayPal in waived transaction fees as PayPal's fundraising programs grew.

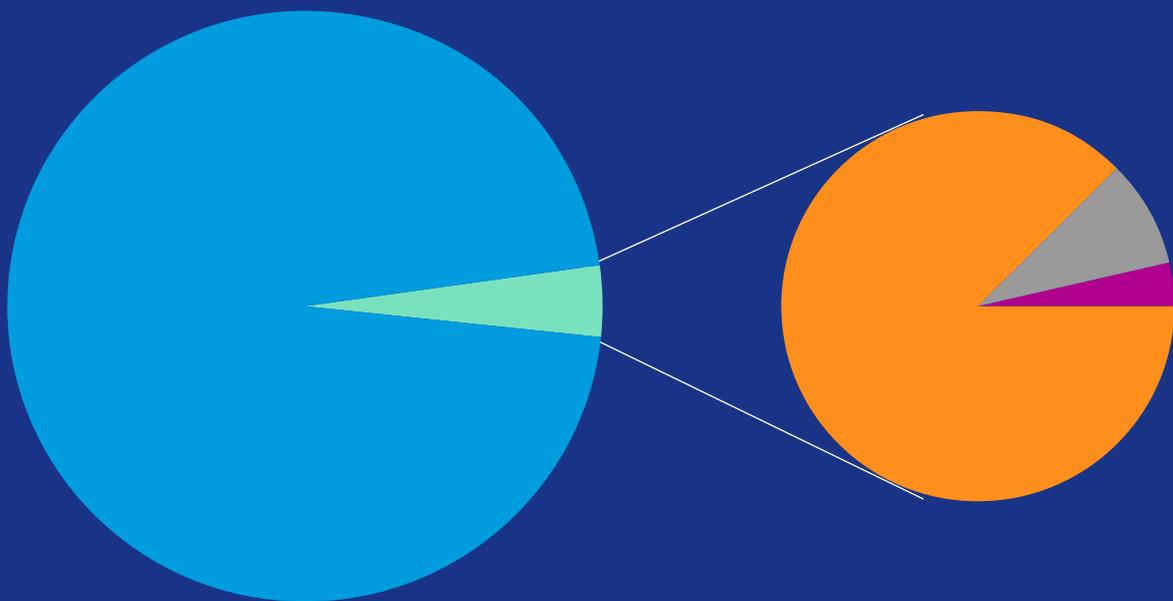
Building for scale

As we continue to grow, we incur additional costs and in 2020, we saw a slight increase in overhead expenses due to additional staff and internal promotions. Overall operating costs remained consistent due to the impact of COVID-19 on travel and consequent related costs.

	2020	2019
Funds raised	\$497m	\$246m
Direct general and management and fundraising costs (net of in-kind)	\$1,334,445	\$1,322,403
Direct cost to PayPal Giving Fund to raise \$1 for charity	\$0.003	\$0.005

Even with in-kind costs included, 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.

- Grants to charitable organizations \$490,990,992
- Other \$19,333,347
- Other program services \$16,913,699
- General and management \$1,740,228
- Fundraising \$679,420





“ PayPal and PayPal Giving Fund have been essential partners to Direct Relief over the last several years – but more than ever before in 2020. Though the year brought many challenges, the generosity of people wanting to lean in was inspiring. The hundreds of thousands of gifts that were entrusted to Direct Relief by the PayPal Giving Fund community were more than financial contributions; they indicated hope and opportunity for people to come together and make a difference in the world, for which we are deeply grateful. ”

Heather Bennett,
Vice President, Partnerships and Philanthropy,
Direct Relief (US)

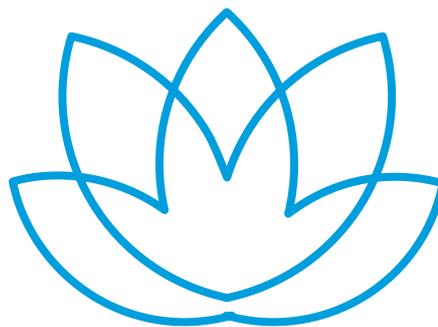
Board and Governance



Structure 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, Australia and Ireland. We accept charitable contributions in each country, 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 charitable entities in the UK, Canada, Australia and Ireland are each governed by their own Board of Directors, appointed by PayPal Giving Fund US.



PPGF US Board of Directors:

Oktay Dogramaci, VP, PayPal Giving, PayPal (Chair)

Aaron Anderson, SVP, Treasurer, PayPal

Ellie Diaz, SVP, Global Customer Services, PayPal

Franz Paasche, SVP, Chief Corporate Affairs Officer, PayPal Inc.

Victoria Vrana, Deputy Director of Policy, Systems and Giving by All, Bill & Melinda Gates Foundation

Tie Kim, CFO, Benetech

PPGF US Officers:

Nick Aldridge, Chief Executive Officer

Joshua Tripp, President and Chief Operating Officer

Nuru Kiyemba, Chief Financial Officer

“ SickKids Foundation is grateful for the generous support and partnership from PayPal Giving Fund. Your support helps makes a difference in the lives of our patients and their families, healthcare workers, and staff at The Hospital for Sick Children. The funds we receive from PayPal Giving Fund Canada go towards our SickKids VS Limits campaign and the building of a new SickKids which allows us to continue our fight and save lives, find new cures and provide world-class care in Toronto. ”

Adam Starkman

**Vice President, Corporate Partnerships
SickKids Foundation (Canada)**

PayPal Giving Fund