



Deed Vetting Overview:

Deed + PayPal Giving Fund



Table of Contents

Deed's Strategic Approach: Partnering for Greater Impact	3
Deed + PayPal Giving Fund	3
Impact Stats	3
Sample Tax Receipt	4
Sample Donation Tracker	5
Organization Validation, Vetting & Onboarding	5
Charities Enrolled Directly via PayPal Business Accounts	5
User Validation	5
OFAC Sanctions Scans	5
Guidestar/IRS Verification	6
CA Attorney General Validation (new legislation)	6
Charities Enrolled Indirectly	6
Eligibility Process Flow	7
Anti-Money Laundering and Transaction Monitoring	7
Deed Screening Layer (SPLC Hate List) and Organization Filtering	8
Deed Support with Organization Nominations	9
Thank you	10





1. Our Strategic Approach: Partnering for Greater Impact

Deed partners with globally recognized experts and leaders that your nonprofit partners already know and trust. By leveraging existing expertise and transaction models, Deed clients and donors enjoy scalable and secure giving that delivers transparency and peace of mind. Meanwhile, by tapping into these existing resources, we are avoiding redundancies for the nonprofits and gathering more real-time updates via syncing with databases that they already utilize.

As a result, the Deed ecosystem has quickly scaled to offer approximately 2 million vetted organizations globally (1.4 million available in the U.S.) with layered scans and automated checks for timely onboarding, secure vetting, and reliable disbursement.

2. Deed + PayPal Giving Fund

Deed and PayPal Giving Fund chose to partner together to deliver market-leading social impact technology powered by one of the world's most recognized and secure payment processors. Compliance is the backbone of PayPal's business and as a payments provider, its checks are much more stringent, scrutinized, and regulated than a regular charity platform. PayPal's 20 million+ merchants are subject to the same compliance requirements as charities, with charities having additional checks for registration with appropriate regulators, such as the IRS and California Attorney General. Furthermore, below are some statistics demonstrating the impact and success of PayPal in supporting charitable donations:

- PayPal is one of the largest digital donations platforms in the world and processed \$19B to 1.4 million organizations in 2021.
- Every month, 2-3 million donors choose PayPal for secure, end-to-end processing which has a 99.9% payment success rate.
- Over 90% of payouts to charities are sent electronically and each donation is accompanied by a tax receipt (or donation acknowledgement if non-tax effective) and a donation tracker with real-time dates and updates. Please find the example images below.
- Approx. 96% of all dollars donated through Deed's U.S. ecosystem are processed through PayPal Giving Fund.





- Beyond their donor reach, PayPal is a market leader for consumer engagement as they account for 22% of online transactions with over 400 million active accounts in 2021. This strategically aligns with Deed's vision to go beyond traditional corporate responsibility programs and enable transformative community building that seamlessly includes customers and community members in your social impact. Through this partnership, we are well-positioned to bring that vision to life.

PayPal Giving Fund

Official donation receipt

Thanks for your generous donation to PayPal Giving Fund. You have selected Children's Hospital Colorado Foundation as your chosen charity. PayPal Giving Fund, a public charity (Federal Tax ID: 45-0931286), in partnership with PayPal, processes your donation so it can be granted to your chosen charity.

[Track your donation](#)

Your donation summary

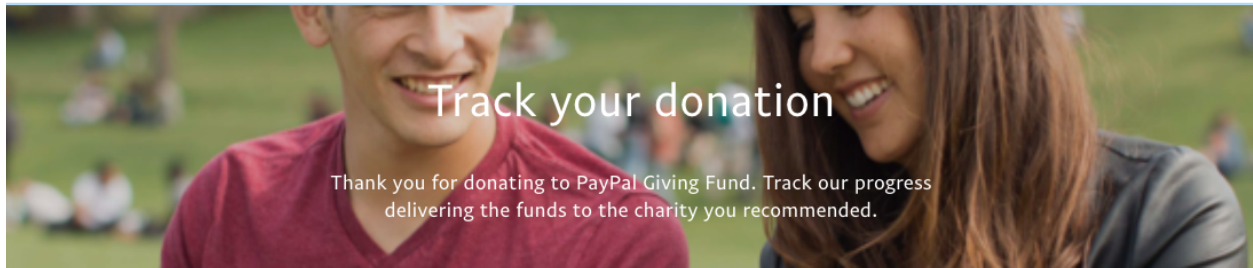
Benefiting charity	Children's Hospital Colorado Foundation
Program	Deed
Transaction ID	7PU543651L2308456
Date of donation	Jun 14, 2022 16:09:50 PDT
Date of receipt	Jun 14, 2022 16:09:55 PDT
Your contribution	\$26.55 USD
Your Tax deductible contribution	\$26.55 USD (100% of your contribution)

Please save this receipt for tax purposes. We attest that no goods or services were provided to you in exchange for this gift.

Thank you again for your generosity.

Nick Aldridge
CEO
PayPal Giving Fund





Children's Hospital Colorado Foundation

#7PU543651L2308456

Source: PayPal Giving Fund charity profile

Status: **Granted to Charity**

Donation Made

Jun 14, 2022

Delivery Pending ?

Paid via PayPal

Jun 23, 2022

3. Organization Validation, Vetting & Onboarding

Charities Enrolled Directly via PayPal Accounts:

Organizations with PayPal accounts may be automatically vetted through the following processes and directly onboarded with PayPal Giving Fund. On average, it takes **1-2 business days** for the entirety of vetting to be completed, allowing your organizations to be quickly and efficiently onboarded.

Once the organization has created a **PayPal account**, the user is validated using services, such as LexisNexis, in compliance with the U.S. law, and is scanned for identify theft, fraud, money laundering, terrorism and other financial crimes including insurance and government benefit scams.

From there, **OFAC sanction scans** take place **24/7/365** and vet the organization against watchlists including the OFAC Specially Designated Nationals List, UN Security Council sanctions list, Commission de Surveillance du Secteur Financier in the EU, Foreign Sanctions Evaders List, the Sectoral Sanctions Identifications List, the List of Foreign Financial Institutions Subject to Correspondent Account or Payable-Through Account Sanctions, the Non-SDN Palestinian Legislative Council List, the Non-SDN Menu-Based Sanctions List, and the Non-SDN Communist Chinese Military Companies List.





If an organization is found in non-compliance, then the PayPal account is frozen and the organization is unable to receive donations via PayPal Giving Fund. During this suspension, an internal review is conducted on the organization. If the organization is removed from sanctions lists then they are reinstated for eligibility.

As a next layer, the organization is validated through an integration with **Guidestar**, the industry's most comprehensive database of every single registered non-profit in the U.S. Guidestar compiles charities' IRS information, including tax IDs, contact information, website links, and 990 tax returns, with additionally provided financial information for the purposes of advancing charitable transparency. Through this integration, PayPal Giving Fund's database syncs with Guidestar and, by extension, the **IRS Master File**, so that the most up-to-date information is available. If an organization is found invalid through this check, then they must provide documentation to prove charitable status or equivalent.

Where applicable, organizations must be validated per the **California Attorney General's Office per the new legislation (AB 488) effective January 1, 2023**. As the market leader, PayPal is at the forefront of the latest legislation and was a consulting party to the California Attorney General's Office. This additional validation step is already underway to ensure clients are in compliance as soon as the law goes into effect in 2023.

Once an organization has completed this process of validation and vetting, they are then available for donations via PayPal Giving Fund. On average, it takes 1-2 business days for the entirety of vetting to be completed, allowing your organizations to be quickly and efficiently onboarded.

Please see the Process Map below for a visual flow.

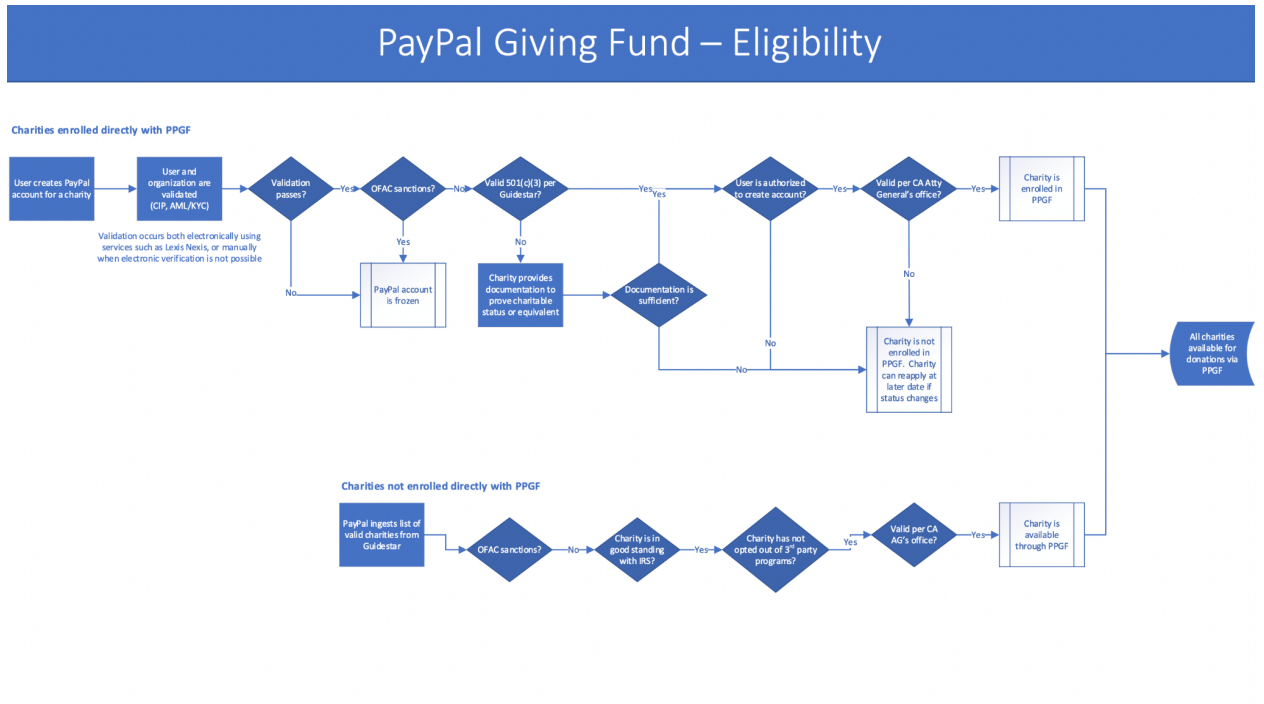
Charities Not Enrolled Directly with PayPal Giving Fund:

PayPal ingests lists of valid organizations from Guidestar and the above validations and vetting processes are applied including OFAC sections, fraud checks, and confirming that the organization is in good standing with the IRS. From there, it is confirmed that the organization has not opted out of 3rd party





programs and that they are validated per the California General Attorney's office before being available for donations via PayPal Giving Fund. Please see the Process Map below for a visual flow, which may also be provided as a separate attachment.



4. Anti-Money Laundering and Transaction Monitoring: How PayPal Uniquely Protects Its Customers

Through proprietary fraud algorithms, all transactions and organizations are closely monitored for anti-money laundering, self-dealing, explosive growth, and a multitude of other touch points in real-time:

- PayPal is a closed-loop system (having a relationship with both the sender and receiver) that allows faster identification of suspicious activity more easily than competing systems.
- PayPal conducts a global Anti-Money Laundering and Combating of Finance Terrorism risk assessment consistent with Financial Action Task Force (FATF) guidance to identify, assess and understand the money laundering and





terrorist financing risks. This is consistent with a risk-based approach (RBA) which impacts global policy decision-making and implementation of program elements.

- PayPal screens transactions **in real time at the time of the transaction**. Information is cross-referenced against a variety of lists from regulators, governments and more.
- OFAC sanctions checks continue daily **24/7/365** and IRS 501c3 revocations also occur daily for rapid response.
- Furthermore, all organizations are validated on a regular basis against PayPal's Acceptable Use Policy which prohibits activity including but not limited to violating any law, statute, ordinance or regulation, transactions involving narcotics, stolen goods, and the promotion of hate, violence, racial or other forms of intolerance. For more details, please feel free to visit the policy directly at [PayPal Acceptable Use Policy](#).

5. Deed Screening Layer (SPLC) and Organization Filtering

Deed offers flexible and customizable screening options, allowing you to design an employee donation and matching experience that best fits your program parameters. During implementation, we can utilize inclusion or exclusion lists or Deed's advanced filter system to ensure only eligible organizations are surfaced to your program participants.

Additionally, many of our partners utilize common industry standards, such as the [Southern Poverty Law Center \(SPLC\) hate list](#), which may be applied in Deed's screening layer.

Furthermore, Deed implements additional screening criteria for the nonprofits we highlight to our partners in toolkits, disaster relief recommendations, and partner nonprofit suggestions. The criteria is informed by both corporate and nonprofit best practices, which encompass some of these key considerations:

- Legal compliance





- Strategies (theory of change, evaluation of how the nonprofit will reach their goals)
- Financial capabilities (does 65-75% of the organization's budget go to programming?)
- Diversity, Equity and Inclusion (does the organization's leadership and/or staff reflect and/or consult those of the communities they purport to serve?)
- Reputational risk and history

6. Deed Support with Organization Nominations

Our vision is to build community around doing good deeds and growing our nonprofit community is a key aspect of that vision. Therefore, we do not charge for organization vetting or nominations, nor is there a limit to the number of organizations you may add. Should an employee need to nominate an organization, they may simply do so from their personal profile in the Deed platform where they are guided through a few steps that may be completed in less than a minute. This event triggers an outreach process which includes:

1. Initial email outreach to the organization
2. Phone call from the Deed Nonprofit Success team to the organization 2 business days later if the organization has not responded.
3. Follow up email two business days after the call was made.
4. The Deed team continues high touch outreach with the aim of onboarding the organization **within 15 business days**.
5. Once the organization is vetted and onboarded, they have access to the Deed Nonprofit Portal with manager permissions within 1 business day to create volunteer events, projects and fundraisers, manage their profile, and leverage Deed's dashboards for easy reporting.

Along the way, the employee can view nomination status in their personal profile. Furthermore, Deed clients celebrate that administrators also have visibility under the Nominations tab under the Admin portal as shown below:

Nonprofit	Country	Request	Request Comment	Email	EIN	Phone	Submitted Date ↓	Nominator	Company	Status	Add Note
Total: 0											

Rows per page: 10 0-0 of 0





During implementation, Deed will partner with you to identify any organizations that are not already onboarded to ensure that on launch day we have as many of your organizations available as possible. In this process, we will conduct a database review to identify any gaps, create a co-branded outreach effort with multiple touch points, and track progress with milestones until your launch day. Furthermore, we are happy to share training resources with your nonprofit partners to help get them excited about and familiar with the Deed nonprofit portal and the many ways they can leverage the platform to further their mission.

Thank you!

From all of us at Deed, we thank you for your review and exploration of how a Deed + PayPal partnership could bolster your impact with secure donation processing and organization vetting. Please don't hesitate to reach out if you have any follow up questions or would like to discuss further in partnership.

