



carebit

A NON-PROFIT CHARITY BLOCKCHAIN LEDGER

The background of the entire page is a soft-focus photograph of several hands of different skin tones being stacked on top of each other in a circle. This gesture is commonly known as a 'team huddle' or 'stack of hands', symbolizing teamwork, unity, and mutual support. The lighting is bright and natural, suggesting an outdoor setting.

# A NON-PROFIT CHARITY NETWORK BUILT ON PROOF-OF-STAKE BLOCKCHAIN WITH MASTERNODES

*“The charity that hastens to proclaim its good deeds, ceases to be charity, and is only pride and ostentation.”*

**William Hutton**

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*“To give away money is an easy matter and in any man’s power. But to decide to whom to give it and how large and when, and for what purpose and how, is neither in every man’s power nor an easy matter.”*

**Aristotle**

# ABSTRACT

The Carebit Network and Care coin will enable a first-of-its kind blockchain-powered real-world and real-time donation disbursement and fund tracking service for Charitable Donations. Through our proprietary FUND TRACKING TOOL, charitable donations are completed with FULL transparency; something that was never before possible until now. Finally, individuals and institutions will take comfort and full consolation in the direct engagement of their charitable deeds through the Carebit network, which will facilitate the direct transfer of funds to charitable causes through Carebit's own charitable causes. Ultimately, Carebit will tackle emergency cataclysmic events by helping to resolve long-stemming and largely neglected issues. For example, issues that currently go un-aided by current charitable operations, which suffer from mismanagement, regulatory factors, corruption, and bureaucratic overheads that ultimately leave very little to trickle down to the supposed benefactors.

Carebit's network and community features a dynamic and organic governance system; one that is always growing and evolving to meet real-world charitable needs as they occur.

Carebit and the Care coin will operate within this ecosystem and offer a multi-pronged and multi-dimensional protocol for charitable contributions. Most importantly, Carebit and the Care coin will record the usage and tracking of said funds down to every penny. The network will offer a direct cause funding feature, which is a growing targeted partnership of the most reputable and established global Charities who will ultimately use the Care coin to onboard direct charitable contributions. In addition, the network will offer direct-cause piecemeal funding of individual itemized invoices directly aiding and resolving specific needs, all of which run transparently and immutably on the Carebit blockchain. \*

The Carebit network will also feature its own decentralized exchange, CAREDEX. Care coins and other coins, which are approved by the governance model (only the legitimate projects), can be purchased directly from CAREDEX with the added feature of having the ability to donate in any token on the exchange that users currently hold.

*\*Please note that, where necessary, the Carebit network will adhere to all KYC/AML requirements depending on jurisdiction*

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# ***Introduction***

This section will define the problem statement, prevailing challenges in the charitable world, and define the Carebit project, its objective, and some key deliverables/principles that will be used to meet these objectives.

## ***The Prevalent Challenges***

In today's world, philanthropy has become a very forward-thinking concept with millions of people donating towards various social, disaster, religious, and development causes. However, this has also posed many challenges to charities in terms of donations never actually reaching their desired recipients. This is an unfortunate persistent occurrence that has yet to be resolved, despite many attempts to add procedural transparency. The sheer scale of this problem in exact money lost or money not properly utilized or distributed properly has not helped its resolution. Even reliable charity organizations have faced numerous obstacles and hindrances while attempting to provide relief to affected areas and people, despite their ability to raise large sums of money.

Consequently, there has been a steep decline in donations , with 52% of charities suffering from lack of donors in the US alone. Similarly, in the UK alone, 33% of donors have shown their mistrust in charity organizations. The forerunner challenge for all nonprofit charities is to create a sustainable mechanism that is transparent and accountable to their donors.

In order to keep the donors happy and all transactions transparent, many charity organizations have adopted several ways to achieve clarity in financial transactions that include:



- **SELF-REPORTING:** Many agencies report their progress through their official websites and annual reports.
- **RECIPIENT REPORTING:** The donors themselves report on the progress made via their donations. This gives them the added benefit of being involved directly with the agency.
- **THIRD-PARTY REPORTING:** There are many third-party organizations such as GuideStar, Charity Navigator, and the Wise Giving Alliance that report and publish their findings related to agencies for everyone to see progress of their respective charities.

However the above still fall far short of the transparency and proof required to assure donors that their donated funds have reached the end recipient and have been used in the intended way.

## ***INTERNATIONAL CHARITIES, CONTRIBUTIONS AND DONATIONS:***

Charitable giving continued its upward trend in 2017, as an estimated \$410.02 billion was given to charitable causes. For the third year in a row, total giving reached record levels. This increase and the overall size of charitable contributions is further testament to the integral role charities play in our society, a role which continues to grow.





- Total giving to charitable organizations was \$410.02 billion in 2017 (2.1% of GDP). This is an increase of 5.2% in current dollars and 3.0% in inflation-adjusted dollars from 2016.
- Giving has increased in current dollars every year since 1977, with the exception of three years that saw declines: 1987, 2008 and 2009.
- The average year-to-year change in total giving between 1977 and 2017 was an increase of \$8.94 billion (in current dollars), making the current-dollar change in total giving between 2016 and 2017 much larger than the 40-year average.
- Prior to the 40-year period 1977–2017, total giving was consistently at or above 2.0% of GDP. It fell below 2.0% throughout most of the 1970s, 1980s, and 1990s. Total giving as a percentage of GDP rose to 2.0% and above through most of the 2000s, but then dropped to 1.9% in the years 2009 to 2011. Total giving as a percentage of GDP was 2.1% for four of the five years, 2013–2017.

## ***Who is giving?***

- As in previous years, the majority of that giving came from individuals. Specifically, individuals gave \$286.65 billion, accounting for 70% of all giving and representing a 3.0% increase over 2016.
- Giving by bequest increased by 2.3% to \$35.70 billion (9% of all donations).
- Foundations - which includes grants made by independent, community, and operating foundations - gave \$66.9 billion (16% of all donations). This represents a 6% increase over the prior year.
- Corporations grew by 8% to \$20.77 billion (5% of all donations).
- Historically, donations from individuals account for over two-thirds of all donations. If you add in gifts from bequests, then the category accounts for nearly 80% of all giving. In other words, the donating public, not big foundations or corporations, is responsible for the vast majority of
- annual donations.





## *Where do the donations go?*

- Giving to [Education](#) charities was up 6.2% to \$58.9 billion (14% of all donations).
- Donations to [Human Services](#) charities were up 5.1% to \$50.06 billion (12% of all donations).
- Foundations saw an increase of 6% to \$45.89 billion (11% of all donations).
- [Health](#) charities experienced an increase of 15.5% to \$38.27 billion (9% of all donations).
- Public-Society Benefit charities saw an increase of 7.8% to \$29.59 billion (7% of all donations).
- Giving to [International](#) charities decreased by 4.4% to \$22.97 billion (6% of all donations).
- Arts, Culture and Humanities saw an increase of 8.7% to \$19.51 billion (5% of all donations).
- Charities that focus on the [Environment](#) / [Animals](#) saw an increase of 7.2% to \$11.83 billion (3% of all donations).
- Historically, [Religious](#) groups have received the largest share of charitable donations. This remained true in 2016. With the 2.9% increase in donations this year, 31% of all donations, or \$127.37 billion, went to Religious organizations. Much of these contributions can be attributed to people giving to their local place of worship

## *Top Challenges Facing International Charities:*

**FRAUD:** There are a number of reasons why charities can be susceptible to fraud. These include the fact that a high level of confidence in the sector means people think it very unlikely; there can be a lack of strong controls either because of limited resource or over reliance on goodwill of employees or volunteers; and reliance on large number of volunteers.



**MANAGING RISK:** There is a requirement for trustees of charities over the audit threshold to include a risk management statement in their Trustees Annual Report and in order for trustees to make this positive statement they will need to consider risks and their management in a formal way.

**CHALLENGES TO AVOIDING CONFLICT OF INTEREST:** Trustees' duty of compliance requires integrity and the avoidance of any conflicts of interest between the charity and personal or professional interests.

**CHALLENGES TO ENSURING DELEGATION PROCESSES ARE FIT FOR PURPOSE:** The board has ultimate responsibility for the organization but they cannot run it on a day to day basis.

**DETERMINING THE APPROPRIATE LEVEL OF RESERVES:** Significant reserves would begin to suggest that resources are being stockpiled and not applied for the charitable purposes for which they were received.

**VAT:** This can present a series of challenges with complex issues. Charities must keep on top of matters such as exemptions and obtaining the reliefs available to in order to be VAT efficient.

**AUTO-ENROLMENT:** Every organization, including charities must make pensions provisions for their employees. It is important to know your staging date and make plans in good time.

**STAFFING AND VOLUNTEER CHALLENGES:** A consistent concern for charities, 8.5% saw staffing and volunteer recruitment challenges top their list of concerns for 2018. With high employment numbers, rising wages, and increasing time at the office, finding people to work and volunteer could pose a challenge in the coming months and years.



**CHARITY GROWTH, REVENUE, FUNDING, AND FUNDRAISING CONCERNS:** As mentioned above, changing regulations also have an impact on the way charities compete, generate revenue and operate. Always a concern for charities, increasing competition for donor and member money creates perpetual risk and opportunity. Coming in at 2, 3, and 6, Growth/Generating Revenue, Funding/Donors, and Fundraising were the top concerns for 16.7%, 11.3%, and 7.5% of nonprofits respectively.

**GOVERNMENT REGULATIONS AND TAX REFORM:** A common concern both inside and outside of the charities world is the impact of changing regulations and tax reform. From the paper-cutting maneuvers by the Trump Administration to the largest change in tax code in more than three decades, nonprofits are working diligently to adapt, but face challenges doing so, with 18.8% listing Government Regulations as their top challenge.

**MEMBERSHIP AND RECRUITMENT:** A unique challenge for membership charities and \ associations, recruiting new members and retaining existing ones can be a challenge, and is a top challenge for 7.5% of respondents in recent research findings. Again relating to technology and other factors on the list, membership organizations need to prove their value to members and prospects if they want to succeed.

**TECHNOLOGY AND SOFTWARE CONCERNS:** Another perpetual challenge for nonprofits, issues pertaining to manual, paper based processes and outdated software fall in at number five on the list of top challenges for nonprofits, with 7.5% of respondents seeing it as their top challenge.



# TOP INTERNATIONAL CHARITIES

## *Four Well-Known International Charities*

There are many well-known international charitable organizations, including the four groups detailed below:

1

### ***Action against Hunger / ACF-USA***

Action against Hunger / ACF-USA is an international humanitarian organization that focuses on combating hunger around the world. Its mission is to eliminate hunger through prevention, detection and treatment of malnutrition. The organization reaches out during natural disasters, war and situations of conflict to provide solutions that will put an end to global hunger. Action against Hunger has over 30 years of experience and runs programs in over 40 countries that help over five million people yearly.

2

### ***World Vision***

World Vision is an international aid organization that is Christian in focus. It works to end injustice and poverty around the world by working closely with children and their families to identify what they need the most. World Vision works in over 100 countries and does not discriminate on religion race, gender or ethnicity. It helps communities find ways to improve their lives and find long lasting solutions to their many issues.



World Vision's Gift Catalog is a way for people to donate to the organization and choose from gifts such as providing clean water to an impoverished village or to give a goat to a family in need. A person can make a donation and specify where they would like their money to be spent.

**3**

### ***World Medical Relief***

World Medical Relief was established in 1953 to help the medically impoverished around the world. This international charity distributes medical, dental and laboratory supplies to areas where they are needed. Surplus supplies as well as monetary donations are what the organization relies on and uses these resources to make a difference globally as well as locally.

**4**

### ***Save the Children***

Save the Children provides food, medical care, supplies and education to children in the United States and around the world. It responds to disasters as well as to long-term need in communities that have struggles that affect the lives of children. Areas of focus include hunger, poverty, illiteracy and disease. Areas where Save the Children helps include Africa, Asia, Latin America, Caribbean and the Middle East



This Top 10 list contains some heavy hitters in the nonprofit sector. Each of these charities had total expenses greater than \$500 million in its most recent fiscal year. Their combined total expenses are approximately \$10 billion.

Rank	Charity	Total Expenses
1	American Red Cross	\$2,808,630,913
2	Feeding America	\$2,684,820,721
3	Americares	\$1,927,303,882
4	Dana-Farber Cancer Institute	\$1,344,974,674
5	City of Hope	\$1,328,047,554
6	Smithsonian Institution	\$1,307,694,171
7	ALSAC - St. Jude Children's Research Hospital	\$1,172,123,046
8	Direct Relief	\$1,008,907,873
9	World Vision	\$999,702,678
10	Food For The Poor	\$979,519,410

## Top 10 Expanding Charities

These top 10 charities that are growing dramatically with their programs and services expanding by more than 35% each year for the past three years. Additionally, these organizations also have enough money in the bank to sustain a similar rate of growth for years to come.

Rank	Charity	Program Growth
1	Toby Keith Foundation	534.5%
2	Metavivor	228.1%



3	Centre Pompidou Foundation	113.3%
4	Blue Ridge Conservancy	111.6%
5	WVIA Public Media	96.3%
6	LightHouse for the Blind and Visually Impaired	96.0%
7	Jewish Senior Life Foundation	94.8%
8	LifeFlight Foundation	83.2%
9	Northfield Area Family YMCA	83.0%
10	Museum of Wisconsin Art	

## 10 Most Followed Charities

Rank	Charity	Donors Tracking This Charity
1	Doctors Without Borders, USA	27,762
2	American Red Cross	17,677
3	The Nature Conservancy	13,478
4	World Wildlife Fund	12,994
5	Natural Resources Defense Council	12,620
6	UNICEF USA	11,885
7	Save the Children	11,173
8	ALSAC - St. Jude Children's Research Hospital	11,112
9	DAV (Disabled American Veterans) Charitable Service Trust	10,075
10	American Society for the Prevention of Cruelty to Animals	10,035





## 10 Highly Rated Charities Relying on Private Contributions

Most charities derive large chunks of revenue from earned income, membership fees, and government contracts and grants. Ranked by overall score, these 10 excellent charities draw revenue solely from direct and indirect public support. They report no government funding, no membership fees, and no revenue from earned income. As a result, more than 95% of their total revenue comes from private contributions, which makes the efficiency of their fundraising operations all the more impressive.

Rank	Charity	Overall Score
1	Hope for Haiti's Children	100.00
2	India Development and Relief Fund, Inc. (IDRF)	100.00
3	Sponsors for Educational Opportunity (SEO)	100.00
4	Navy SEAL Foundation	100.00
5	Palestine Children's Relief Fund	100.00
6	Spread the Word Nevada	100.00
7	PATH Foundation	100.00
8	Sankara Eye Foundation, USA	100.00
9	Books For Africa	100.00
10	Kids Alive International	100.00



## 10 of the most popular Charities

These 10 charities work throughout the country and the world. They are large, complex organizations with budgets exceeding \$100 million, and at least \$65 million in net assets. They became household names in part because of their exceptional financial management, no easy feat considering the scope and size of their operations. Charitable givers should feel confident that these national institutions put their donations to good use.

Rank	Charity	Overall Score
1	Direct Relief	100.00
2	MAP International	100.00
3	The Rotary Foundation of Rotary International	100.00
4	Matthew 25: Ministries	100.00
5	The Conservation Fund	98.23
6	Samaritan's Purse	98.23
7	Cystic Fibrosis Foundation	98.23
8	The Carter Center	97.87
9	Americares	97.87
10	Catholic Medical Mission Board	97.23



## 10 Charities Overpaying their For-Profit Fundraisers

These 10 charities spend more than 50% of its budget paying for-profit fundraising professionals to solicit your hard-earned money. They are ranked by the percentage of their total functional expenses spent on professional fundraising fees. As a result, very little of the charity's spending is directed towards its programs and services.

Rank	Charity	Program Expenses	Professional Fundraising Fees
1	Cancer Survivors' Fund	8.4%	87.8%
2	Firefighters Charitable Foundation	7.3%	87.0%
3	The Association for Firefighters & Paramedics	5.3%	80.2%
4	California Police Youth Charities	17.6%	77.8%
5	Childhood Leukemia Foundation	23.1%	68.1%
6	HonorBound Network Foundation	26.3%	66.4%
7	Kids Wish	19.7%	61.0%
8	Police Athletic League of New Jersey	28.7%	60.9%
9	California Police Activities League	32.2%	56.6%
10	Find the Children	27.6%	52.6%



## What is Carebit?

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Carebit aims to set itself up as the only coin in the crypto sphere used specifically for charity and philanthropy purposes. Our objective is to gain wide-spread public attention and usage by hosting and participating in charity events and providing direct donations to people in need. This function will be possible on the Carebit Network, a powerful, robust, and first-of-its kind direct charity and charity network linking those who donate to multiple causes, administered by Carebit and other vetted, reputable existing charities, which will be added to the Carebit Network. The fundamental operation of the network will be to facilitate charitable donations directly to the associated caused with complete transparency.

Carebit will leverage the power of the blockchain to help bridge the gap between donors and charities by establishing transparency between relevant parties using multiple features built around the unalterable and immutable Carebit Network. Some advantages of Carebit include:



### ***Transparent Donation Management***

Carebit is equipped with state-of-the-art proprietary fund management tools that makes donation tracking easy, flawless, and most importantly, fully transparent. It does this by leveraging its own blockchain where the donations in CARE coins are made, ultimately propelling it to the status of the first transparent fund tracking tool in the world.



### ***CAREDEX – A charity focused decentralized exchange***

The Carebit network will also feature its own decentralized exchange, CAREDEX. Carebit and other coins approved by the governance model (only the legitimate projects), can be purchased directly from CAREDEX with the added feature of the ability to donate in any token on the exchange that users currently hold.



### ***Donations Policy***

100% of all donations are paid to charities that the community decides on. This adheres strictly to Carebit's fully democratic governance model, where a majority decides the fate of each and every fund put up to vote on Carebit's own charity.





### *Anonymous*

At Carebit, we understand that most donors wish to stay away from the spotlight, which is why the anonymity option is available. However, a donation that exceeds a threshold amount has to be reported to relevant authorities for certain regulatory checks where applicable. Furthermore, Carebit shall adhere to all local/regional/national laws where it functions and operates. Carebit is designed to be complimentary to local governance and not in any opposition to such entities.

*We are a registered non profit organization in England & Wales  
( Reg no. 11537102)*

### **OUR REGISTERED ADDRESS IS AS PER BELOW**

Carebit Ltd, 27 Old Gloucester Street, London, WC1N 3AX, United Kingdom.



### *24 Hour Team and Community Support*

Carebit provides 'round-the-clock support through its community channels on Discord, Twitter, Telegram, and others. Carebit will enable brand ambassadors, directors, and regional team networks that are available virtually full-time in every region and every time zone in the world. The main Carebit team can also be contacted at any time through the official website at Carebit.org.



# Breaking Down The Jargon

This section will aim to simplify and define some of the concepts within the cryptocurrency space.

## *What are MasterNodes and what role do they play in Carebit?*

MasterNodes serve as the backbone of Carebit, with each MasterNode requiring a collateral of Carebit coins. In order to cover the running costs, Carebit's team will be running a total of 15 MasterNodes from the date of the launch. MasterNodes are an essential component of running the Carebit network. They perform vital services in transaction facilitation and in return, are "rewarded" with CARE coins, similar to how costly and often overly complicated Mining networks on proof-of-work are rewarded for the first miner who "solves" a block. The miners in this model perform the important task of verifying transactions.

Automatically verifies compliance, and then executes the agreed terms without interference from a third-party agent. Similarly, if you broadcast a transaction, all nodes that receive it verify that the signatures are valid, and discard the transaction if they are not. In this way, the transaction is considered "trustless", with a distributed consensus mechanism even if some participating nodes may not be themselves be trusted





# The Carebit Process

## **STEP 1** *Simple Registration Process*

Charities and non-profit organizations must register to receive donations. A charity must be associated with a unique Carebit public address so that funds distribution and tracking is smooth and without any hassle.

The registration and verification process also helps charities become transparent with donors, as all relevant information can then be made public to share with donors.

Charities will have to send a request through our Fund Tracking Tool to show interest in raising funds in Carebit. Per the governance model, a vote in the community will be held, and if approved, that charity will have access to the Fund Tracking Tool back-end where they will also be able to raise projects and upload receipts for every project. The subsequent projects raised will also be approved per the governance model.

## **STEP 2** *Donate*

Carebit has designed a powerful digital wallet that will store and execute transactions of the Care coin cryptocurrency and use it to fund the various endeavors that will be listed on the Carebit Network. People can buy CARE from third-party decentralized exchanges or via CAREDEX, our own decentralized exchange.



**STEP 3*****Track***

The wallet plays a vital role in tracking fund transactions. If CARE is sent to the wallet before donation, tracking is seamless without being asked to input the wallet address for tracking purposes. In this scenario, the system will already know the address. However, in a scenario where the user has sent funds from their desktop wallet; they will have to input their address in the dashboard for tracking. The tool will then show if they have donated to a charity, a cause, or a project, and will also display the receipt of goods bought, as well as the Carebit Customer Services Staff information for any help needed by the user.

First of all, users have the ability to see what projects we are raising money for, along with the actual invoices for those projects. Once a user has decided to donate to a particular project, they will then have three options as to how they wish to donate their coins. (i.e. btc, eth, Care)

Firstly, the user will have the option to send Care coins or BTC to the project's Care or BTC address (mentioned under project details on the tracking tool) manually from any desktop wallet.

Next, the user will then have the option to send Care coins to their personal web wallet and donate to various projects directly with a one-click option on project details.

Lastly, the user will be able to donate any coin being traded on the exchange. The project's data will be fetched from the tracking tool and some details will be shown on user's assets page.



The first option will involve a copy/paste of the addresses. Users will be able to track their donations by manually writing the sender's address into tracking tool. This will then show up in the user's dashboard and an aggregated total will be shown. This total will include all other donations sent using other methods as well. The second option will provide users with the benefit of donating directly from their web wallet without the need for a manual input of addresses. While tracking, this will automatically be added to user's dashboard because this method is linked to their email address.

Third method will also be a one click solution but with the added benefit that if user holds any coin that's been traded on the exchange, he can donate in that coin. users email address will have to be the same as he logs in with on tracking tool, so the dashboard will include all donations made through exchange.

Any other coins apart from btc and care will be traded with care and included in overall donations received for that project and the USD value will be shown until the invoice amount is met. Those users will then be able to see the completed projects which has raised the required funds in completed projects section and then they will be able to see the progress with invoices paid and staff pictures on the ground. Charities will have their own backend - first charities will be selected by the community - then they will raise two or three projects which will come to the Carebit team for approval.

We will take the communities approval in discord and on the web voting system, and which ever project gets approved will appear in the user's dashboard under the section that says charity projects. Charities will also have to provide the invoices for funds to be raised.



# *The Carebit Fund Wallets*

This section will define all the different types of fund wallets that will exist within the Carebit network.

## **DONATION FUNDS**

Carebit will consist of two funds to manage and control the donations:

1. Emergency Fund: The first fund is related to any emergency that may occur for example disaster situations such as earthquake, tsunami etc. Carebit will allow charities to collaborate with each other and work together to deal with such disaster situations.
2. Carebit also has its own utility token that is used on the blockchain. Care coins will be held by those who contributed funds and they will earn the holder a return from running a MasterNode.

## **CAREBIT GENERAL FUND WALLET**

The Carebit General Fund Wallet is the organization's primary donation wallet that will always remain active. This wallet is controlled and governed by the Carebit Community and NOT the organization itself, in accordance with the Carebit governance model (see Section: Understanding the Carebit Governance Model). This is an important distinction that no other charity organization or donations program in existence can tout, which ensures 100% transparency and most importantly that 100% of funds are expended for their intended purpose.



## **CAREBIT OPERATIONS FUND WALLET**

The Carebit Operations Fund Wallet is a wallet controlled by the organization that will be used to fund the administrative expense requirements of Carebit and will also always remain active. Although the Operations Fund will primarily be funded via CARE Coin mining reward allocations, donations to this wallet will also be accepted and highly appreciated.

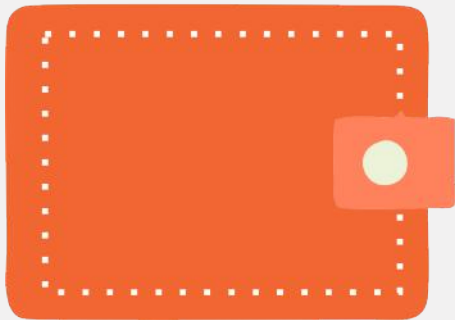
## **CAREBIT LIQUIDITY RESERVE WALLETS**

Carebit will require the existence of liquidity reserve wallets during the first few years of operation to maintain stability in the value of CARE Coins. By extension, the original value in fiat terms of donations Carebit also has to be gathered. Consequently, for the first 5 years of operation, 10% of all donations will be allocated to these wallets, which will be in the form of the monetary donations accepted by Carebit: Bitcoin (BTC), Ethereum (ETH) or a to be determined “stable coin” for fiat donations. These wallets can ONLY be used to purchase CARE Coins, which are then deposited into the General Fund wallet. At the 5-year mark, the Carebit Community will have the ability to either extend the Liquidity Reserve program by another year (and every year thereafter) or terminate the program and deposit all Liquidity Reserve funds into the General Fund wallet.

## **CAREBIT CHARITY PROJECT INITIATIVE WALLETS**

Donors will have the ability to donate to specific causes, dubbed Charity Project Initiatives, once a wallet has been created for such by the Carebit Community or other donors. These wallets will also be controlled and governed by the Carebit Community in the same manner as the General Fund wallet. Charity Project Initiative wallets will remain active for as long as donations continue to receive deposits, and/or all funds have been distributed. Any unexpended funds leftover in these wallets will be returned to the General Fund wallet automatically after a to be determined period of inactivity.





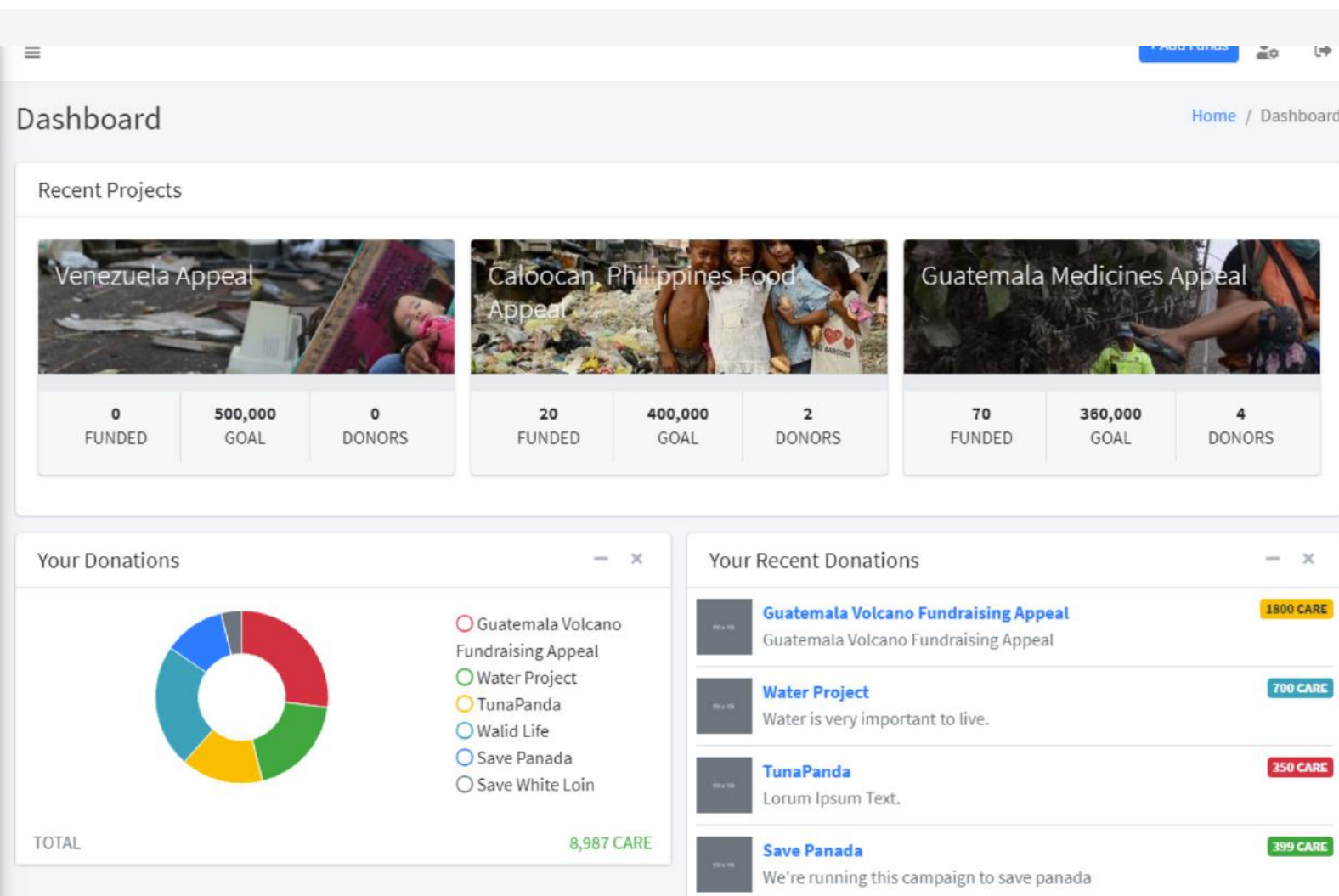


# Carebit Donation Program

This section will define two phases of the donation program.

## Making Donations

Donors will primarily interface with the Fund Tracking tool when making a donation. Upon registering and establishing an account within the Carebit platform, donors will have access to a myriad of tools to make and track donations, as well as explore various active charitable causes among which the donor can make contributions, all contained within a personal Dashboard.





## ***Phase 1***

During Phase 1 of the Carebit Donation Program, donors will be able to make direct donations in either CARE coins or BTC only. BTC donations can be sent directly to the BTC wallet address, while the donation process for CARE Coins (Carebit's native cryptocurrency) involves their purchase through Carebit's decentralized exchange ("DEX"), dubbed CAREDEX. Upon purchasing the desired amount of CARE Coins that match the desired donation amount in fiat terms, the donor will have the ability to choose the active wallet in which they wish to deposit their donation. All wallets that have been set up to distribute donations will be viewable to the public, while all distributions made from the wallets will also be publicly viewable.

During Phase 1 of the implementation of the Carebit Donation Program, distribution of donation funds will initially be via direct payment of invoices submitted by participating charity organizations and not to the charity organizations themselves. By paying invoices directly and not just handing funds over to charity organizations, Carebit provides 100% transparency to the donor community, enabling them to see and track where the donation funds are being expended. In addition, when possible and depending on the situation, the payment will be executed through a 3rd-party escrow service to ensure the goods and/or services have in fact been delivered and/or performed. The invoices selected for payment will be in accordance with the Carebit Community governance model, while an invoice posting system will be implemented for participating charity organizations to submit to Carebit. The Carebit Community can then review the invoices and decide which ones to pay.



This system will be followed whenever possible. However, in certain situations obtaining an invoice may not be feasible or practical. For example, local vendors in certain parts of the world may be incapable or unwilling to issue invoices and/or accept electronic forms of payment.

## ***Phase 2***

Phase 2 of the Carebit Donation Program involves the ability for donors to make direct donations in fiat currency. This feature will become available through partnerships with 3rd parties, which will assist Carebit in facilitating the conversion of fiat donations into CARE coins that can be deposited into the various active donation wallets. Implementation will be dependent on the capabilities of the 3rd party partnerships, including which fiat currencies are accepted.



Phase 2 will begin once the Carebit General Fund wallet is of sufficient size to allow the organization to embark on its own Charity Project Initiatives. In addition to creating the wallets for funding, this process will also involve employing project managers, establishing project bylaws, and establishing an initial budget for each initiative, all of which are items voted on by the Carebit Community in accordance with the governance model. The project managers, project bylaws, and initial budgets will be voting items that are part and parcel to the process of creating the Charity Project Initiative wallets, to be presented in whitepaper proposal type formats prior to being voted on by the Carebit Community. Project managers will be nominated by Carebit and will likely be the authors of Charity Project Initiative proposals more often than not (including developing proposed initial budgets). Project bylaws for each Charity Project Initiative will work off a common base template developed by Carebit and modified as necessary by nominated project managers for each specific project. The principal aspects included in project bylaws (but not limited to) will be: i.) scope and goals of the project; ii.) proposed list of approved expense categories and merchants/vendors; and iii.) allocation of additional donations received beyond initial budget (as donors will have the ability to donate to Charity Project Initiative wallets directly once created by the General Fund).

The other major implementation in Phase 2 will be the ability for large sum donors (minimum US \$1 million equivalent) to create a Charity Project Initiative wallet on the Carebit platform for a specific cause of their own. In this instance, donors will be required to author the Project bylaws, while Carebit will assign the Project manager without requiring approval by the Carebit Community.



All distributions for actual expenditures by Charity Project Initiatives in Phase 2 will follow a similar procedure of approval and distribution as Phase 1, where the Carebit Community ultimately approves all invoices submitted for payment, with funds routed through the 3rd-party escrow service to ensure performance where possible.

Upon implementation of Phase 2 of the Carebit Donation Program, the opportunity for people to fill volunteer positions within Charity Project Initiatives will arise. The need for people to fill volunteer positions will inevitably arise as a result of budget constraints, and in some cases will be a function of specific Project Initiative bylaws. Carebit will develop a posting system within the platform advertising open volunteer positions for various active Charity Project Initiatives, from which people can choose to submit an application to fill the open positions.

Carebit believes that the nobility of people performing volunteer work should be rewarded in some manner. Consequently, a yet to be determined share of CARE Coin Masternode rewards will be allocated to volunteers. Individual allocations will be governed by an algorithm factoring in (but not limited to) time donated, expense allocation, and difficulty of position filled.



## Crypto Dust Donation Program

Account holders within many cryptocurrency exchange trading platforms accumulate what has been termed as “Crypto Dust” in their accounts as a result of trading various cryptocurrencies. Crypto Dust is essentially the tiny fractions of cryptocurrency coins/tokens that are leftover in one’s account that arise from: i.) trading transactions; and ii.) withdrawal transactions. The following is an example of Crypto Dust within a cryptocurrency trading account:

Coin	Available amount	In orders	Total
Bitcoin BTC	0.02761404 ≈ 207.24 USD	0 ≈ 0.00 USD	0.02761404 ≈ 207.24 USD
Ethereum ETH	0.01000065 ≈ 4.64 USD	0 ≈ 0.00 USD	0.01000065 ≈ 4.64 USD
Mobius MOBI	15 ≈ 0.92 USD	0 ≈ 0.00 USD	15 ≈ 0.92 USD
BlockMason BCPT	0.24808683 ≈ 0.05 USD	0 ≈ 0.00 USD	0.24808683 ≈ 0.05 USD
Quantstamp QSP	0.03226271 ≈ 0.00 USD	0 ≈ 0.00 USD	0.03226271 ≈ 0.00 USD
High Performance Blockch HPB	0.0000245 ≈ 0.00 USD	0 ≈ 0.00 USD	0.0000245 ≈ 0.00 USD
Hacken HKN	0.00008384 ≈ 0.00 USD	0 ≈ 0.00 USD	0.00008384 ≈ 0.00 USD

Carebit is in negotiations with various cryptocurrency exchange trading platforms in an attempt to form partnerships whereby the exchange account holders can “opt-in” to the Crypto Dust Donation Program.



Carebit is proposing that a monthly sweep program be implemented whereby exchanges essentially convert the Crypto Dust into BTC and/or CARE Coin (where possible), which is then donated to Carebit.

Although individual accounts will likely hold no more than a few dollars' (\$USD) worth of Crypto Dust at any given time (and usually much less), the aggregate donation of thousands to millions of crypto account holders can make a significant financial impact.



## Technology behind Carebit

CARE runs its own blockchain using a Proof-of-Stake model. Built on the powerful PIVX platform, CARE runs a third-generation crypto model that is highly energy efficient, has shorter and faster block times, is a safer network with many nodes. Due to their immunity against Miner centralization and being vastly environmentally friendly to operate in terms of power consumption, POS systems are seen as the future of crypto and digital assets, and Carebit was built upon these fundamental premises in mind: Safety, security, decentralized, and environmentally conscious. As per Carebit protocol, when the 400th block was reached; the algorithm automatically switched from the PoW model to Proof-of-Stake (PoS) based model. In a PoS model, the community members “stake” their coins in order to be allowed to verify the transactions.

The maximum amount of CARE coins that will be available on the market is set to 250million

### Current Coin Specs

<b>Masternode Collateral</b>	<b>120,000 CARE</b>
Minimum staking Age:	1 hour
Masternode Reward:	90%
Staking Reward:	10%
Block Time:	1 Minute
Algorithm:	100% POS
Total Supply:	250,000,000





## Block Rewards

### Block 1 – 400:

### Premine

Block 401-7000	700 CARE
Block 7001 – 32000:	600 CARE
Block 32001 – 82000:	500 CARE
Block 82001 – 138831:	400 CARE
Block 138832 – 240,000	200 CARE
Block 240,001 – 300,000:	220 CARE – KING node introduction.
Block 300,001 – 500,000:	150 CARE
Block 500,001 – 1,000,000:	75 CARE
Block 1,000,001 – 3,000,000:	30 CARE
Block 3,000,000 onwards	20 CARE

## *Future Coin Specs – the introduction of the KING node*

Future collateral - King nodes are scheduled to occur at block 240k. as described above - 10% of MN block reward and 5% of POS block reward will go to operations fund wallet.

The King Node brings some unique feature that will enable charitable donations directly onto the blockchain as part of the reward structure.



## ***Fund Tracking Tool***

Fund tracking tool aims to create a user-friendly interface connecting the donation wallets and funding projects. It also includes the web wallet functionality necessary to perform the actions related to fund management within the tracking platform. At the first release stage, these will include:

- creating an address assigned to user's account;
- accessing the tracking of balance, deposits and withdrawals for the address(es) mentioned above;
- accessing an overview of the existing charity projects (funded and in progress);
- funding selected project(s) from the user account;
- accessing a history of projects selected by user (by default includes the ones user participated to).

For the platform administrators the following features are additionally available:

- creation of funding project and linking with a dedicated wallet address;
- closing / opening of a specific object for funding;
- transferring a part or entire budget of a funded project for the project needs (pre-approved by community).

The back-end of the tracking tool includes an internal (webpage to wallet) API, securely linked to the carebitcoin wallet binaries, which conversely process the dedicated requests via a JSON-RPC wrapper. Back- to frontend architecture in this case utilizes a model of web wallets with the functionalities selected to fit the specific needs of fund tracking and sending, as detailed above. Stacking feature is enabled in the core wallet, so that user can continue receiving the PoS rewards even after transferring a part of the funds to the platform address. The received stakes are automatically added to user's balance and can be tracked in the dedicated block explore.



Same approach is applied to the donation addresses, allowing eventually to reach the funding goal faster.

Transfers from user-generated addresses to the project ones are executed on the blockchain to preserve the complete transparency of the tracking and donation tool operation. This allows anyone to verify the amounts of incoming and outgoing transfers for both user and project addresses.

For the initial release the tracking tool will operate on Carebit (CARE) blockchain, available to users using the cryptocurrency exchanges and CAREDEX (see the following Section) after its public release.

### ***Carebit Decentralized Exchange (CAREDEX)***

The introduction of decentralized exchanges (DEXs) has allowed to eliminate the central point of failure in classical centralized cryptocurrency exchanges. CAREDEX will support this incentive and allow for trustless trading, based on the distributed node and client software and implementing a decentralized blockchain-based orderbook, without a single point of failure. The decentralized nature of CAREDEX, employing a multi-signature federated gateway software used by a dozen trusted gateways, operating on multiple continents, will enable trust-reduced issuing and withdrawing of all the coins, supported by the platform (covering most of the popular altcoins).

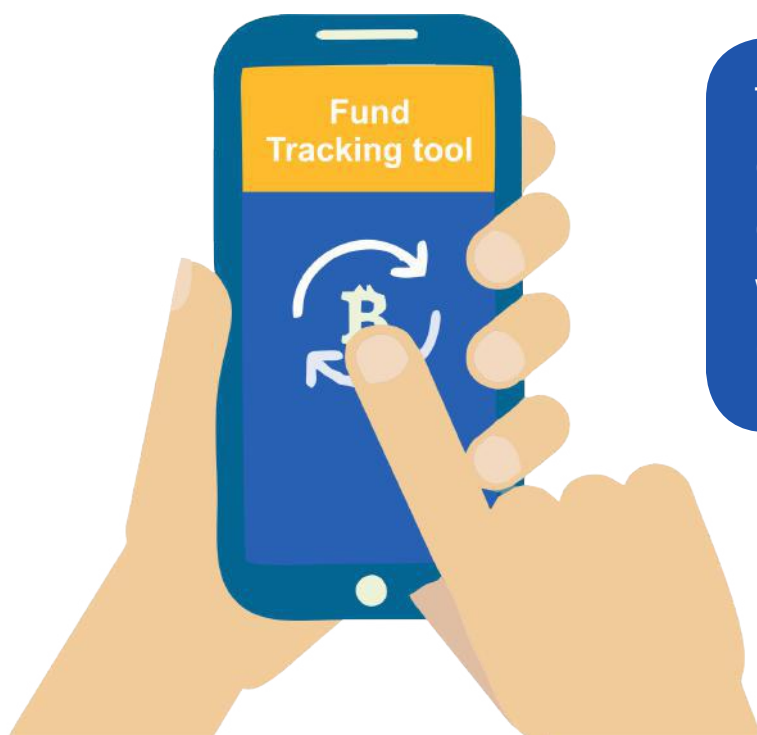
The target audience of CAREDEX are users and traders trading on centralized cryptocurrency exchange platforms, which do not face any performance- or downtime-related issues, but also possibility that such centralized platforms can be subject to manipulation of their administration, to thefts, government takedowns or hackers gaining access to the exchange wallets. Using CAREDEX, only the end user (client) holds the private keys to his/her funds, thus only the end user can access and operate them.



All user deposits, withdrawals and all orderbooks are stored on the blockchain and are transparently available for public access. The client will still be able to deposit, withdraw and trade coins even in the event CAREDEX governance goes out of business. The private keys to the deposited and traded altcoins are exclusively the client's property. CAREDEX, including its administrators, developers or governance have no access to the client's funds and no influence on the trading process. The blockchain used behind CAREDEX decentralized exchange is able at its current state to process up to 100000 transactions per second and with an average confirmation time of approximately 3 seconds.

In addition, CAREDEX will implement a simple donation framework, linking the fund tracking tool to the user funds (CARE, BTC or other altcoins) and allowing to execute fast transfers to the donation platform.

A very small amount of coins, resulting from the order rounding operations during trades, could also be donated via the fund tracking tool linked to CAREDEX, on manual or automatic basis depending on the client's choice. This feature is discussed in more details in Section



Trading fees will be 0.1% out of which 50% will go to donations and the other 50% will be kept for maintaining Caredex.



## Carebit Governance Model

The Carebit team has implemented a democratic and fair governance model. The Carebit governance structure together with the voting rights applicable to each member is defined here below:

Rank	Number	Voting Rights
Founders	2	1 public vote each plus an additional 5 votes given their right to vote as Directors
General Manager	1	1 public vote each plus an additional 5 votes given their right to vote as Directors
Directors	12	1 public vote each plus an additional 5 votes given their right to vote as Directors
Moderator and all staff	TBC	1 public vote each plus an additional 4 votes each
VIPs	TBC	1 public vote each plus an additional 4 votes each
Community	TBC	1 public vote each

The Community rank in the table highlights those members who are part of the Masternode ecosystem. In order for you to get a member voting right as a Masternode operator, you need to own a minimum of 3 Masternodes. This implies that you would need to stake 450,000 CARE coins. Therefore, Masternode operators have the opportunity to not just earn extra income from staking of their coins, but they also have a stake in the future development of the project.



## ***Future Plans***

This section will detail future considerations that Carebit team is exploring.

### ***Role of Exchanges***

The Carebit marketing and Core Strategic team will continue ongoing efforts to onboard CARE with as many reputable exchanges as possible, with a specific focus on large regional exchanges such as but not limited to Kucoin, Bittrex, Huobi, and Binance. Carebit team's intention is to not just demonstrate CARE as a coin but highlight the sincere efforts of actually helping the affected victims of various social causes. Being a completely nonprofit organization, Carebit will continually message our ethos and mantra to the community at large, and that is to continually seek philanthropic actions with the utmost dedication focused on the most needy and disadvantaged people around the world.

### ***Collaborations***

Following Bitcoin's model of partnerships, Carebit has also contacted organizations that support donations in Bitcoin. These include:

- <https://www.cafonline.org/>
- <https://www.bitgivefoundation.org/>

Our objective is to gain worldwide acceptance of CARE as a coin massively used as in nonprofit industry for varied social and philanthropy causes. Consequently, Carebit has also applied for CAF donate, which is the best way for charities to promote their online presence to potential donors.



Carebit Team intends that with time, these charities will also accept CARE coins. Eventually, an ecosystem can be created where charities either sell CARE coins in an exchange and use those funds to help the less fortunate or they hold on to those coins in a Masternode and earn a stream of income for their recipients.

## ***Legal Status of Carebit***

In simple terms, Carebit brings together individual funders to form a community, and then the community makes the decision on where to place the funds for social investment. Given that no one trustee can decide where the funds are allocated, Carebit falls within the legal definition below:

### **UNINCORPORATED ASSOCIATION:**

An unincorporated association (UA) is a membership organization that can 1) be whatever its members want it to be, and 2) carry out whatever activity the members choose for it to perform. It is the easiest, quickest, and most economical way for a group to set itself up. It is ideal for many small groups, especially those without staff or premises. A large number of groups fall into this category (sometimes without knowing it).

UAs do not have to seek approval of any kind before launch, and they are free to draw up their own constitution, setting out the rules under which the group will be run. If the aims are not charitable, they do not have to register with any regulatory body. If the aims are charitable (as set out in charity law), the organization will be a “charitable unincorporated association” (a type of charity) and must register with the Charity Commission if the group has an income of over £5,000 per year.



Unlike a Charitable Incorporated Organization or a Charitable Company, an Unincorporated Association does not have a “legal personality,” which means any contracts or liabilities are the responsibility of the trustees as individuals, rather than of the organization itself. This type of structure is often used by volunteer-run campaign groups, residents’ associations, PTAs, and clubs.

**Carebit is a registered non-profit organization in England & Wales:**

Reg n. 11537102

*Registered address:*

Carebit Ltd  
27 Old Gloucester Street  
London  
WC1N 3AX  
United Kingdom





# Carebit's Core Team

We feel great pride in introducing ourselves to the whole world because what we have achieved so far and what we plan to do in the future can only be possible through collaborations, exchanges, and volunteers with compassion for helping out the less fortunate.

## **Attiq ur Rehman**

*Infrastructure Support Specialist at DXC FDS and Founder of Carebit.org*

Attiq is committed to creating the world's first non-profit based on blockchain to benefit charity causes. He is an experienced and knowledgeable IT professional whose expertise covers the breadth of IT infrastructure security topics. By his side, co-founder Ehsan Rehman oversees marketing, bringing to the organization his own high level of passion for blockchain technology.

## **Ian Cubitt**

*The General Director of the Carebit organization*

Born and raised in Northern Ireland, he worked at multiple marketing and multimedia companies as both Advertising Director and Account Manager, and he joined the Carebit team in April 2018.

## **Jules Dubois**

*The Chief Technical Officer (CTO)*

Jules Dubois is often called the team "dev," and any and all code in the Carebit blockchain and tools goes through him. He is a service master, helping end- users to interact with Carebit effortlessly, and he has worked as a programmer with several world-renowned companies, joining the Carebit team in July 2018 as the Lead Dev and CTO.





## **Jordan Sadler**

*The Brand Developer and Lead Graphical Designer*

Jordan takes care of our Brand division and works directly with the Marketing team, constantly updating Carebit's trade dress and image, keeping the Carebit brand consistently and constantly fresh. He is fluent in three languages, and he has worked around the world, from Guatemala to Vietnam.

## **Muhammad Majid Saleem**

*Web Developer*

He has created an attractive, user-friendly website for the Carebit organization. He has worked in web development for more than 11 years, honing his skills in PHP and multiple CMS systems based on it. Also highly capable with SMS gateway integration, payment gateway integration, SEO, Zend, CodeIgniter, and iOS mobile app development, he is someone whose impact on Carebit is notable.

## **Ryan Kells**

*Media Manager for the Carebit organization*

He is a sales executive whose IT and service experience is significant. He operates out of New York, and he has been with Carebit since inception.

## **Servaas Shrama**

*Media Manager*

Servaas founded his own consultancy company in 2001, offering his expertise in server systems, cloud solutions, cryptocurrency technology, and blockchain usage and implementation. He operates out of The Netherlands, and he oversees the Medium.com Carebit portal.





CHRIS RUIZ, GEORGE TYLER, TIMOUR WEHBE, YAWAR ABBAS, AND JOHN K SMITH ALL ROUND OUT THE CURRENT GROUP OF HIGHLY SKILLED AND SEASONED DIRECTORS AND ADVISORS TO THE CAREBIT ORGANIZATION AND PROJECT.

### ***Chris Ruiz***

an expert in Crypto Technology and Crypto Trading. He is an entrepreneur who has built multiple companies from the ground up, and his experience is helpful every step of the way for Carebit, especially relating to asset value growth in the secondary markets.

### ***George Tyler***

is a healthcare professional who spent 20 years in the Radiology industry, with many industry accolades and achievements under his belt. A business development and marketing master, he has been an avid enthusiast and developer in the crypto-space for nearly 8 years. George's business pedigree and expertise, especially that in blockchain and digital ledger technology, makes his contribution vital to the Carebit mission.

### ***Timour Wehbe***

is a banking industry professional who has served major banks such as Goldman Sachs and Credit Suisse, the latter of which he currently serves in the Strategic Risk Program. He brings an immense wealth of knowledge from the legacy banking sector and resources that are fundamental to the growth of Carebit over the next few years.







## ***Yawar Abbas***

an IT and security master who is also a skilled manager. He knows how to define IT policies and procedures effectively with regards to data centre solutions, server solutions, disaster recovery, and backup plans. His certifications cover both Microsoft products and blockchain.

## ***John K Smith***

is a seasoned finance and investment professional with 18 years of experience in the financial services industry, and over 5 years of experience in the cryptographic currency markets. He has served in various capacities within top global financial institutions as a corporate and investment banking professional, primarily in the disciplines of structured finance, mezzanine finance and asset/portfolio management.





# Conclusion

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Contrary to popular belief, blockchain technology and cryptocurrencies are not just there for decentralizing financial systems. Carebit is living proof of how a cryptocurrency can be used for the greater good of humanity. With complete transparency of financial transactions, donors have the ability to track where their funds are being spent. Carebit is in a continuous process of developing partnerships with various international charities, and our aim is to advance the adoption of cryptocurrencies to the nonprofit community on a mass-adoption scale.

With the use of CARE coins across the entire Carebit ecosystem, the addition of existing international Charities that will strictly use CARE coin to facilitate the funding of their own endeavors on the Carebit Network, along with a growing number of exchanges who will list the coin, the utility and intrinsic value of the CARE coin will not only rise, but will be entirely sustainable. The Masternode capability of the Carebit Network adds not only security and stability to the entire network, but can also earn an ongoing (passive) income for our associates and investors in CARE coins who choose to run a Masternode, with a generous tiered reward structure.

Carebit is the first independent charity and charity network on the blockchain, but its aspirations are to disrupt the charitable industry as a whole, ushering in a new era of full transparency, reliance, and faith instilled by individual and institutional donors. Carebit envisions a future where transactions through fiat currency can be eliminated, and donations can be collected AND fully tracked from donor to recipient via CARE.



# Resources

<https://www.economist.com/international/2017/11/23/much-of-the-money-donated-after-disasters-is-stolen>

<https://www.gov.uk/government/news/public-trust-in-charities-has-fallen-reports-charity-commission>

<https://charitynavigator.org/index.cfm?bay=content.view&cpid=42>

<https://charity.org/workplcee-giving/workplace-giving-clients>

<http://brittenford.com/bl;og/seven-top-challenges-nonprofits-2018/>

<http://www.charitynavigator.org/index.cfm?bay=content.view&cpid=4756>

[http://charity.lovetoknow.com/List\\_of\\_Cancer\\_Charities](http://charity.lovetoknow.com/List_of_Cancer_Charities)

<https://charity.org/workplace-giving/workplace-giving-clients>