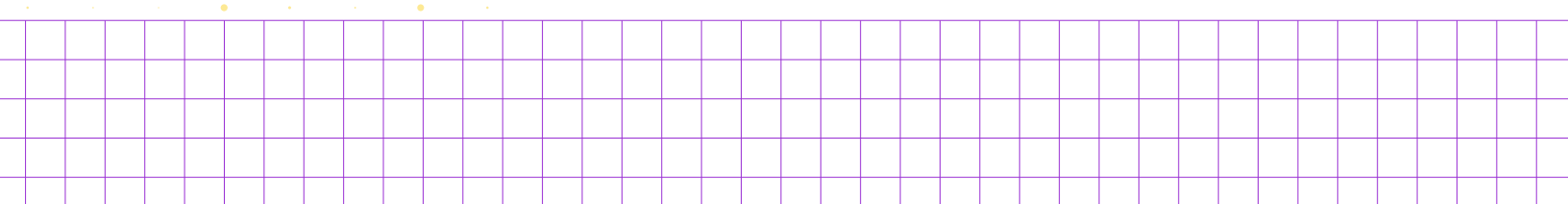


The Rise Of NFT Fundraising

How nonprofits can create an NFT fundraiser,
plus everything your organization needs
to know about NFT-related charitable giving.

TABLE OF CONTENTS

Introduction	3
Part One: What is NFT Fundraising?	5
What is an NFT?	6
Why NFTs Matter to Nonprofit Organizations	7
How Nonprofits Process Donations from the NFT Community	7
Part Two: Why is NFT Philanthropy Growing?	9
How Impactful Is NFT Philanthropy?	10
Why Do NFT Creators Donate To Charity?	10
Who Is Involved In NFT Philanthropy?	13
What Types Of NFT Philanthropy Exist?	14
5 Nonprofits Maximizing the Potential of NFT Charitable Giving	17
Orangutan Outreach & Bored Ape Yacht Club	18
Mental Health America & Blazed Cats	19
Water.org, VaynerNFT, Stella Artois & Art Blocks	20
Built With Bitcoin & Satoshibles	21
OutRight Action International & Not Your Bro	22
Part Three: How to Launch a Successful NFT Fundraiser	23
Step One: Getting Ready	24
Step Two: Active Engagement	25
Step Three: Launching an NFT Fundraiser	26
The Nonprofit NFT Fundraising Checklist	27
Part Four: What's Next for NFT Fundraising & Philanthropy?	28
Appendix	31
Glossary of Terms	31
Frequently Asked Questions	33
Acknowledgments	36



INTRODUCTION

If you're reading this report, congratulations! You are one of the early movers in this exciting new world of NFT fundraising and philanthropy.

In our modern world, innovations in technology happen all the time. But while some ideas reach their peak quickly and then fade away, others acquire their value slowly and evolve over time, eventually becoming a phenomenon that transcends their creators' original ideas. Non-fungible tokens, or NFTs, fall squarely into that second camp.

The first NFTs were created in 2014 as a type of token compatible with the blockchain, itself a new technology at the time. It wasn't until a few years later that NFTs would receive a cult following among early crypto users. A few more years would pass before NFTs finally gained mainstream interest from a wide audience that now includes crypto investors, sports fans, art collectors and yes, even nonprofit fundraisers.

Today's vision for NFT fundraising as a subset of Crypto Philanthropy was born in 2021, when the crypto market conditions and the popularity of NFTs made it possible for NFT collections to become more visible and profitable than ever before. Seeking a way to give back, a few members of the NFT community began to make a social impact through acts of charitable giving.

Luckily, the generosity trend caught on. In a short time, NFT charitable giving has blossomed into its own category of fundraising under the Crypto Philanthropy umbrella. To date, millions of dollars have been donated to charities by the NFT community. The Giving Block alone processed more than \$12.3 Million in crypto donations from the NFT community in 2021.

In the span of about a year, countless nonprofits went from "what are NFTs?" to "how can we incorporate NFTs into our fundraising strategies?"

For charitable organizations, the world of NFT fundraising in its present state can be exciting and even a little daunting, but above all it is an opportunity to:

- Diversify revenue sources with cryptocurrency donations
- Connect with a young, new donor demographic that is growing fast
- Experiment with innovative technologies in fundraising

We are witnessing the start of a new phenomenon. Every single participant of the emerging NFT fundraising ecosystem—whether they're a nonprofit fundraiser, NFT creator, or collector—has a role in writing this exciting chapter in the history of philanthropy.

THE GIVING BLOCK ALONE
PROCESSED MORE THAN
\$12.3 MILLION IN CRYPTO
DONATIONS FROM THE
NFT COMMUNITY IN 2021.

WHAT'S INSIDE THIS REPORT

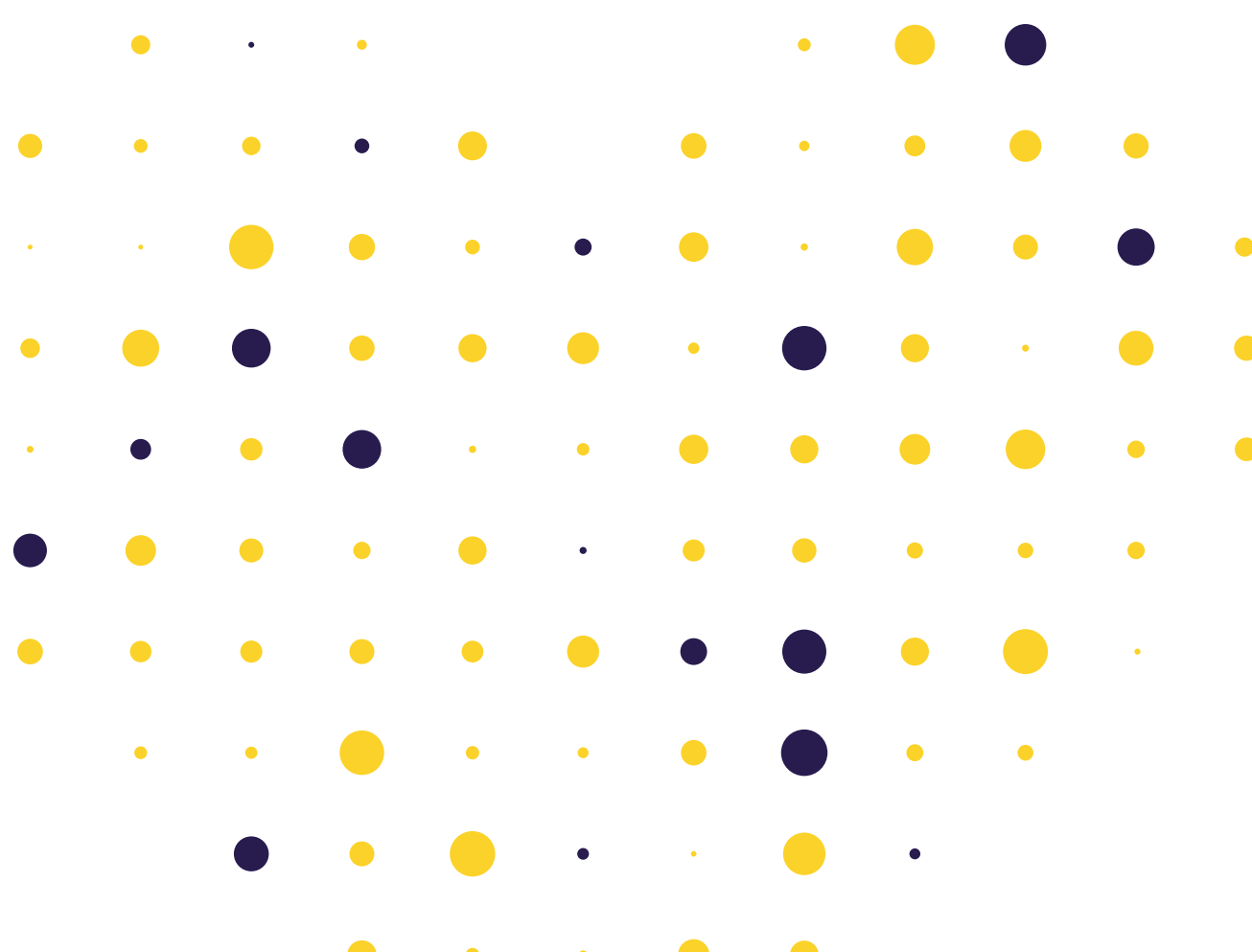
One of the most effective ways that nonprofit organizations can maximize their crypto fundraising outcomes is by learning how to effectively incorporate NFTs into their strategy. That's why this report was designed to include everything your nonprofit organization needs to know about NFTs in order to create your first NFT fundraising campaign.

We'll start with a background on NFTs so that you can understand exactly what they are (and what they are not). Next we'll cover why nonprofits should care about NFTs, the impact made by NFT philanthropy, and a few case studies from nonprofits organizations that have successfully diversified their revenue streams with NFT-related fundraising efforts.

At the end of this report, you will also find a detailed step-by-step report to follow in order to begin your NFT fundraising campaign or collaboration, followed by a glossary of essential terms you need to know and several frequently-asked questions.

Even if you know nothing about NFTs or cryptocurrency right now, after reading this report you will be ready to take the first steps towards planning and executing a successful NFT nonprofit fundraising initiative.

Ready to dive in? Let's go!



PART 1

WHAT IS NFT FUNDRAISING?

THE WORLD OF NFTS RELIES ON CRYPTOCURRENCIES AND BLOCKCHAINS, WHICH ARE GROWING AT METEORIC RATES OF USER ADOPTION NOT SEEN SINCE THE RISE OF THE INTERNET IN THE 1990S.

Today's NFT fundraising strategies have several fundamental similarities and differences compared with traditional nonprofit fundraising techniques.

Much like time-tested strategies such as crowdfunding and art auctions, NFT fundraising requires planning and knowledge of your audience, and some investment in specific technologies or services.

But these more traditional techniques rely on a traditional system of finance that includes credit scores and credit cards, centralized banks and government-backed currencies. NFT fundraising and philanthropy, on the other hand, depends on an entirely different system of transactions and payments.

It follows that crypto and NFT donors are a distinct audience from their cash-donating peers, with their own set of values when it comes to personal finance and philanthropy.

Before you create your first NFT fundraising effort, you'll want to know:

- Just what is an NFT, exactly?
- Why should nonprofits care about NFTs?
- How are donations from the NFT community processed?

Now, let's get oriented with the basics.

What is an NFT?

In the most basic sense, a non-fungible token (a.k.a., "NFT") is a way to store data on a blockchain such as Ethereum. Unlike a fungible asset like a US dollar, one NFT cannot be swapped interchangeably for another NFT. That's because each token functions as a way to validate unique ownership of something, such as a single work of digital art.

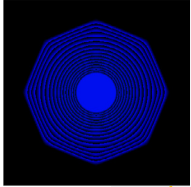
In the case of digital art, NFTs are often misunderstood to be the work of art itself, but that is not the case. Instead, the NFT is the underlying technology that has enabled digital artists to mint and sell uniquely verifiable works of art.

As a comparison, think of an NFT more like the deed to a house than the house itself. Just like the holder of a deed can prove that they are the owner of the house, an NFT holder can prove that they own the asset in question.

A Quick History of NFTs (and Philanthropy)

2012 Meni Rosenfeld releases a paper proposing an idea for a Bitcoin-based token that represents a real-world asset. The concept was never fully realized on the Bitcoin blockchain.

2014 Digital artist Kevin [McCoy's "Quantum"](#) is created, which many consider to be the world's first NFT.



2017 Ethereum becomes the most popular blockchain for NFTs. CryptoPunks and CryptoKitties launch and become some of the first well-known NFT projects.

2021 The "Year of the NFT." The Bored Ape Yacht Club launches its soon-to-be iconic NFT collection. The NFT community donates \$12.3M to charitable organizations.

2022 NFT creators and nonprofits launch fundraising efforts for Ukraine humanitarian relief and other causes, setting the stage for more NFT philanthropy in the future.

Why NFTs Matter to Nonprofit Organizations

Change is a constant in the world of nonprofit fundraising. In recent years, organizations have adjusted their donor strategies because of global disruptions such as the COVID-19 pandemic. Many nonprofits have also identified the need to embrace new technologies to connect with younger supporters.

These two considerations have helped fuel the trend of nonprofits embracing NFTs as a fundraising tool.

As NFTs have caught the attention of mainstream culture, the market for NFTs has grown exponentially. As a result of this growth, NFT creators and collectors have seen a rise in profit margins from the sale of NFTs.

In turn, this has empowered the NFT community to use its affluence to make a positive social impact, often in the form of charitable donations to nonprofit organizations.

Many creators have become philanthropists as a result of their success in the NFT space. But charitable giving from the NFT community is by no means limited to the occasional major gift from the most profitable artists.

Just as there is a whole ecosystem that makes the NFT market run smoothly and grow—from artists and marketplaces to traders and collectors—there are a variety of people, projects, and companies that are essential to the growing philanthropic side of the NFT community.

How Nonprofits Process Donations from the NFT Community

Any nonprofit organization that wants to engage with NFT projects and collectors should first understand one thing: how to process donations they receive.

For nonprofit organizations to enable a direct form of charitable giving from the NFT community, accepting cryptocurrency donations is a must.

That's because NFTs are listed, bought and sold on marketplaces that are equipped to handle cryptocurrency transactions. (Remember that NFTs are "non-fungible tokens," which were created to be compatible with the Ethereum blockchain.)

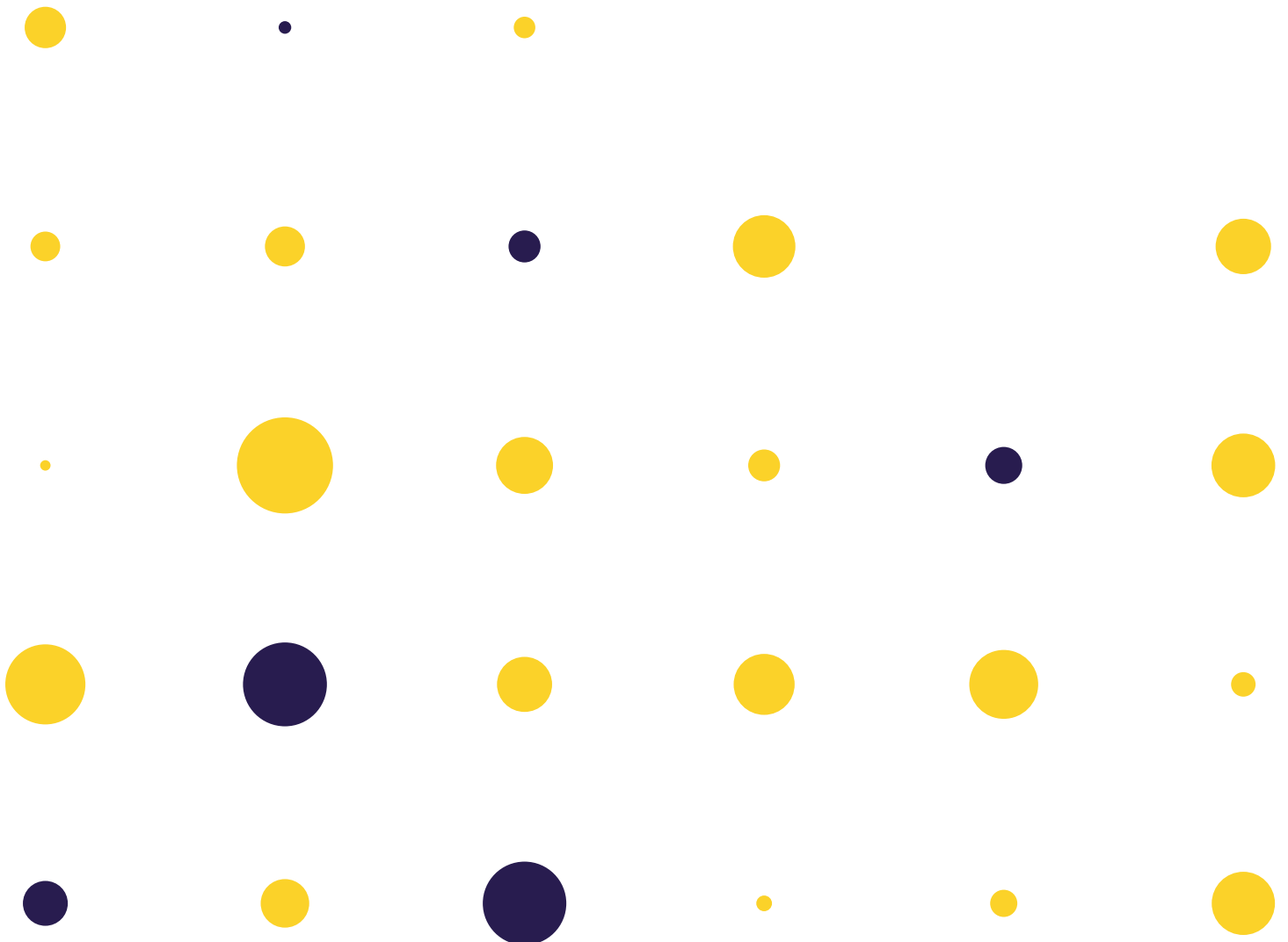
Put yourself in the shoes of an NFT creator. Why would they want to donate to your organization if you can't accept crypto?

When an NFT is sold, the creator receives a royalty in the form of a cryptocurrency such as Ethereum or Solana. For them to donate a portion (or all) of the proceeds to your organization in cash, it would require them to exchange the cryptocurrency. Under US tax law, doing so would likely be considered a taxable event by the IRS, and the creator would have less to donate to your organization.

For example, if they held that cryptocurrency for less than a year, it would in many cases be subject to a short-term capital gains tax, which can be as high as 37%.

On the other hand, by donating to you in cryptocurrency they would generally not pay a capital gains tax on the transaction, because it did not have to be exchanged. Now the market value of their gift can be greater than it would have been if they had donated cash from the proceeds of their NFT sale.

Accepting cryptocurrency donations is becoming more common as nonprofits realize the potential of crypto users as a donor base, including the NFT community. Solution providers like The Giving Block make it possible for nonprofits to fundraise multiple crypto assets, generate tax receipts for donors, and embed a crypto donation widget on your website.



PART 2

WHY IS NFT PHILANTHROPY GROWING?



With our crypto donations, we'll be able to plant 2.3 million trees and sequester more than 80,000 metric tons of carbon dioxide over a 20-year span. We can change the lives of 5,000 farmers and their families by providing training and giving them an opportunity to have job and food security. That's incredible.

— ALEXA CASTELLANO, INDIVIDUAL GIVING ASSOCIATE, **TREES FOR THE FUTURE**



NFT fundraising is not only an opportunity to raise money for your cause, it's also a chance to increase your visibility and connect with some of the most generous donors on the planet.

Wondering what the value of the NFT market is today? In 2021, the NFT market grew by [more than 22,000%](#) versus the previous year, and sales topped \$17.6 billion. As even more money enters the NFT space from investors and collectors, the potential for fundraising revenue also grows.

That's partly because a hot NFT market can increase the wealth of many creators and other members of the community, giving them the ability to donate more. But it's also because, for a variety of reasons, crypto and NFT donors are generally considered to be [uniquely generous](#) compared to their cash-giving peers.

How Impactful is NFT Philanthropy?

While only making up a small portion of the total amount donated to charities, NFT fundraising and philanthropy shows signs of growing exponentially in the coming years.

In 2021, nonprofits using The Giving Block received [upwards of \\$12.3 Million dollars](#) in cryptocurrency donations from NFT-related charitable giving initiatives.

Some nonprofits have received donations worth hundreds of thousands or millions of dollars from NFT donors.

These gifts, sent in the form of cryptocurrencies such as Ethereum, Solana, Bitcoin, and USDC, can be transformative for charitable organizations.

For example, Trees for the Future, an environmentally-focused nonprofit helping communities practice regenerative agriculture techniques, has received hundreds of thousands of dollars through donations and collaborative fundraising efforts with NFT projects like Woodies.

Why Do NFT Creators Donate To Charity?

Crypto and NFT users are becoming one of the fastest-growing donor demographics in the world. According to a [study by Crypto.com](#), the global crypto user base increased by 178% in 2021, rising from 106 million in January to 295 million in December. Based on their giving habits, they are also showing signs of becoming one of the greatest forces for social impact in recent years.

A recent survey by Fidelity Charitable found that crypto donors are "disproportionately charitable." About 45% of crypto investors [donated at least \\$1,000 to charity in 2020](#), compared to only 33% of the general population.

These findings line up with The Giving Block's data. In 2021, the average size of a cryptocurrency donation processed by The Giving Block was \$10,455.

Though each person you interact with may have different reasons, collectively, members of the NFT community have several motivations for supporting charities.

1. Doing Good Is A Top Priority

The majority of crypto users—including members of the NFT community—are Millennials and Gen Z. Many of these young people see social impact as a part of their personal responsibility, and the choices they make, from the brands they patronize to their career paths, reflect these views.

When it comes to charitable giving, [three-quarters of Millennials](#) consider themselves to be philanthropists, compared to 45% (or less than half) of the general population.

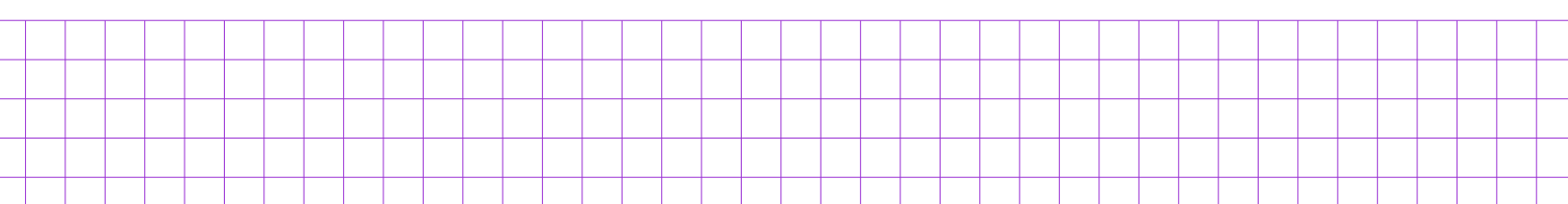
Because crypto users and NFT creators tend to be young, wealthy, and passionate, they are in many ways the optimal donors for nonprofit organizations. They have more disposable income than average, but are just hitting their peak earning years. The key takeaway here is that NFT community members are part of a young donor base that already has the ability to make major gifts, but also has long-term giving potential spanning several decades.

2. Creating Unique Value For Their Audience

Creators that introduce a charitable component into their NFT collections are taking steps to be altruistic. But they may also be making strategic moves to differentiate their work as a more unique commodity for potential buyers.

Promoting your NFT project's charitable commitment can be an effective way to stand out in a crowded marketplace. Acts of charity may attract more potential NFT buyers, especially those in younger generations that want to feel good about the bigger impact of their consumer habits.

Pledging 10%, 20% or even 100% of the proceeds to charity can effectively allow collectors to use their crypto for good, while also receiving an item of value in return. For the same reason why some traditional donors like to receive "freebies" like stickers and tote bags, an original NFT artwork can serve as a symbol of one's generosity.



3. Empowering Their Supporters

There are levels to effective NFT community engagement. Some NFT projects have collectors, others have enthusiastic supporters, while others still have informal or formal organizations that may have input into the future directions of the project, including the use of profits for charitable purposes.

In some cases, NFT projects that want to make a charitable donation will hold a vote among their fans and supporters to choose which nonprofit organization(s) to support. Conversations like these usually happen in digital spaces like Discord or Twitter, where project leaders can engage in a direct dialogue and users easily participate in the discussions.

Taking it one step further, several NFT projects have established Decentralized Autonomous Organizations (a.k.a, "DAOs") that are made up of creators, collectors and other stakeholders. Following the crypto community's ethos of "decentralization," DAOs are an innovative way to organize communities in a structure that is less hierarchical than traditional businesses. Members regularly propose and vote on governance proposals that can determine the project's path forward.

When NFT projects democratize these sorts of decisions, they empower their supporters to be part of the social impact in a way that most charitable donors and consumers have not experienced. In turn, these NFT projects are demonstrating their values, establishing trust and loyalty among their fans, all while making a positive difference in the world.

For NFT marketplaces, offering users the opportunity to make crypto donations is an easy, yet effective way to show corporate values. Marketplaces have many possibilities for doing so. They can embed a nonprofit's cryptocurrency donation form in a blog post, for example, or place a link on a high-traffic webpage that will direct users to a nonprofit's donation page. For a more active approach, they can host a charity auction and ensure that the proceeds go to a nonprofit of their choice.

4. Maximizing Crypto Tax Incentives in the United States

The last day of the year, December 31, is critically important for all of your US donors, including crypto and NFT donors. Why? Because that's the deadline to make tax-deductible charitable donations in the United States.

This is certainly true for cryptocurrency donors. The IRS treats [digital currencies](#) as property for tax purposes, which means that crypto donations are subject to different rules than cash donations. As a result, crypto donors may be able to offset some of their capital gains taxes by donating a portion of their cryptocurrency holdings to charity, rather than selling it for cash first.

These tax incentives are a major reason why cryptocurrency investors often donate to charitable organizations with their crypto assets instead of their cash on hand.

The bottom line is that many donors that hold crypto will be able to donate more in crypto than if they were to give in cash. Nonprofits that don't grasp this key differentiating factor will fail to understand a major reason why the crypto and NFT communities have so much philanthropic potential.

REMEMBER:

The Giving Block is not a financial or tax advisor, and cannot give investment or tax advice. Regulations in this industry are also rapidly changing. You should consult a qualified, licensed advisor before deciding to engage in any transaction. This report is not tax or financial advice, but rather is a summary of practices observed in this rapidly developing industry. [For more information on digital currencies and taxes, visit the IRS website.](#)

5. Bringing NFTs and Crypto Mainstream

Most real-world use cases for cryptocurrencies are seen as positive, because they help to foster mainstream adoption of crypto. Donating cryptocurrency is one of the best examples of the kind of positive impact crypto can make on the world.

It's also a little-known fact that nonprofits were early to accept crypto. Today, big businesses like movie theater chains and high-end fashion labels accept Bitcoin and other cryptocurrencies as forms of payment. But several years ago, charitable organizations like the American Cancer Society were far ahead of the curve.

Today, thousands of nonprofit organizations continue this wave of mass adoption by accepting cryptocurrency donations. Those in the NFT community and wider crypto community are thrilled by the idea of donating cryptocurrency to their favorite causes.

Who Is Involved in NFT Philanthropy?

Much like other fundraising efforts such as charity galas, any successful NFT fundraiser will involve a variety of individuals, teams, and technologies. From the charity that ultimately receives the donation to the creative minds behind the NFT artworks, here are the most important people and entities that may be collaborators in your NFT fundraising efforts:

1. Nonprofits & Charity Funds

These are mission-focused organizations created for reasons other than generating a profit, such as a social or public benefit. While nonprofits are typically the recipients of donations that result from NFT fundraising efforts, they also have become increasingly active in the NFT fundraising process.

2. Artists & Creative Studios

NFT creators can be individuals, collectives, or studios. Some consider themselves professionals while others practice their artistic pursuits as hobbyists. Depending on a project's resources, it may involve a single person doing all the creative and communications work, or it may have several separate roles such as community engagement and/or marketing leads.

3. Platforms & Marketplaces

NFT marketplaces exist as platforms for NFTs to be minted, bought, sold, and exchanged. Presently, most NFT marketplaces specialize in supporting NFT projects that make use of particular blockchains, such as Solana and Ethereum. These NFT platforms can be used to host nonprofit NFT charity auctions. Marketplaces also can offer additional ways for their users to support charities, such as through API integrations of crypto donation widgets, highlighting projects that give charitably, or by curating charity auctions from creators that use their platforms.

4. Collectors & Investors

The massive market for NFT collections exists because of collectors' enthusiasm. Some NFT holders view their purchases as investments that will appreciate in value over time, much like fine art collectors. Other NFT collectors want to buy NFTs that will look great as their Twitter avatars. As NFT projects have become more philanthropic, collectors have also made their purchasing decisions based on their personal or political values. NFT collectors have also sold NFTs and donated the proceeds to charitable organizations.

5. Companies & Corporations

Corporate giving is another part of the emerging NFT philanthropy landscape. As activities like NFT charity auctions become a more established way to inspire and incentivize people to support charitable causes, more brands and companies will experiment with NFT-related corporate social responsibility initiatives. These NFT-inspired CSR initiatives aren't exclusive to companies in the crypto, NFT and metaverse sectors; we have already seen mainstream brands entering the NFT philanthropy space.

6. Donation Processing Companies

Nonprofits that fundraise with NFTs or receive donations from the NFT community rely on cryptocurrency donation processing companies to facilitate secure, regulatory-compliant transactions. Without these companies, donors would be stuck converting their crypto to cash, which is considered a taxable event and effectively lowers the total value of a potential gift. The Giving Block's all-in-one crypto fundraising solution for nonprofits makes the donor experience seamless and nonprofit donation reporting simple, and keeps nonprofits at the cutting edge by frequently adding support for additional cryptocurrencies.

As you can see, the "NFT community" is a diverse space. When fundraising in or with this community, you should consider how you will communicate to the artists, innovative marketplaces, enthusiastic collectors and others.

What Types Of NFT Philanthropy Exist?

In only a year, the cryptocurrency fundraising landscape has evolved considerably—and a big reason why has to do with the rise of NFT philanthropic efforts.

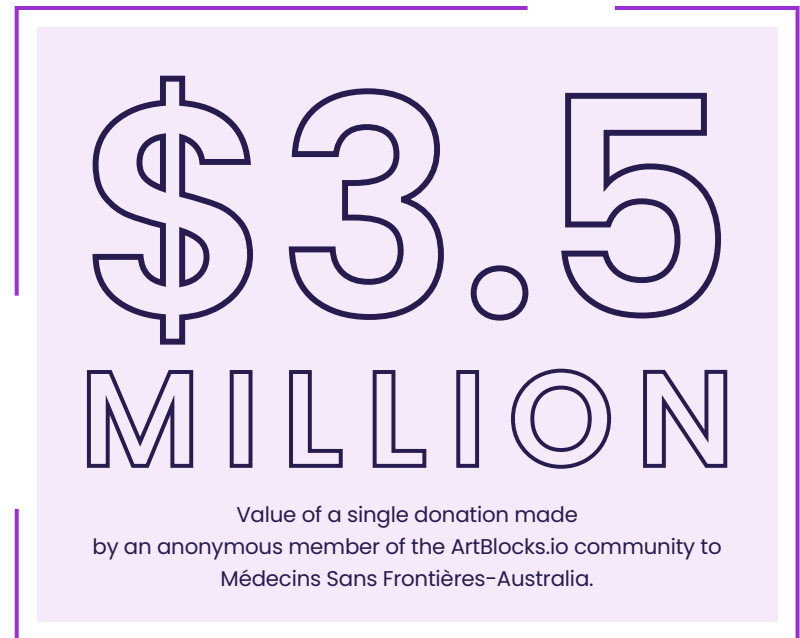
Before 2021, there was no such thing as "NFT fundraising" for nonprofits. Today, NFT-related charitable giving can take many forms, from simple to complex.

Here are five of the most common ways that nonprofits receive donations, thanks to the collaboration and generosity of the NFT community.

Direct Donations

Any member of the NFT community can make a charitable gift to a nonprofit organization that accepts cryptocurrency. While this direct donation method is the simplest way for someone to support a cause, it can be extremely effective.

In some cases, NFT creators will donate a lump sum to a cause they and/or their supporters care about. Other times, an NFT collector will sell appreciated items from their portfolio for a gain, then donate some or all of the profits to charity.



Donating NFTs

As many NFTs have a high market value, giving an NFT to a nonprofit organization is another potential way for donors to support a charitable cause. Nonprofits that receive NFTs as donations would then need to consider whether to sell the NFT for its market value or hold it as an investment.

A few disclaimers: Nonprofit organizations should take extreme caution around this giving method. Accepting an NFT is very different from accepting a typical fiat or cryptocurrency donation, and doing so may violate a nonprofit's gift acceptance policy. Furthermore, accepting an NFT will require the donor to get the NFT appraised by a professional to verify its market value, and valuation methodologies for appraising NFTs are not yet fully developed.

If such a scenario arises for your organization, it may be easier to ask the prospective donor to sell the NFT and donate the proceeds to your organization.

NFT Charity Auctions

An NFT charity auction is one of the most exciting ways to fundraise with NFTs. It requires extensive planning, but the results can often be well worth the effort.

In order to plan a charity auction, your organization will need to find artists willing to create new works or donate existing works for your auction. You will also need to decide if 100% of the proceeds will go toward your charity or if the artist(s) will receive a portion of the proceeds.

Once you have found the NFT artwork(s), you will need to find a marketplace or platform to host your auction. You will also need to choose a date range for your auction, and begin to promote it.

If you are working with NFT artists or projects, they may be willing to help you set up the auction, but this depends on your relationship with them.



Amount raised by an NFT charity auction conducted by artist Jack Butcher and CARE USA, in support of CARE's Afghanistan humanitarian relief efforts.

Perpetual Giving Via Smart Contract

NFT projects looking for a way to make ongoing donations to a nonprofit can make use of smart contracts. This method of giving is somewhat similar to a donor making a monthly or quarterly donation to your organization.

Smart contracts can be set up so that an action will be automatically initiated once certain predetermined conditions are met. In the case of an NFT project interested in making many charitable donations over time, smart contracts can be used to their advantage.

Many NFT projects set up their perpetual giving like this: each time one of their works are sold (or resold), a specific percentage of the proceeds will be donated to a charitable organization.

If a project sets the gift amount at 20% of sale royalties, no matter if a work is sold on an NFT marketplace for 0.1 ETH or 20 ETH, the donation could always work out to 20% of the total proceeds.

In-Platform Donation Methods

As more people in the NFT community discover their ability to facilitate charitable giving, we expect to see more innovative philanthropic solutions.

Several crypto and NFT companies have already created easy pathways for their users to donate crypto to charities. By placing “Donate Crypto” buttons in prominent locations on their websites, or even embedding a donation widget for an organization or fund they support, these companies can demonstrate their corporate values and offer a unique experience to their users.



NFTs have made it easier than ever for creators to support their favorite causes using their artistic creativity and the NFT community has come out in full force to support amazing causes like CARE. We’re excited by the growth of Crypto Philanthropy and know this is only the beginning.

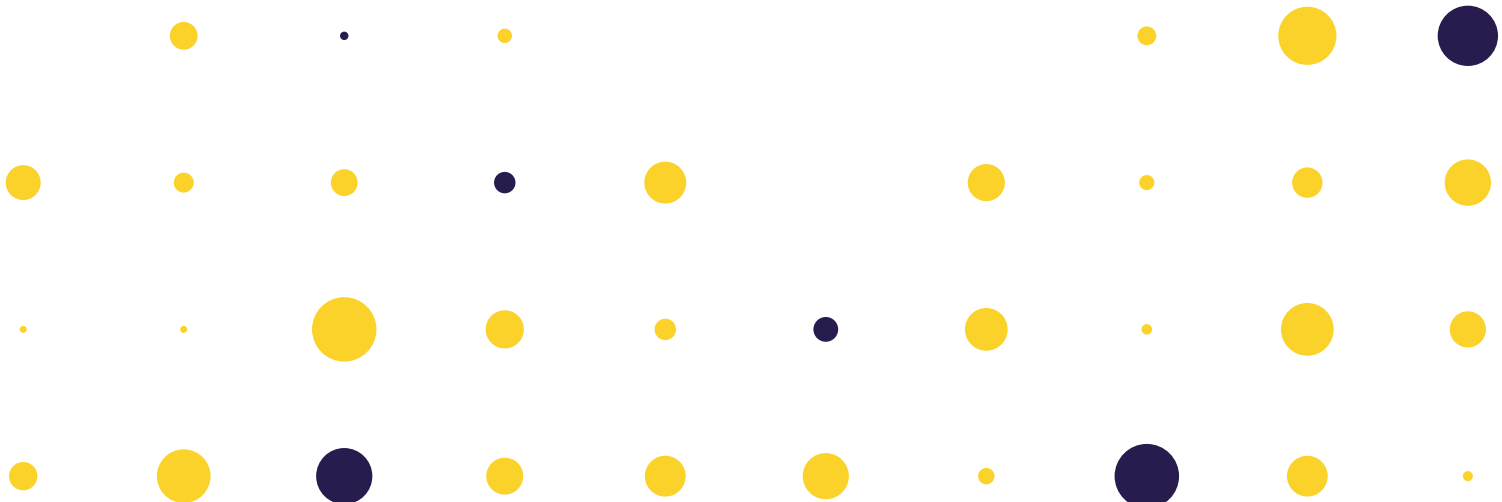
— ALEX WILSON, CO-FOUNDER
OF THE GIVING BLOCK



Now that you know what NFT philanthropy can look like, let’s look at the impact it has already made on countless nonprofits.

5 Nonprofits Maximizing the Potential of NFT Charitable Giving

If you’ve gotten this far into the report, you’re probably ready for a few examples of successful NFT fundraising initiatives. Here you’ll find an overview of several ways that nonprofits have benefited from the generosity of the NFT community—and even collaborated on some truly creative fundraising initiatives.



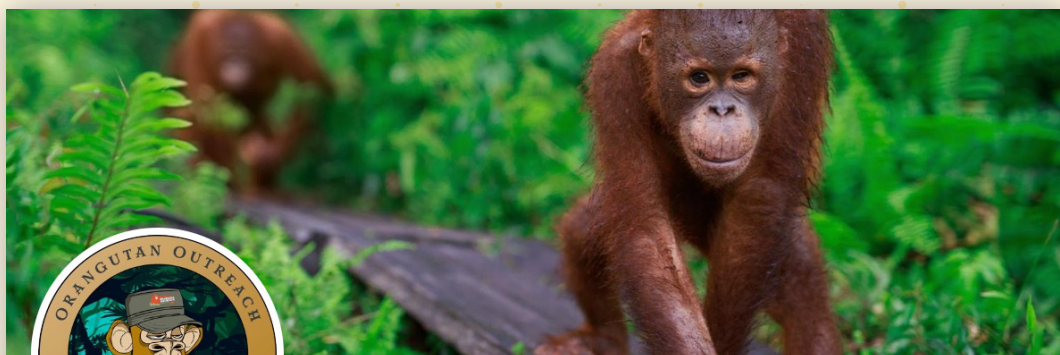
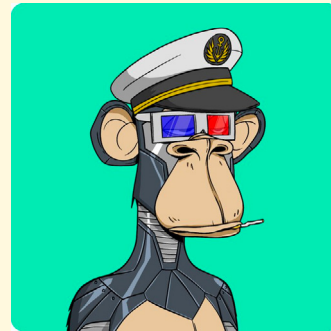
ORANGUTAN OUTREACH & BORED APE YACHT CLUB

Yuga Labs' Bored Ape Yacht Club (BAYC) is one of the most recognizable NFT projects in the world—and one of the most generous.

After the collection dropped in April of 2021, BAYC NFTs caught the attention of the mainstream, including many celebrities and athletes. In a short time, the collection's floor price rose exponentially, increasing the project's profits through secondary sales. That's when the Yuga Labs team decided to give back.

For their direct donation, they chose Orangutan Outreach, a nonprofit that rescues, rehabilitates and releases orangutans in Sumatra and Borneo. To date, the Bored Ape project has donated hundreds of thousands of dollars in Ethereum to the organization.

Orangutan Outreach's founder, Richard Zimmerman, now owns a Bored Ape NFT which he calls "Julius" and considers to be the unofficial mascot of the organization. Seeing the philanthropic potential of the NFT community, he actively engages with the NFT and crypto community on social media in an effort to further his organization's mission.



Orangutan Outreach 😊 ❤️ 🐵 🌳 🌍
@redapes



It's important to know that the average delay between mental health symptom onset and treatment is 11 years, meaning a lot of people spend a long time facing challenges before getting a diagnosis. Intervening early, by taking a mental health screen when you first experience symptoms, can save lives. A donation of .25 ETH helps Mental Health America provide approximately 500 mental health screenings to those struggling.

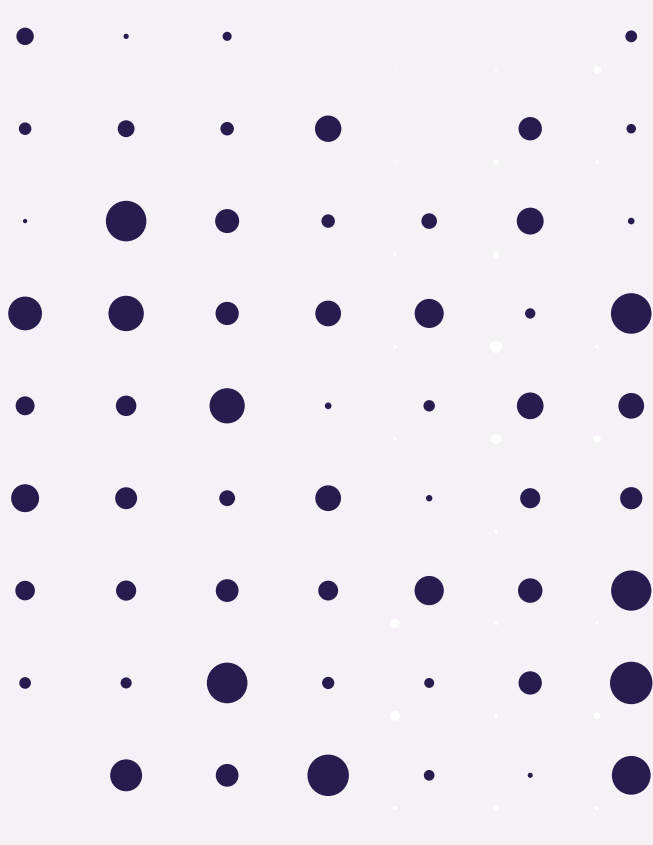
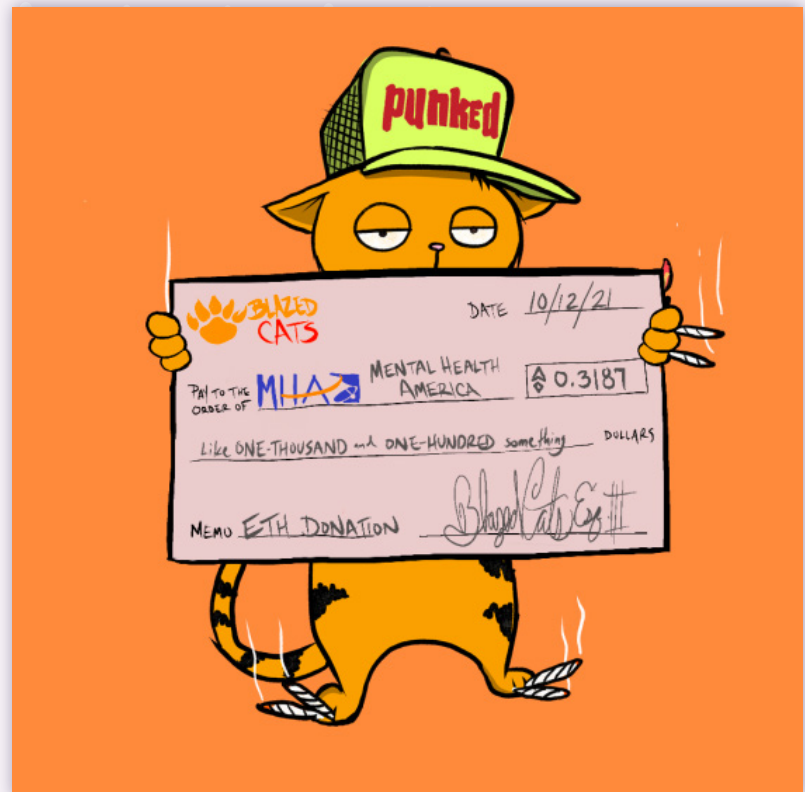
— JILLIAN HUGHES, EXECUTIVE VICE PRESIDENT OF COMMUNICATIONS, MENTAL HEALTH AMERICA

MENTAL HEALTH AMERICA & BLAZED CATS

Blazed Cats is an NFT project that puts charity at the forefront of its mission. From the very beginning, its creators wanted to use a portion of their proceeds to make a positive difference in the world.

The team behind Blazed Cats committed 25% of mint profits and 100% of secondary royalties to charity, which they have enabled through use of smart contracts. Blazed Cats makes all of these donations to Mental Health America, a nonprofit devoted to providing free mental health screenings as well as resources and education about mental illness.

Because the project has been financially successful, it has also been one of the most charitable NFT projects. To date, Blazed Cats has donated more than \$320,000 to Mental Health America.



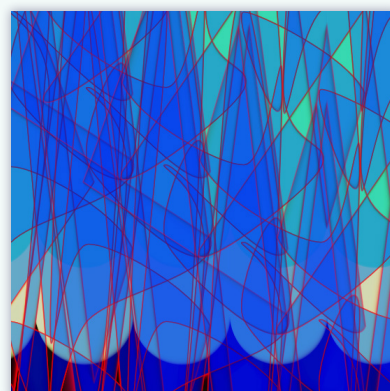
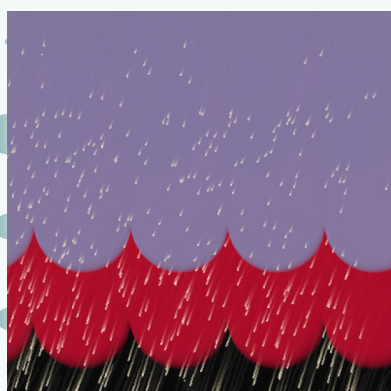
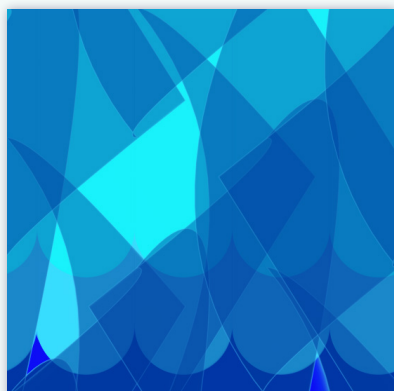
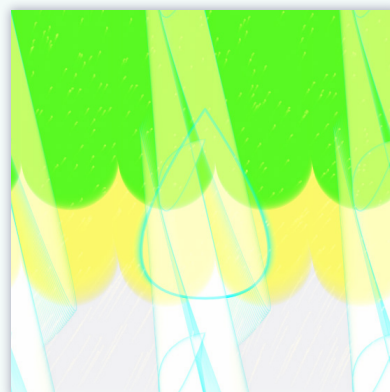
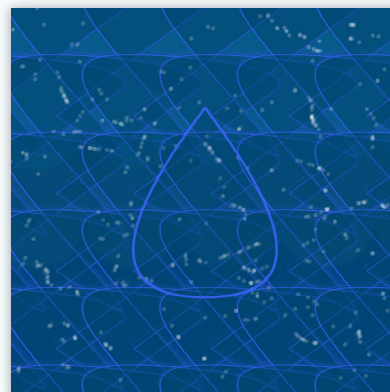
WATER.ORG, VAYNERNFT, STELLA ARTOIS & ART BLOCKS

For its client Stella Artois's CSR initiative in support of Water.org, VaynerNFT remixed the concept of a charity auction by auctioning off NFTs instead of physical artworks and objects.

VaynerNFT is an agency that helps brands navigate the emerging crypto, NFT and metaverse spaces. Stella Artois wanted to shake up its long-running support of Water.org by auctioning off original NFTs to collectors, with 100% of proceeds going to charity.

VaynerNFT helped Stella Artois identify NFT marketplace ArtBlocks.io to provide the auction's digital platform, emerging NFT artist Eliya Stein to create more than 1,000 original generative artworks that express the theme of water, and The Giving Block to process cryptocurrency donations from the proceeds of the auction.

The "Drop Artois," as the collection was called, sold out in a few hours, raising a total of \$193,000 for Water.org's efforts to provide clean drinking water to communities in need around the world and setting a high bar for future NFT charity auctions. As the works are resold, secondary royalties will also be donated to Water.org.



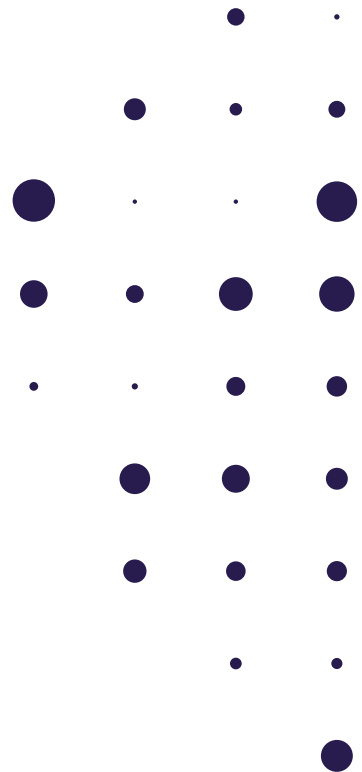


BUILT WITH BITCOIN & SATOSHIBLES

Satoshibles is an NFT project that relied on their established community of supporters for guidance. Its creators wanted to support a nonprofit with some of their proceeds, so they browsed The Giving Block's website to find several crypto-friendly nonprofits they were interested in supporting.

Instead of making the decision alone, they put the options to a community vote. Satoshibles collectors and fans chose Built With Bitcoin, a nonprofit organization that establishes schools and communities around the world.

The first crypto donation sparked a deeper relationship between Satoshibles and Built With Bitcoin. Wanting to do more, they collaborated on an NFT collection created by students from six Built With Bitcoin schools. Paintings made by 500 students were used to create 10,000 unique NFTs which were minted, with 100% of proceeds and royalties donated to Built With Bitcoin.



OUTRIGHT ACTION INTERNATIONAL & NOT YOUR BRO

After OutRight Action International received its first cryptocurrency donations from an NFT project in September 2021, its fundraising team quickly realized the potential for community building and future support from the NFT community.

In March 2022, NFT project Not Your Bro, a project centered around empowering and celebrating all Womxn & LGBTQIA+ people, committed 2.5% of its initial mint sales to OutRight. In total, Not Your Bro donated 20 ETH (valued at appx. \$58,000 at the time) to the organization. The project donated 10% of the proceeds from its mint and every month donates 10% of the royalties to nonprofits chosen with input from its community of supporters.



“

As proud members of the LGBTQIA+ community, we know first-hand the daily struggles of living your truth. As gay women ourselves it would be an honour to support OutRight. It makes me so happy to have been able to make this donation.

I love the work that you do. Our support of OutRight will be forever.

— NATALIE, ARTIST AND CO-FOUNDER OF **NOT YOUR BRO**

”

Want to read more NFT fundraising case studies?

See the positive impact crypto fundraising has made with additional testimonials and case studies from The Giving Block's nonprofit clients.

[READ MORE](#)



PART 3

HOW TO LAUNCH A SUCCESSFUL NFT FUNDRAISER

Ready to get started on your first NFT fundraising campaign? Follow these steps to make your NFT charitable giving initiative a success.

Step One: Getting Ready

1. Prepare to accept cryptocurrency donations

There are many resources available for nonprofits interested in NFT fundraising. Begin to do your own research, speak to colleagues in the industry, and attend webinars. Start talking to your board, leadership teams and current supporters about cryptocurrency. Reach out to your organization's legal and financial advisors for guidance. This kind of preparatory work will help you later, once your team is ready to take the next steps.

2. Find the right cryptocurrency donation solution provider

Any cryptocurrency donation solution needs to be secure and compliant. It should also be user-friendly and make it easy for finance teams to track donations. If you're interested in NFT fundraising, be sure your solution accepts cryptocurrencies that are native to blockchains most popular with NFT creators, such as Ethereum, Solana, and Tezos.

The Giving Block offers the only all-in-one cryptocurrency fundraising solution for nonprofits, combining high-quality technical tools with unparalleled services, training, and support. The Giving Block enables more than 1,500 nonprofits to fundraise cryptocurrency, and accepts donations in 75+ leading cryptocurrencies.

3. Set up your social media presence

Most crypto and NFT fundraising efforts happen in digital spaces like social media platforms. Even a small nonprofit team can set up a Twitter account and start posting about its ability to accept crypto donations. Follow key thought leaders in the crypto space to stay up to date on current events and major market news.



Step Two: Active Engagement

4. Connect with the NFT community

Finding supporters is a critical step towards gaining traction in the NFT community. To establish relationships with NFT projects and collectors that could become future collaborators or supporters, you will first need to engage with them in digital spaces such as Twitter and Discord.

5. Identify NFT partners

One of the most important decisions is choosing your collaborator(s) in the NFT space. If you're running a charity auction, you may find your team asking several creators to contribute NFTs for the auction. Or you might choose a single NFT creator or project to work with. In order to vet NFT projects for suitability, ask these questions:

NFT PARTNER CHECKLIST	<input type="checkbox"/> How long have they been a part of the NFT community?
	<input type="checkbox"/> How do they define success, either artistically or commercially?
	<input type="checkbox"/> If they have committed to charitable giving in the past, have they been true to their word?
	<input type="checkbox"/> Do they have an engaged audience already?
	<input type="checkbox"/> Why do they want to work with your organization?

As part of its crypto fundraising solutions, The Giving Block helps connect nonprofit clients with NFT projects and artists that have expressed an interest in charitable giving. The Giving Block also consults nonprofit clients when they are contacted by NFT creators seeking partnerships and/or collaborations.

6. Pick your target audience

The NFT community is large and can often seem divided into informal sub-communities based around more niche interests. Try to find a specific audience within the larger community that you can connect with. Keep in mind, this doesn't need to be a perfect science. If your organization helps orangutans, for example, consider seeking out the enthusiasts of NFT projects that prominently feature apes or orangutans in their art. What's most important is to make an earnest attempt to engage, because without a target audience, your campaign is unlikely to get the results that you desire.

Step Three: Launching an NFT Fundraiser

7. Establish a fundraising roadmap

Once you are ready to start fundraising with NFTs, get a sense of what you would like to achieve. This could be a specific donation target (e.g., 10 ETH). Or this could be a particular portion of proceeds. Are you hoping to get all of the funding as the result of an NFT collection's mint proceeds? Or are you willing to create a long-term impact through secondary sales royalties? These are just a few of the many options, but it will inform your campaign's urgency and messaging later.

8. Choose a platform or marketplace

If you are running a charity auction, you need to choose an NFT platform that is suitable for your fundraiser. Keep in mind that NFT projects often mint their collections on a single blockchain, such as Ethereum, and therefore only accept one type of cryptocurrency as payment. That means that the platform or marketplace you choose will need to be compatible with the kind of cryptocurrency you intend to fundraise.

9. Prepare your communications

Communication is key to a successful campaign, as is proper delegation of responsibilities. If your primary target audience is the existing fanbase of your collaborator's NFT project, who will handle messaging? Will you ask your current donor base to help amplify your campaign's messaging? If you seek the attention of crypto, nonprofit, and/or mainstream publications, who will draft communications and communicate to the press?

10. Engage and stay connected

Share your message early and often. Unlike email communications, social media algorithms only allow for a percentage of your followers to see your posts or tweets as you publish them. So don't feel shy about posting a steady cadence of daily tweets, the occasional long-form thread, or short how-to videos on Instagram to show your followers how they can support your NFT fundraiser.

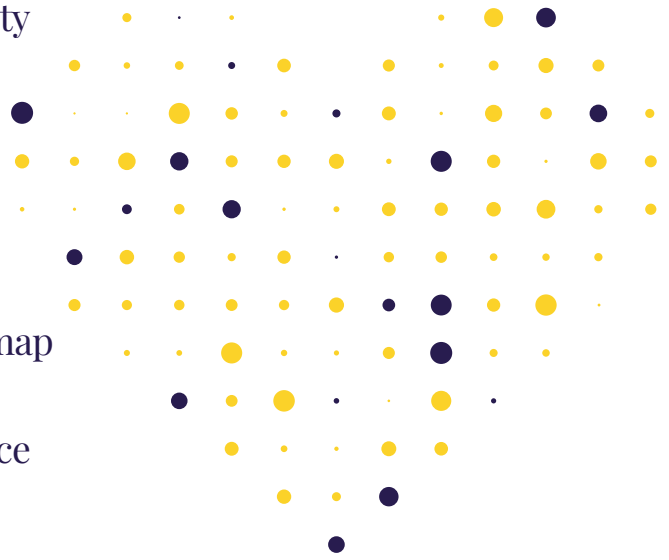
After your NFT fundraising campaign, collaboration, or auction is over, debrief with your team. Create a document of learnings, ideas, and hopes for similar initiatives in the future. Above all, be sure to stay connected with your new supporters and keep them in the loop about the impact of their support. (Bonus points if you convert the dollar amounts of doing your work into the equivalent value in crypto!)

Need a refresher on hand? Print the following page, a shortened version of the steps above, for your team's quick reference when planning an NFT fundraiser.

THE NONPROFIT NFT FUNDRAISING CHECKLIST

PRESENTED BY THE GIVING BLOCK

- Prepare to accept cryptocurrency donations
- Find the right cryptocurrency donation solution provider
- Set up your social media presence
- Connect with the NFT community
- Identify NFT partners
- Pick your target audience
- Establish on a fundraising roadmap
- Choose a platform or marketplace
- Prepare your communications
- Engage and stay connected



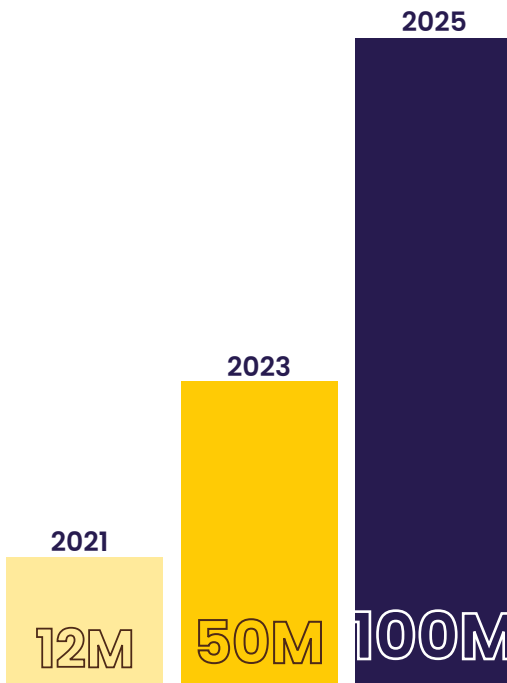
TheGivingBlock.com

PART 4

WHAT'S NEXT FOR NFT FUNDRAISING & PHILANTHROPY?

While NFT giving is still in its early stages, we expect NFT fundraising to help set the tone for 21st Century Philanthropy over the coming decades.

Here are a few of our predictions for the years ahead:



PROJECTED CRYPTO DONATION GROWTH FROM NFT COMMUNITY

Exponential Growth in NFT Donations

More money invested in the NFT economy means greater opportunities for social impact through charitable donations. As NFTs become more mainstream, nonprofits will gradually come to use NFT-related initiatives as a greater part of their crypto fundraising strategy in order to meet their operational costs and maximize the impact of their missions.

Investment and financial services firm Jeffries predicts that the [NFT market cap](#), which was nearly \$25 Billion in 2021, will surpass \$35 Billion in 2022 and exceed \$80 Billion by 2025.

Based on this projection, coupled with the trend of [year-on-year growth](#) in total annual cryptocurrency donation processing volume reported by The Giving Block, the NFT community's charitable giving could rise to over \$100 million in crypto donations by the year 2025.

More Innovative Collaborations

Nonprofits and NFT creators are already fundraising together in exciting ways, from developing art collaboratively to hosting educational webinars and Twitter Spaces. These early collaborations will inspire future partnerships to reach new creative heights, make use of new blockchains and crypto tokens, and take bold new approaches for donor engagement.


An Influx of Major Brands

Big brands put a lot of effort and capital into finding and engaging with new markets with high potential. As NFTs claim more of the cultural spotlight, we're bound to see more CSR efforts with an NFT component. We anticipate an increase in corporate-sponsored NFT charity auctions, like the one coordinated by VaynerNFT for Stella Artois and its charity partner Water.org.

Greater Community Building

Members of the NFT community aren't solely devoted to finding art that connects with them. They're also interested in finding people that share similar tastes, interests and values. As NFT projects grow, they often nurture their fan bases through direct

engagement on platforms like Discord and Twitter. Increasingly, these projects ask their supporters for input on ideas for future projects and charitable giving decisions. Nonprofits active in the NFT space will also be able to find and sustain a following through their connections with projects and creators and by effectively communicating the impact of donations.

If there's one word to describe NFT fundraising, it would be "limitless." Nonprofit organizations taking the steps now to learn about the world of NFTs and their potential as a fundraising tool are setting themselves up for success today, tomorrow, and in the years ahead. 

Is your organization ready for the future of fundraising?

Visit thegivingblock.com for more information on fundraising cryptocurrency and accepting donations from the NFT community.

[LEARN MORE](#)

GLOSSARY OF TERMS

Here you will find the most essential, must-know terms for nonprofits engaging in NFT fundraising efforts. Refer back to this glossary when reading the rest of the report and creating your first NFT fundraiser.

1/1 (a.k.a., “one of one”): An original NFT artwork that has no duplicate version.

Bag Season: The annual year-end nonprofit cryptocurrency fundraising season, starting in late November and running through December 31.

Bitcoin: The first cryptocurrency, created in 2008, and currently the most popular and valuable cryptocurrency.

Blockchain: A digital ledger of transactions that is operated by a decentralized network of validators that contribute a share of computing power.

Charity Auction: An auction that is run with the express purpose of donating all or a portion of the proceeds to a charitable organization, fund or cause.

Crypto Giving Tuesday: The kick-off event for Bag Season, a single day to promote visibility for nonprofits that are fundraising cryptocurrency.

Crypto Philanthropy: The act of donating cryptocurrencies to charitable organizations.

Cryptocurrency: A type of digital asset that utilizes technologies like cryptography and blockchain to establish a secure, decentralized global framework for financial transactions to be conducted.

Capital Gains: A tax owed on the appreciation of assets like cryptocurrencies when sold or exchanged.

Decentralized Autonomous Organization (a.k.a., “DAO”): A formal community structure for governance of crypto- and blockchain-based initiatives, including some NFT projects, in which non-hierarchical decision making is typical.

Decentralized: Operating without a central hierarchical institution, such as a central bank of a nation that issues government-backed currency.

Discord: A popular digital platform for conversation, community engagement and social networks.

Drop: An official release or launch of an NFT collection.

Dutch Auction: A type of auction in which an initial asking price is set, but goes down until a bidder agrees to purchase the item.

DYOR: Acronym for “do your own research,” a central tenet of NFT and cryptocurrency communities. Often said with or interchangeable with the phrase, “this is not financial advice.”

Ethereum: One of the most popular blockchains in the world, particularly with the NFT community. Also another name used for Ether, or ETH, the currency associated with this blockchain.

Floor Price: The lowest sale price for any single item in an NFT collection.

Gas Fee: The fee for conducting a transaction on a blockchain.

Generative Art: A type of popular digital art that uses modern technology to generate unique variations or combinations of creative elements.

Ledger: A place where financial transactions are recorded.

Marketplace: A platform for buying and selling NFTs.

Mint: The first purchase of an NFT from the creator, at which point the NFT is first recorded on the blockchain.

NFT: Acronym for “non-fungible token.” A digital store of data used to verify ownership of an asset such as an original artwork.

#NFTuesday: A dedicated day to celebrate the generosity of the NFT community, held annually in December.

Perpetual Giving: A way to automate cryptocurrency donations to charitable organizations via smart contracts, which initiate transactions when certain conditions are met.

Pre-Mint: The stage prior to minting an NFT artwork or collection, often when collectors can register for the ability to mint these works.

Proceeds: Profits from the sale of an NFT.

Re-Sale: The sale of an NFT after purchasing it.

Royalty: The proceeds from an NFT sale that go back to the creator(s) from mint as well as secondary sales.

Secondary Sale: Any future sale of an NFT after the work is minted, with the price agreed upon by the seller and buyer.

Smart Contract: A method of programming financial transactions to initiate once certain predetermined conditions are met by one or more parties.

Solana: One of the most popular blockchains in the world, as well as the name of the cryptocurrency (SOL) associated with the blockchain.

Stablecoin: A type of digital currency that is pegged to an asset like a government-backed currency such as the US dollar, or the price of gold.

Tezos: Another popular blockchain with the NFT community, and the name of the cryptocurrency (TEZ) associated with the blockchain.

FREQUENTLY ASKED QUESTIONS

How are NFTs bought and sold?

NFTs are typically acquired in two ways. First, collectors may have the option to mint an NFT, which can only be done by the first buyer of the NFT. Creators usually set the mint price for their NFT works.

After an NFT is minted, it can be resold on an NFT marketplace. Asking prices are set by the sellers (a.k.a., current holders). Some sellers will auction their NFT to the highest bidder after establishing a floor price that they won't sell below. Other sellers will set a strict asking price that is not flexible.

Prospective NFT buyers need to account for the NFT's sale price and the blockchain's transaction fees, often called "gas fees." These are additional fees not set by the seller, but by the blockchain. Gas fees help cover costs associated with maintaining the blockchain's network of validators. These fees may fluctuate based on how many transactions are happening at a given time on the particular blockchain.

Once an NFT is exchanged, a record of the transaction is recorded on the blockchain. From this point on, the NFT can be transferred to the owner's digital wallet or resold on a marketplace.

Can my nonprofit accept NFTs as donations? If so, how are NFTs appraised?

It is most common for NFT-related donations to be made in the form of a cryptocurrency like Ethereum or Solana. Nonprofits should be cautious when accepting NFTs themselves as donations, because many organizations have restrictions on accepting property-like assets in their bylines.

If nonprofits are able and willing to accept NFTs as a form of donation, they should ask the donor to get the work appraised by a professional. An appraisal is the most reliable way to verify the value of the NFT.

Where do NFT buyers come from?

Anyone can purchase an NFT as long as they have the financial means to do so, and hold the associated type of assets to purchase it. For example, the buyer of an NFT on the market for 1 ETH cannot pay for the NFT in an equivalent amount of Bitcoin. With 295 million crypto users at the end of 2021, there are hundreds of millions of potential NFT buyers.

Can NFT projects donate crypto anonymously?

Yes. The crypto and NFT community values data privacy and identity protection. In practice, anonymity can take many forms. Some crypto users are active social media users, but use pseudonyms on all public forums. Others have no social presence and choose not to highlight their affiliation with cryptocurrency or NFTs. Understanding that respect for privacy is a priority of the crypto and NFT communities, many nonprofits choose to accept anonymous and pseudonymous donations.

Can my organization create its own NFTs?

This is possible, depending on your level of comfort with NFT creation and understanding of tax rules around giving away NFTs. Some nonprofits should avoid this method of NFT fundraising because it could violate their bylines. Nonprofits are advised to do their own research and consult with a legal and/or tax advisor.

What are the tax benefits of NFT philanthropy?

Because the IRS treats cryptocurrencies as property for tax purposes, crypto users (including NFT creators) have several tax incentives for donating cryptocurrencies to registered 501(c)3 organizations. In most cases, a donor does not pay capital gains taxes on their donated crypto and can write it off on their taxes. However, this is not financial advice. We recommend that all crypto donors consult with their tax advisor on financial matters.

How can my nonprofit identify NFT creators interested in charitable giving?

Fundraising collaborations between nonprofits and NFT projects are no longer rare. But as with any partnerships and collaborations, it's important to do research on any possible partners and to set boundaries that will make your organization feel comfortable. Many NFT projects are brand new and may not have much information about them publicly available.

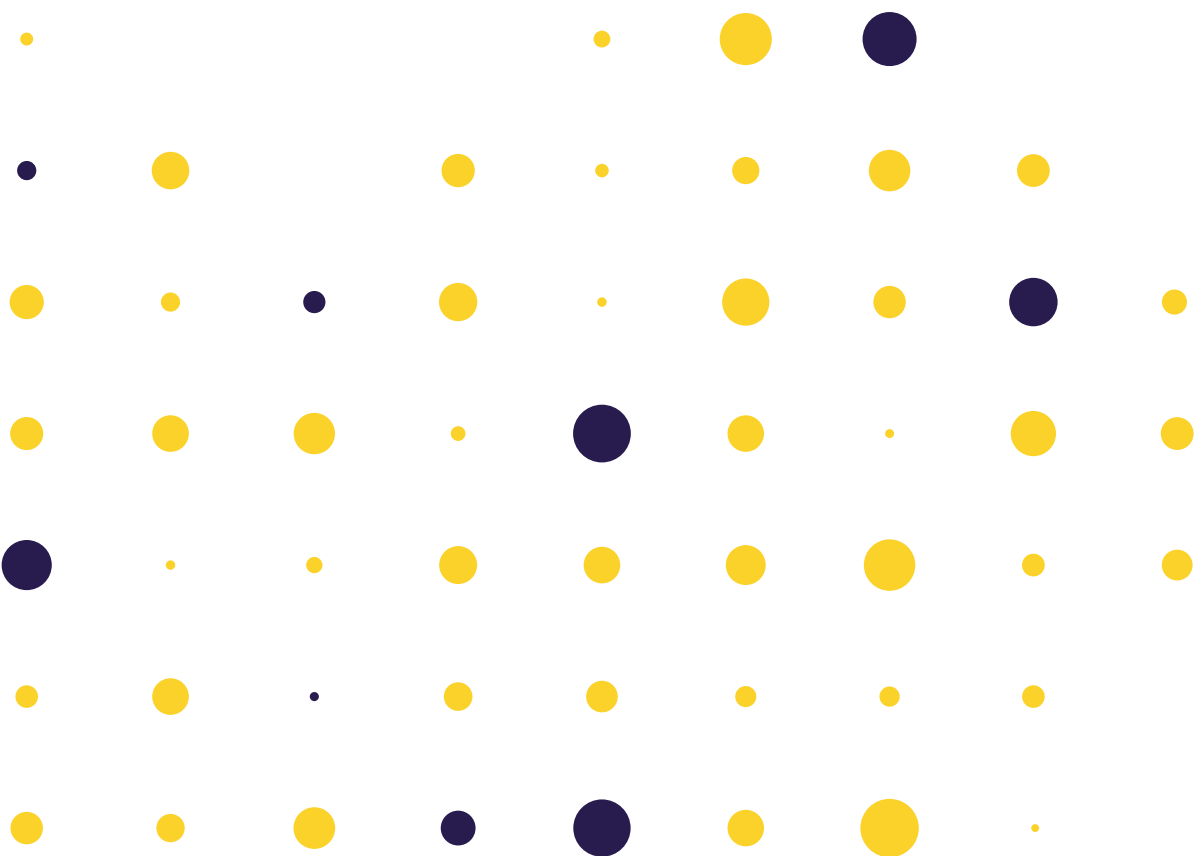
If you're unsure whether you want to pursue a relationship with a project or creator, our best advice is to thank them for their interest, and to direct them to your cryptocurrency donation page or widget. Do not commit to any promotions or to signing agreements. Another tip to keep in mind is that it is best for NFT creators to send the donation in one of your crypto fundraising widget's supported currencies, rather than the NFT itself. If the project or creator makes a donation, it is common courtesy to first ask whether they can be publicly thanked (e.g., on Twitter) before doing so.

Which cryptocurrencies and tokens should we accept for NFT philanthropy?

NFTs are bought and sold using many types of cryptocurrencies, the most popular being Ethereum, Solana and Tezos. But keep in mind that the cryptocurrency and NFT landscape changes quickly and frequently. What may have been a little-used blockchain may be one of the most popular a year later. Consider that some NFT creators may have specific reasons for exchanging their proceeds into another digital currency before donating. For these reasons, it is best to use a cryptocurrency donation solution that supports many cryptocurrencies. This will give your organization the most flexibility for NFT fundraising opportunities.

Where can I find more information on NFT charitable giving?

The Giving Block is the leading all-in-one solution for nonprofit cryptocurrency fundraising. For more articles on NFT fundraising and philanthropy, explore the [resources and guides](#) on our blog. For tax appraisal questions and large donations, get in touch with [The Giving Block Institutional](#) for assistance. For more examples of NFT charitable giving, read [testimonials and case studies](#) from nonprofits that have been positively impacted by NFT-related acts of generosity. To learn more about accepting cryptocurrency donations, [get in touch with our team](#) at The Giving Block for more information or a free demo of our solutions and services.



ACKNOWLEDGMENTS

We would like to express gratitude to the nonprofit organizations and NFT projects, platforms, and collectors that have made NFT fundraising and philanthropy possible. Thanks to your bold thinking, creativity, and generosity, the nonprofit sector is able to help make cryptocurrency fundraising into a more sustainable, exciting, innovative space for charitable giving.

Thank you to the following generous NFT creators and projects: ***The Bored Ape Yacht Club, Blazed Cats, BabyBoo, SatoshiBles, Trippy Bunny, Jack Butcher, CyberKorgs, Woodies, Hevey, The Lost Glitches, World of Women, Dogs of Elon, Cool Cats, Ghosts, Thugbirdz, Famous Fox Federation, Sappy Seals, Labyrinth Art, Goobers, Belugies, The Slow Patrol, Skvllpvnks, SkullyBoys, COVIDPunks, MonsterBuds, Sollyfish, Crypto Titties NFT, Dirtybird Flight Club, Top Dog Beach Club***, and many more.

We also want to thank several NFT marketplaces, platforms and consulting firms, including ***Nifty Gateway, Verisart, Solanart, Media Eye, Art Blocks, NiftyKit***, and ***VaynerNFT*** for their support of crypto and NFT charitable giving.

Last but certainly not least, we thank the nonprofit organizations that have helped to pioneer NFT fundraising, including ***Trees for the Future, CARE USA, Water.org, Orangutan Outreach, Built With Bitcoin, Hope for Haiti***, and so many others.

The future looks bright for NFT fundraising and philanthropy. 