CUDO
DONATE

A Charity Guide to Crypto Mining

Introduction

We believe that cryptocurrencies will change the world. They've already started to.

This sixth great evolution in money has the power to level the playing field giving everyone in the world a means to trade with anyone, no matter where they are or whatever their status.

Cryptocurrency isn't at the mercy of banks or governments and therefore free of the fees, limitations and volatilities associated with the markets or political upheaval.

Although this matters far more to the developing world as cryptocurrency gives people living under oppressive regimes a way of opting out of a financial system that is utterly broken.

For charities who actively support groups or individuals in these countries, it gives them a way to get funds where they're needed by avoiding these corrupt systems altogether. We think that's pretty powerful.

However, cryptocurrency also has the power to help in a far more immediate way by providing charities with an entirely new way to fundraise.

Who are Cudo Donate?

Cudo Donate is the philanthropic arm of Cudo Ventures, founded by our directors - Matt Hawkins, David Pedrini and Duncan Cook– with the express goal of empowering charities through cryptocurrency.

Cryptocurrency represents an incredible opportunity for charities to generate significant – and sustainable – revenue without cannibalising donations from your existing sources or any additional investment in infrastructure or head count.

Our software harnesses the unused computer power of your supporters to generate sustainable revenue to help those most in need by mining cryptocurrencies.

Our Company Details

We believe in working transparently with our charity partners and we understand how important it is for you to know who you're working with. That is why – in order for you to carry out your due diligence – we've included our company information:

CUDO VENTURES LTD

Company number: 11065412

Registered office address: Kemp House, 160 City Road, London, United Kingdom, EC1V 2NX

To learn more about our directors click the URL below or copy and paste it into your browser.

https://www.cudoventures.com/About-Cudo-Cryptocurrency-Mining

What is Cryptocurrency?

At its most basic level cryptocurrency is digital money that exists entirely within the internet. There is no physical representation and it is not in any way linked with governments or the banking system.

It relies on a decentralised, democratised consensus network – based on predetermined trust protocols – to validate and record expressions of value as transactions.

To put it another way – it's a form of currency that can only be exchanged, spent or liquidated if a network confirms it can happen based on a series of rules that everyone has agreed on in advance.

It does all this without requiring bank accounts, identities or any other sensitive information: just a send point, a delivery point and the value.

This is radically different from the traditional banking system. During a standard card payment your personal information passes between two banks and at least one payment merchant before it reaches the recipient's account.

If that data is intercepted at any point the hacker gains access to all of your private information.

We think this is bad and we should be looking to new, more secure means of transacting.

Why Cryptocurrency is the future

Cryptocurrency is an entirely new way of defining value. Money abstracted the value of precious metals. Crypto has abstracted the value of money.

But more significantly than that – the technology turns everything we accept about identity protection, the definition of personhood and banking on its head.

It does this because cryptocurrency doesn't need to know who you are to work. It doesn't care who you work for or where you live. Or even how long you've lived there. It doesn't need proof of identification or a birth certificate.

This seemingly backwards step enfranchises billions of people who would otherwise be without the most basic form of banking.

This changes the world.

So it isn't a backwards step, it's a quantum leap forward. The technology that cryptocurrency is built upon – blockchain, peer to peer verification and proof of work – makes it the most secure form of transaction ever devised.

These three technologies create an immutable, network verified record of every transaction in that blockchain.

The blockchain itself is an incredible piece of technology, currently being adopted across a host of digital tasks which benefit from source verification. In the case of cryptocurrency, blockchain provides a completely decentralised database; rather than being held by an independent middleman, the workings of cryptocurrency are placed in the blockchain's 'digital ledger' of transactions.

Absolutely everyone in the network can see this ledger, offering fraudsters nowhere to hide. A chain of computers must verify each transaction before it goes ahead; these computers all have a copy of the blockchain transactions, so nothing can be concealed, duplicated or removed from the record.

Computers in the blockchain complete complex mathematical equations to prove the transaction is genuine, and only then will it be authorised. This equation is then added to the ledger as a 'block'; a crucial part of transaction history, which forms part of the blockchain itself.

Although it's theoretically possible to hack, the time, effort and cost involved to do so make it a total waste of time. The same cannot be said for high street banks.

So cryptocurrency is secure, transnational, empowering and, due to its acquisition through mining or exchange, available to all.

More importantly, it represents a tremendous opportunity for charities to generate an entirely new and consistent revenue stream completely removed from all other efforts.

The Evolution of Fundraising

Much in the same way as we expect to walk into any shop and expect to Much in the same way as we expect to be able to walk into any shop and wave our debit or credit card over a machine and it take our payment, our attitude towards fundraising and charity has changed.

The way in which we as consumers (or supporters) like to be engaged with has changed. This is especially true of Xennials, Millennials and Gen Z who specifically dislike being approached on the street. They consider themselves to be time-poor and therefore interruptive fundraising annoys them.

They also rely on technology to become informed and to research the causes and charities they believe in. They also tend to have less disposable income than the generations before them. As such, regular donations are seen as a point of anxiety and they would sooner make a contribution on their own terms or in other ways.

Technology has consistently been leveraged to make donating easier. Comic Relief and Children in Need have been championing text donations for years.

All the supporter needs to do is input four to six numbers, followed by a monetary amount and the donation is made – with roughly the same effort as putting the television on in the first place.

Donations are increasingly made on the supporter's terms in an increasingly crowded, noisy space where over 185,000 charities in the UK alone, compete for every spare penny in order to make a difference.

The truth is charities shouldn't have to compete to exist because the charity exists for a reason.

Mining Cryptocurrency for Good Causes

Cryptocurrency represents an exciting new way for supporters to generate revenue for good causes, balancing the need for charities to raise consistent, regular income and the supporter's preference for both non-interruptive fundraising and the desire to control their personal information.

Offering Cudo Donate to your supporters in addition to traditional donation methods allows you to appeal to an incredibly broad supporter base.

It appeals to Xennials, Millennials and Gen Z. It also appeals to the technologically savvy in older demographics.

It's also an incredibly effective way for businesses to donate to your cause – meeting their Corporate Social Responsibility objectives – without that money coming off the bottom line.

Helping charities stops being an either/or proposition for small businesses with the simple application of free software.

Imagine the monthly earning potential of just a single small business with 30 computers and a server.

The appeal of Cudo Donate to businesses and individuals is that it provides a means of fundraising that fits in with the way they want to support you and requires little time or effort to achieve.

Additionally, mining with Cudo Donate is one of the few means of donation where the amount invested – a few pennies in electricity per day – is vastly outweighed by the amount donated: £10-£30 a month using an average computer.

This means the more your supporters mine the greater a return they generate for you. The software keeps track of how much they have donated which heightens the sense of ownership as they can see they are directly contributing to your success. They feel part of the team.

This sense of affinity with your charity will make it far more likely that individuals and businesses will eventually cross the anonymity threshold. They are far more likely to engage in dialogue with you over someone who donates an arbitrary amount via direct debit each month.

For a business, generating substantial monthly revenue for their chosen charity gives them something prominent to rally around and it makes it far more likely to undertake additional fundraising activities in order to boost the total.

Cryptocurrency gives your charity a way to engage individuals and businesses with an entirely new dialogue to generate an entirely new revenue stream.
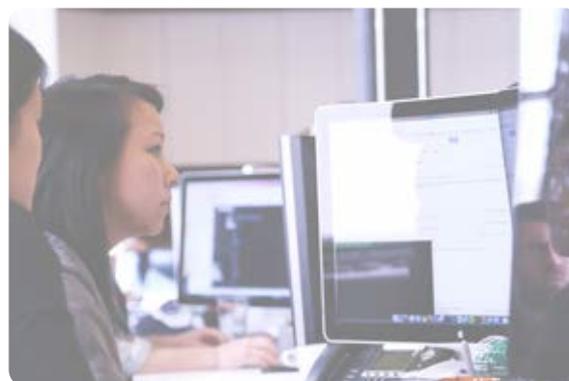
Data Protection

Charities like data. Data allows you to communicate with and market to your supporters. It allows you to tell them about the great work you're doing.

It also gives you the option to ask supporters for an increase in donations or to support a specific initiative.

This traditionally has been a vital tool in a charity's fundraising toolbox. The ability to specifically target individuals based on carefully maintained records can yield very valuable results.

However, maintaining a database is both a liability and an expense. Your database needs to be an impenetrable fortress of network security and precisely maintained databases of service users and supporters.

A data protection breach or an email to the wrong data set could mean the organisation faces expensive fines, a PR nightmare, a potential enquiry, a loss of supporters and a loss of trust.

Databases can be improved, security issues patched and fines paid but trust is hard to earn and easy to lose.

Mining through Cudo Donate doesn't capture any data about the miners at all beyond the amount of data they have processed and on behalf of which charity. No data means no risk of data protection breaches and no concerns regarding regulations including GDPR.

It does mean an entirely anonymous revenue stream you can't contact, but this is no different than money raised from a collection bucket.

The difference is this collection bucket consistently generates recurring revenues, forever.

Why Anonymity is Good

Individuals – your supporters included – are growing increasingly suspicious of organisations who ask for personal information. They believe it serves as an invitation for you (or any organisation) to bombard them with spam or sell their data to the highest bidder.

Rightly or wrongly this is the pervasive view of the people your fundraisers come into contact with.

But this is part of a bigger change in buying behaviour. No one likes to be sold to – a simple Google search has makes us all instant experts.

Chances are, by the time an individual has decided to give money or time (or crypto) to your cause, they know more about your charity than some of your fundraisers do.

This has changed the relationship – supporters want to give money on their terms, not on yours. This means they dictate how much, how often and for how long they donate – and how much information they hand over in the process.

Charities also have to come to terms with the fact that any overt pressure to increase that donation can cause that person to stop supporting – then tell everyone they know about the experience.

Providing cryptocurrency mining as a fundraising option overcomes the tug of war individuals and organisations have over the matter of anonymity.

It comes back to personhood. Traditionally, to donate you need to be a person – with a bank account and a postal address.

Cryptocurrency mining allows people to donate on their terms and they will likely donate far more than a monthly direct debit as a result. You get the money you need and the supporter maintains their privacy.

You can leverage your website and social media to communicate with these individuals. Don't forget that's how they found you in the first place and if someone cares enough to mine cryptocurrency on your behalf, they care enough to check your website.

Security

A digital currency – that relies on the internet to acquire – will inevitably raise security concerns, especially as mining requires your computers or server to exchange data back and forth with the network.

These concerns are understandable as the potential fallout of a security breach – as we have discussed – could be catastrophic.

However, this is why cryptocurrency is such a powerful means of revenue generation because – in addition to opening up new revenue streams – no data is created, so there is no risk of compromise and no increase in overheads in order to store it.

The data handled by crypto mining software is made up of numbers, none of which mean anything outside of the network, but perform a vital role in the peer-to-peer verification process.

Our software works in the same way: Cudo Donate simply receives data, processes it and then sends it back. No data is stored on the computer and the software doesn't access any part of your computer – it just needs an internet connection.

This non-sensitive, near meaningless data is also encrypted using an SSL certificate – just for good measure.

In the highly unlikely event of anything other than mining packets being sent over the network the miner would just disregard it.

For supporters there is no risk at all beyond the existing level of risk associated with being online all the time, but that's true of any individual or organisation whether they are mining or not.

The mining itself doesn't increase that risk.

Similarly, your organisation isn't in any more danger than you were of being hacked by accepting cryptocurrency. However, you do need to make sure you store your cryptocurrency keys offline in order to protect your assets.

A cold storage wallet – as they are called – works in the same way as a bank safe storing valuable items. This is a computer that has never been online, and it used just to store the keys to your currency.

Other than selling your currency on a bad exchange, theft of your keys is really the only way you can have your currency stolen, so taking sensible measures to prevent this is a must.

Tax and Obligations

With any new fundraising method it's important to understand what your obligations are and cryptocurrency is no different.

Firstly, it's important to recognise that cryptocurrency isn't legal in some countries and others have contradictory definitions of what cryptocurrency is and how it can be used. In some cases, this can mean it's legal to own cryptocurrency but illegal to acquire cryptocurrencies, exchange or spend it.

As such it's important to check the local laws of where you are or if you plan on using cryptocurrency to trade transnationally. Most countries have fairly relaxed laws when it comes to mining, exchanging or spending cryptocurrency but it is far better to be safe than sorry.

The UK currently has no restrictions surrounding cryptocurrency so as a UK charity you are free to mine, spend or exchange your currency how you choose which opens up very exciting opportunities in terms of how charities fund international projects.

There is – of course – a legal definition of cryptocurrency from a taxation point of view.

Cryptocurrency is seen as an asset rather than money which means it is subject to capital gains tax rather than VAT. The disadvantage for charities is cryptocurrency does not qualify for Gift Aid but you also save on the administration costs involved in calculating the gift aid on weekly donations of cryptocurrency.

The UK Government definition of capital gains tax is as follows:

> *Capital Gains Tax is a tax on the profit when you sell (or 'dispose of') something (an 'asset') that's increased in value. It's the gain you make that's taxed, not the amount of money you receive. You also don't have to pay Capital Gains Tax if all your gains in a year are under your tax-free allowance.*

However, we strongly recommend you consult with a relevant expert to fully understand your obligations, wherever you are in the world.

Fees and ROI

It is entirely free to sign up to Cudo Donate; it won't cost you a penny. Once we have created your customer Cudo Donate mining software, you are free to put it on your website and social media for your supporters to download.

Your supporters will pay a few pennies per day in electricity for mining cryptocurrency on your behalf but that is the only cost to you or your supporters, beyond any budget you spend promoting this new way to donate.

We take a 10% fee from everything mined to reinvest in the infrastructure and the software to make sure we can provide you with the best possible service.

We also set aside 10% of the currency mined to invest in carbon credits to make sure the energy spent raising funds for your cause doesn't cost the Earth.

We are a 100% carbon neutral company - the first of its kind in this space, and a commitment that we take very seriously. The energy spent mining cryptocurrency is offset by the purchase of carbon credits which are then invested in projects which directly improve the environment.

It's a trailblazing strategy which allows the mining of cryptocurrency through Cudo Donate to be progressive and sustainable, from start to finish, as well as being truly unparalleled by way of environmental conscience.

Getting Started

To start mining cryptocurrency all you need to do is visit the Cudo Donate website and sign up. There is no fee or obligation.

We'll need a few pieces of information from you to verify your charity status, set up your custom Cudo Donate mining software and to set up your crypto wallet.

We understand that this may be a totally new area for you, so we'll help you through the set-up process and make sure you understand how your wallet works and how to manage your cryptocurrency.

Once you are set up then you can make the Cudo Donate software available to download on your website and you can start promoting it to your supporter base.

Download our Guide to Supporter Engagement to learn about how you can effectively promote Cudo Donate to both new and existing supporters.

For more information about Cudo Donate or to learn more about how we operate **visit our website** and our **FAQ section**.

Questions?   Get In Touch   **Ready to get started?**   Download The Software