

Form 990-T

Exempt Organization Business Income Tax Return (and proxy tax under section 6033(e))

OMB No 1545-0687

2016

For calendar year 2016 or other tax year beginning 2016, and ending 2016

Information about Form 990-T and its instructions is available at www.irs.gov/form990t. Do not enter SSN numbers on this form as it may be made public if your organization is a 501(c)(3).

Open to Public Inspection for 501(c)(3) Organizations Only

Department of the Treasury Internal Revenue Service

- A Check box if address changed
B Exempt under section 501(c)(3)
408(e) 220(e)
408A 530(a)
529(a)

Name of organization () Check box if name changed and see instructions
PAYPAL CHARITABLE GIVING FUND
Number, street, and room or suite no If a P O box, see instructions
1250 I STREET NW, SUITE 1202
City or town, state or province, country, and ZIP or foreign postal code
WASHINGTON, DC 20005

D Employer identification number (Employees' trust, see instructions)
45-0931286
E Unrelated business activity codes (See instructions)

C Book value of all assets at end of year
13,059,816

F Group exemption number (See instructions.)
G Check organization type 501(c) corporation 501(c) trust 401(a) trust Other trust

H Describe the organization's primary unrelated business activity. NONE

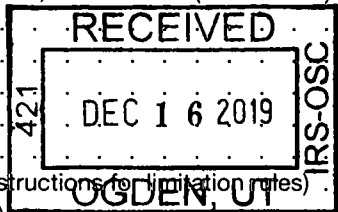
I During the tax year, was the corporation a subsidiary in an affiliated group or a parent-subsidiary controlled group? If "Yes," enter the name and identifying number of the parent corporation.

J The books are in care of JOSHUA TRIPP Telephone number 202-551-9099

Table with 4 columns: Description, (A) Income, (B) Expenses, (C) Net. Rows 1a-13 for Unrelated Trade or Business Income.

Part II Deductions Not Taken Elsewhere (See instructions for limitations on deductions.) (Except for contributions, deductions must be directly connected with the unrelated business income.)

Table with 4 columns: Description, (A) Income, (B) Expenses, (C) Net. Rows 14-34 for Deductions Not Taken Elsewhere.



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Part III Tax Computation

35 Organizations Taxable as Corporations. See instructions for tax computation. Controlled group members (sections 1561 and 1563) check here <input type="checkbox"/> See instructions and			
a Enter your share of the \$50,000, \$25,000, and \$9,925,000 taxable income brackets (in that order): (1) \$ _____ (2) \$ _____ (3) \$ _____			
b Enter organization's share of: (1) Additional 5% tax (not more than \$11,750) \$ _____ (2) Additional 3% tax (not more than \$100,000) \$ _____			
c Income tax on the amount on line 34		35c	
36 Trusts Taxable at Trust Rates. See instructions for tax computation. Income tax on the amount on line 34 from: <input type="checkbox"/> Tax rate schedule or <input type="checkbox"/> Schedule D (Form 1041)		36	
37 Proxy tax. See instructions		37	
38 Alternative minimum tax		38	
39 Tax on Non-Compliant Facility Income. See instructions		39	
40 Total. Add lines 37, 38 and 39 to line 35c or 36, whichever applies		40	

Part IV Tax and Payments

41a Foreign tax credit (corporations attach Form 1118; trusts attach Form 1116)	41a			
b Other credits (see instructions)	41b			
c General business credit. Attach Form 3800 (see instructions)	41c			
d Credit for prior year minimum tax (attach Form 8801 or 8827)	41d			
e Total credits. Add lines 41a through 41d			41e	
42 Subtract line 41e from line 40			42	
43 Other taxes. Check if from: <input type="checkbox"/> Form 4255 <input type="checkbox"/> Form 8611 <input type="checkbox"/> Form 8697 <input type="checkbox"/> Form 8866 <input type="checkbox"/> Other (attach schedule)			43	
44 Total tax. Add lines 42 and 43			44	
45a Payments: A 2015 overpayment credited to 2016	45a			
b 2016 estimated tax payments	45b			
c Tax deposited with Form 8868	45c			
d Foreign organizations: Tax paid or withheld at source (see instructions)	45d			
e Backup withholding (see instructions)	45e			
f Credit for small employer health insurance premiums (Attach Form 8941)	45f			
g Other credits and payments: <input type="checkbox"/> Form 2439 _____ <input type="checkbox"/> Form 4136 _____ <input type="checkbox"/> Other _____ Total	45g			
46 Total payments. Add lines 45a through 45g			46	
47 Estimated tax penalty (see instructions). Check if Form 2220 is attached <input type="checkbox"/>			47	
48 Tax due. If line 46 is less than the total of lines 44 and 47, enter amount owed			48	
49 Overpayment. If line 46 is larger than the total of lines 44 and 47, enter amount overpaid			49	
50 Enter the amount of line 49 you want Credited to 2017 estimated tax <input type="checkbox"/> Refunded <input type="checkbox"/>			50	

Part V Statements Regarding Certain Activities and Other Information (see instructions)

	Yes	No
51 At any time during the 2016 calendar year, did the organization have an interest in or a signature or other authority over a financial account (bank, securities, or other) in a foreign country? If YES, the organization may have to file FinCEN Form 114, Report of Foreign Bank and Financial Accounts. If YES, enter the name of the foreign country here <input type="checkbox"/> <u>UK, CANADA</u>	<input checked="" type="checkbox"/>	<input type="checkbox"/>
52 During the tax year, did the organization receive a distribution from, or was it the grantor of, or transferor to, a foreign trust? If YES, see instructions for other forms the organization may have to file.	<input type="checkbox"/>	<input checked="" type="checkbox"/>
53 Enter the amount of tax-exempt interest received or accrued during the tax year <input type="checkbox"/> \$ _____		

Sign Here Under penalties of perjury, I declare that I have examined this return, including accompanying schedules and statements, and to the best of my knowledge and belief, it is true, correct, and complete. Declaration of preparer (other than taxpayer) is based on all information of which preparer has any knowledge.

Signature of officer: [Signature] Date: 11/2/19 Title: PRESIDENT'S CFO

May the IRS discuss this return with the preparer shown below (see instructions)? Yes No

Preparer Use Only	Print preparer's name	Preparer's signature	Date	Check <input type="checkbox"/> if self-employed	PTIN
	ANGELO PIROZZI	<u>[Signature]</u>	12/10/19		P00446022
	Firm's name <input type="checkbox"/> BDO USA, LLP			Firm's EIN <input type="checkbox"/> 13-5381590	
	Firm's address <input type="checkbox"/> 100 PARK AVENUE, NEW YORK, NY 10017-5001			Phone no 212-885-8000	

Schedule A—Cost of Goods Sold. Enter method of inventory valuation ►

1 Inventory at beginning of year	1		6 Inventory at end of year	6		
2 Purchases	2		7 Cost of goods sold. Subtract line 6 from line 5. Enter here and in Part I, line 2	7		
3 Cost of labor	3		8 Do the rules of section 263A (with respect to property produced or acquired for resale) apply to the organization?		Yes	No
4a Additional section 263A costs (attach schedule),	4a					
b Other costs (attach schedule)	4b					
5 Total. Add lines 1 through 4b	5					

Schedule C—Rent Income (From Real Property and Personal Property Leased With Real Property)

(see instructions)

1. Description of property		
(1)		
(2)		
(3)		
(4)		
2. Rent received or accrued		
(a) From personal property (if the percentage of rent for personal property is more than 10% but not more than 50%)	(b) From real and personal property (if the percentage of rent for personal property exceeds 50% or if the rent is based on profit or income)	3(a) Deductions directly connected with the income in columns 2(a) and 2(b) (attach schedule)
(1)		
(2)		
(3)		
(4)		
Total	Total	(b) Total deductions. Enter here and on page 1, Part I, line 6, column (B) ►
(c) Total income. Add totals of columns 2(a) and 2(b). Enter here and on page 1, Part I, line 6, column (A) ►		

Schedule E—Unrelated Debt-Financed Income (see instructions)

1. Description of debt-financed property		2. Gross income from or allocable to debt-financed property	3. Deductions directly connected with or allocable to debt-financed property	
			(a) Straight line depreciation (attach schedule)	(b) Other deductions (attach schedule)
(1)				
(2)				
(3)				
(4)				
4. Amount of average acquisition debt on or allocable to debt-financed property (attach schedule)	5. Average adjusted basis of or allocable to debt-financed property (attach schedule)	6. Column 4 divided by column 5	7. Gross income reportable (column 2 × column 6)	8. Allocable deductions (column 6 × total of columns 3(a) and 3(b))
(1)		%		
(2)		%		
(3)		%		
(4)		%		
Totals ►			Enter here and on page 1, Part I, line 7, column (A)	Enter here and on page 1, Part I, line 7, column (B)
Total dividends-received deductions included in column 8 ►				

Schedule F—Interest, Annuities, Royalties, and Rents From Controlled Organizations (see instructions)

1. Name of controlled organization	2. Employer identification number	Exempt Controlled Organizations			
		3. Net unrelated income (loss) (see instructions)	4. Total of specified payments made	5. Part of column 4 that is included in the controlling organization's gross income	6. Deductions directly connected with income in column 5
(1)					
(2)					
(3)					
(4)					

Nonexempt Controlled Organizations

7. Taxable Income	8. Net unrelated income (loss) (see instructions)	9. Total of specified payments made	10. Part of column 9 that is included in the controlling organization's gross income	11. Deductions directly connected with income in column 10
(1)				
(2)				
(3)				
(4)				
Totals			Add columns 5 and 10 Enter here and on page 1, Part I, line 8, column (A)	Add columns 6 and 11 Enter here and on page 1, Part I, line 8, column (B)

Schedule G—Investment Income of a Section 501(c)(7), (9), or (17) Organization (see instructions)

1. Description of income	2. Amount of income	3. Deductions directly connected (attach schedule)	4. Set-asides (attach schedule)	5. Total deductions and set-asides (col 3 plus col 4)
(1)				
(2)				
(3)				
(4)				
Totals		Enter here and on page 1, Part I, line 9, column (A)		Enter here and on page 1, Part I, line 9, column (B)

Schedule I—Exploited Exempt Activity Income, Other Than Advertising Income (see instructions)

1. Description of exploited activity	2. Gross unrelated business income from trade or business	3. Expenses directly connected with production of unrelated business income	4. Net income (loss) from unrelated trade or business (column 2 minus column 3) If a gain, compute cols 5 through 7	5. Gross income from activity that is not unrelated business income	6. Expenses attributable to column 5	7. Excess exempt expenses (column 6 minus column 5, but not more than column 4)
(1)						
(2)						
(3)						
(4)						
Totals		Enter here and on page 1, Part I, line 10, col (A)	Enter here and on page 1, Part I, line 10, col (B)			Enter here and on page 1, Part II, line 26

Schedule J—Advertising Income (see instructions)

Part I Income From Periodicals Reported on a Consolidated Basis

1. Name of periodical	2. Gross advertising income	3. Direct advertising costs	4. Advertising gain or (loss) (col 2 minus col 3) If a gain, compute cols 5 through 7	5. Circulation income	6. Readership costs	7. Excess readership costs (column 6 minus column 5, but not more than column 4)
(1)						
(2)						
(3)						
(4)						
Totals (carry to Part II, line (5))						

Part II **Income From Periodicals Reported on a Separate Basis** (For each periodical listed in Part II, fill in columns 2 through 7 on a line-by-line basis.)

1. Name of periodical	2. Gross advertising income	3. Direct advertising costs	4. Advertising gain or (loss) (col 2 minus col 3) If a gain, compute cols 5 through 7	5. Circulation income	6. Readership costs	7. Excess readership costs (column 6 minus column 5, but not more than column 4)
(1)						
(2)						
(3)						
(4)						
Totals from Part I						
Totals, Part II (lines 1-5)	Enter here and on page 1, Part I, line 11, col (A)	Enter here and on page 1, Part I, line 11, col (B)				Enter here and on page 1, Part II, line 27

Schedule K – Compensation of Officers, Directors, and Trustees (see instructions)

1. Name	2. Title	3. Percent of time devoted to business	4. Compensation attributable to unrelated business
(1)		%	
(2)		%	
(3)		%	
(4)		%	
Total. Enter here and on page 1, Part II, line 14			

**REASONABLE CAUSE STATEMENT
NO PENALTY FOR FAILURE TO FILE INFORMATION
REQUIRED BY IRC §6038A**

**SUBMITTED UNDER THE DELINQUENT INTERNATIONAL INFORMATION
RETURN SUBMISSION PROCEDURES**

PayPal Charitable Giving Fund (“PPGF” or the “Organization”) is a not-for-profit donor advised fund which was formed on January 28, 2011 in the State of Delaware. The Organization files Form 990, Return of Organization Exempt from Income Tax (“Form 990”), for Federal income tax purposes. PPGF operates customer charitable donation programs for online platforms in the United States (U.S.) as PayPal Giving Fund. The primary purpose of PPGF is to enable people to give to charity on PayPal, GoFundMe, eBay, Humble Bundle and other online platforms. The Organization receives funds donated through these platforms and seeks to grant them to charities recommended by donors.

PPGF provides similar charity programs in the United Kingdom (UK) through PayPal Giving Fund UK (“PPGF UK”), a registered UK charity, and in Canada through PayPal Giving Fund Canada (“PPGF Canada”), a registered Canadian charity. PPGF is the sole member of each of these foreign charities, which by their nature have no owners. The management of the Organization are not tax practitioners. As such, to ensure compliance with its U.S. tax obligations and reporting requirements, the Organization engages a third-party tax advisor.

For the tax years ending December 31, 2015 through 2017, a previous tax advisor was engaged to prepare the Organization’s Form 990. However, the previous tax advisor did not advise PPGF that as the sole member of PPGF UK and PPGF Canada there were informational filing requirements they had with respect to their controlled foreign charities on informational Form 5471, Return of U.S. Persons With Respect to Certain Foreign Corporations (“Form 5471”), even though the previous tax advisor had all of the information necessary to prepare the Form 5471. The Organization and its management relied upon the advice received from the previous tax advisor whom they trusted to advise them on the complex international tax provisions and reporting requirements.

During the calendar year 2019, the Organization engaged a new tax advisor, BDO USA, LLP (“BDO”), to prepare the Organization’s Form 990 for the tax year ending December 31, 2018. Upon BDO’s review of the Organization’s financial statements and disclosures, it was determined that the Organization should have filed Form 5471 with respect to PPGF UK and PPGF Canada and included the Form 5471 with its Form 990 for the tax years ending December 31, 2015 through 2017. As soon as the Organization’s management was made aware of the inadvertent omission they immediately took steps to prepare and file the complete and accurate Form 5471 disclosing all required information and fulfill their tax obligations.

Based upon the facts and circumstances described above, the Taxpayer acted in good faith and had a reasonable cause for not filing Form 5471. The Organization exercised reasonable due diligence by retaining a CPA and providing the information as requested. The Organization inadvertently misrepresented certain disclosures relating to the international information returns.

Finally, the Taxpayer's failure to timely file the correct international information returns was not willful, and the omission was not fraudulent. The Taxpayer is not under IRS civil examination nor is it under IRS criminal examination. Further, the Taxpayer is not currently under a civil examination or a criminal investigation by the IRS and has not already been contacted by the IRS with respect to delinquent information returns.

Pursuant to Section 4 of "Options Available for U.S. Taxpayers with Undisclosed Foreign Financial Assets," (Delinquent International Information Return Submission Procedures) published by the Internal Revenue Service, the Taxpayer is hereby submitting the information returns, Form 5471 with the above statement establishing the reasonable cause for the failure to timely file complete and accurate Form 5471

Under IRC Reg §1.6038A-4(b), penalties do not apply if the failure to file Form 5471 was due to a reasonable cause and not willful neglect. We submit that the Taxpayer should qualify for this exception because the Taxpayer exercised ordinary business care and prudence in determining its tax obligations but was unable to comply with those obligations due to circumstances beyond the Taxpayer's control. To the best of the Taxpayer's knowledge, the attached returns are complete and accurate and there are no underreported tax liabilities.

Based on the above, we kindly ask you not to assess penalties for failure to timely file complete and accurate information required under IRC §6038A. Please also note that the Taxpayer immediately prepared the information returns for the tax years ended December 31, 2015 through December 31, 2017, once the Taxpayer discovered the omission. In addition, the Taxpayer has always been in compliance with its U.S. tax return filing deadlines and has a history of timely filing its returns in the past.

Under the penalties of perjury, I declare that the facts stated in this protest and any accompanying documents are true, correct, and complete to the best of my knowledge and belief.



Joshua Tripp, President and CFO

12/12/19

Date