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## A Blockchain-Based Trusted and Traceable Framework for Donation Management

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Noel John Veigas<sup>1</sup>, Ashton Raymond Castelino<sup>1</sup>, Dasharathraj K Shetty<sup>1\*</sup>, Manoj T<sup>2</sup>, B. Shreepathy Ranga Bhatta<sup>3</sup>, Nikita Panwar<sup>3</sup>, Suchi Dubey<sup>4</sup>

<sup>1</sup>*Department of Data Science and Computer Applications, Manipal Institute of Technology, Manipal Academy of Higher Education (MAHE), Manipal, Karnataka, India 576104*

<sup>2</sup>*Department of Computer Science and Engineering, Manipal Institute of Technology, Manipal Academy of Higher Education (MAHE), Manipal, Karnataka, India 576104*

<sup>3</sup>*Department of Humanities and Management, Manipal Institute of Technology, Manipal Academy of Higher Education (MAHE), Manipal, Karnataka, India 576104*

<sup>4</sup>*Department of Management and Commerce, Manipal University, Dubai, United Arab Emirates*

*\*Corresponding author: dasharathraj.shetty@manipal.edu*

### Abstract

Traditional donation systems often face challenges related to transparency, accountability, and data security. This study explores how blockchain technology can address these limitations through decentralised, tamper-proof, and traceable transaction models. Drawing from case studies and comparative analysis, the paper highlights the benefits of smart contracts and data integrity in enhancing trust within charitable ecosystems. It also considers ethical aspects and the future potential of integrating artificial intelligence for smarter, more accountable donation frameworks.

**Keywords:** Blockchain, Donation Management, Charitable Contributions, Smart Contracts, Transparency, Data Security.

## 1 Introduction

Effective donation management remains a persistent challenge in the non-profit sector, largely due to economic instability and limited donor bases. These organizations grapple with issues related to resource allocation, advocacy, and securing strategic funding. This paper investigates the role of blockchain technology in transforming donation management by promoting transparency, efficiency, and trust. While blockchain presents several advantages, concerns regarding privacy and institutional trust continue to warrant attention. Emerging models such as the Charity Chain employ smart contracts to address these challenges and rebuild public confidence in charitable systems. Recent research has examined the application of blockchain in various donation contexts, including organ and blood donation, traceability, and fraud prevention [1–9]. Table 1 presents a summary of blockchain advantages across different domains of donation management, highlighting its capacity to enhance integration, transparency, data security, and operational efficiency.

Table 1 Overview of Current Donation Management Systems

Aspect	Citations	Blockchain Advantage	Real-world Examples
Agile Value Chains and Integration	[10]	Accelerates product innovation and IoT/cloud integration	Agile digital supply chains
Addressing Socioeconomic Challenges	[11]	Tackles issues like financial inclusion and climate response	Strategic development initiatives
Security, Transparency, and Trust	[12, 13]	Decentralised, tamper-proof ledger increases trust	Walmart’s food traceability blockchain
Immutability	[12, 14]	Ensures unalterable data records	Sweden’s blockchain-based land registry
Smart Contracts	[12, 15]	Automates trustless execution and removes intermediaries	Ethereum and DeFi platforms
Decentralization	[12, 16]	Removes central authority, reducing control risks	Bitcoin network resilience
Efficiency and Cost Reduction	[12, 17]	Reduces transaction time and cost	Ripple’s cross-border payments
Data Integrity	[12, 18]	Ensures cryptographically secure data	Estonia’s healthcare blockchain
Tokenization	[12, 19]	Enables fractional ownership and liquidity	Tokenised real estate platforms

These insights suggest that blockchain can significantly strengthen donation ecosystems, albeit with ethical considerations. The discussion aims to guide decision-makers, policymakers, and researchers in leveraging blockchain for transparent and traceable charitable systems.

## 2 Methods

This study employs a systematic approach to evaluate the application of blockchain in donation management systems. The methodology includes a combination of literature review, case study analysis, and comparative evaluation.

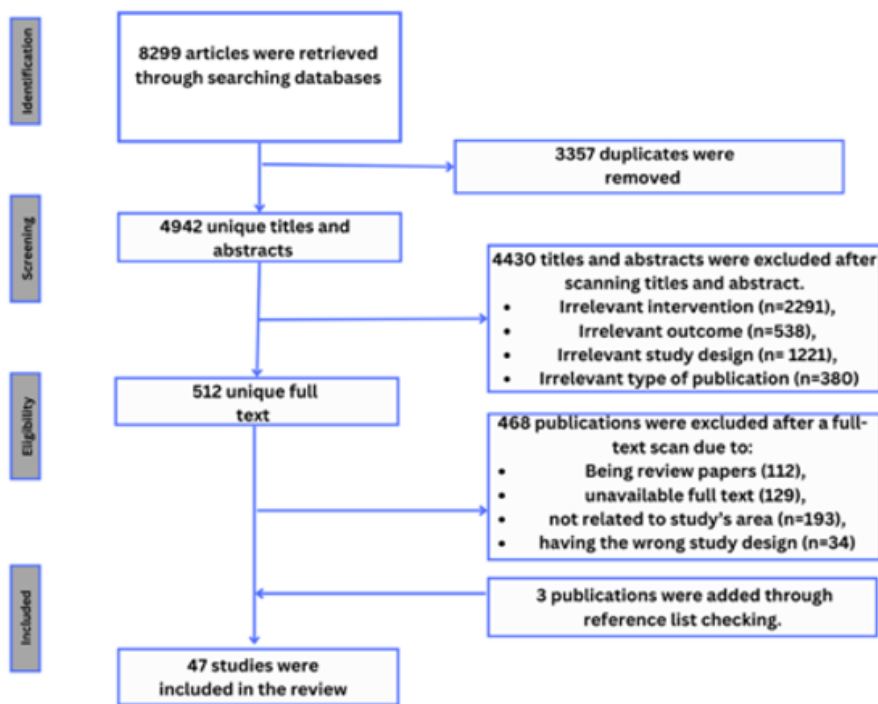


Figure 1 Flowchart showing inclusion criteria and screening process for reviewed articles.

Case studies of real-world blockchain implementations in charitable contexts were analysed to assess their practical viability. These revealed benefits such as transparency and reduced reliance on intermediaries, alongside challenges like user trust and integration.

A comparative analysis was conducted between blockchain-based and traditional platforms, focusing on workflow, transparency, and efficiency. Blockchain systems offered distinct advantages via automation and decentralised verification. Finally, insights from literature, case studies, and comparisons were synthesised to identify recurring patterns, challenges, and conceptual models in blockchain adoption for secure donation management.

### **3 Key Insights**

Traditional donation methods face persistent challenges related to transparency, ethical clarity, and operational inefficiencies. These issues are particularly evident in areas such as living donor transplantation, where opaque processes undermine public trust. Blockchain technology offers a promising solution by enabling traceable, decentralised, and tamper-resistant systems for managing charitable transactions. Several studies have highlighted the limitations of current systems, emphasizing the lack of accountability and inefficiencies in reporting [4, 20]. Researchers suggest that blockchain can enhance transparency and confidentiality in donation processes through features such as smart contracts and immutable ledgers. However, concerns remain regarding ethical reporting, where procedural transparency may overshadow actual ethical outcomes [21]. To address privacy concerns, solutions like blockchain-based one-time account systems have been proposed to secure donor data [2, 3]. Such approaches aim to balance transparency with confidentiality, ensuring both security and ethical responsibility in donation systems. Blockchain further supports advanced models for Zakat and organ donation management by enabling secure traceability, preventing fraud, and automating recipient verification [22, 23]. For example, frameworks such as Blockchain-Based Donation Traceability (BBDT) and CharityCoin have been developed to increase donor engagement and system accountability [24, 25]. Applications like Global Sadaqah and blockchain-enabled blood donation systems demonstrate real-world viability. These platforms incorporate permissioned blockchains, real-time notifications, and identity verification to track and optimize resource allocation in healthcare and humanitarian contexts [26, 27]. Together, these insights demonstrate blockchain's potential to improve transparency, traceability, and ethical compliance across diverse charitable ecosystems.

## **4 Discussion**

Blockchain-based platforms for charitable donations offer substantial advantages over traditional systems. Key benefits include enhanced transparency, traceability, data security, and operational efficiency. These features collectively help improve accountability and reduce the risk of fraud. Despite these advantages, several challenges persist. Notably, the reliance on cryptocurrencies, the need for technical expertise, and integration complexities may limit adoption among non-technical stakeholders. Donor hesitation may also arise from a lack of familiarity with decentralised systems. Ensuring privacy through encrypted, decentralised architectures and automating transactions via smart contracts can streamline fund distribution while eliminating intermediaries. However, striking the right balance between technological potential and practical implementation demands coordinated efforts from developers, donors, and institutions. Further interdisciplinary research is required to ensure that blockchain adoption in donation systems is both ethically sound and contextually appropriate. Understanding regulatory, social, and technological nuances is essential to developing robust, scalable, and trustworthy platforms across humanitarian domains.

## **5 Conclusion**

This study highlights the transformative potential of blockchain technology in the domain of donation and philanthropy management. By addressing longstanding issues of transparency, traceability, and ethical accountability, blockchain offers a decentralised framework that can enhance trust and operational efficiency. The reduction of intermediaries, coupled with the use of smart contracts, allows for more secure, cost-effective, and auditable donation processes. The paper further outlines the applicability of blockchain in diverse contexts, including Zakat management, blood donations, and organ transplant systems. While the benefits are considerable, challenges such as implementation complexity, user awareness, and privacy concerns must be carefully addressed. Striking a balance between innovation and ethical compliance is crucial for ensuring widespread adoption and maintaining donor confidence. Looking ahead, the integration of artificial intelligence (AI) and machine learning (ML) into blockchain-enabled platforms offers exciting opportunities. Predictive analytics can optimise donor outreach, while anomaly detection systems can improve fraud prevention. AI can also personalise engagement and support real-time decision-making in fund allocation. More-

over, blockchain's support for tokenisation and smart contracts could enable new forms of non-monetary giving and cross-border transparency in donation systems. Continued interdisciplinary research is essential to refine these technologies and ensure they serve humanitarian goals effectively, ethically, and sustainably.

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## Biography



**Noel John Veigas** received a master's degree in Computer Applications and is currently a research scholar in the Department of Data Science and Computer Applications, Manipal Institute of Technology, MAHE, Manipal, India.



**Ashton Raymond Castelino** completed a master's degree in Computer Applications from the Department of Data Science and Computer Applications, Manipal Institute of Technology, MAHE, Manipal, India.



**Dr. Dasharathraj K. Shetty** is an Associate Professor in the Department of Data Science and Computer Applications, Manipal Institute of Technology, MAHE, Manipal, India. His research interests include blockchain technologies and digital trust systems.



**Dr. Manoj T** is an Assistant Professor in the Department of Computer Science and Engineering at Manipal Institute of Technology, MAHE, Manipal, India. He holds a PhD in Blockchain and Machine Intelligence and has prior experience at Philips Innovation Campus.



**Shreepathy Ranga Bhatta** holds a master's degree in MBA with a specialization in Finance. He is currently working as a research scholar at Manipal Institute of Technology, Manipal Academy of Higher Education (MAHE), Manipal, Karnataka, India.



**Nikita Panwar** holds a master's degree in Commerce with a specialization in Business Administration. She is a research scholar at the Department of Humanities and Management, Manipal Institute of Technology, MAHE, Manipal, India.