

Setting up a Fund with the



Connecting people who care with causes that matter



Foundation Trustees at Monkway School Breakfast Club

Two grants of £250 provided toys and equipment for this successful breakfast club in an area of high socio-economic deprivation.

Teachers report a marked improvement in the attention, performance and behaviour of children who attend breakfast club and eat before school.

SETTING UP A FUND WITH THE CUMBRIA COMMUNITY FOUNDATION

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DeafVision Cumbria

£9,000 a year from the Cumberland Educational Foundation enabled 72 deaf children and their families to gain more confidence through a programme of visits and activities

INSPIRING LOCAL GIVING

The Cumbria Community Foundation is a county-wide grant making charity. We work with individuals and businesses in the county and use their money to help people in need in our communities, changing lives for the better.

We celebrate our 10th anniversary in 2009 and over those ten years we have developed unrivalled knowledge of community need and the charity world in Cumbria. In that time we've given out over £11.5 million in grant aid to more than 2,000 organisations. But despite that success, requests for funding still far exceed the money available, particularly now, in the current economic climate, when we're experiencing increasing demand on our funds.

The beauty of the Lake District often blinds us to the fact that Cumbria is home to some of the most disadvantaged communities in Britain. For example:

- 15% of children in the county live in workless households
- 27 of our communities are amongst the 10% most deprived in the country
- we have the slowest economic growth rate of any sub region in the UK

When times are hard, we hope charity will begin at home, which is what we do best. Setting up a charitable fund with the Foundation will enable you, your business or your clients to put something back into your community so you can really see the benefits of your giving.

You'll find us an easier and more cost-effective alternative to setting up an independent charitable trust. What's more, if you act soon the current Grassroots Endowment Challenge means you'll also benefit from a 50% government top-up on your donation which greatly adds to the value and impact of your giving (*see page 6 below*). We're the only charity in Cumbria able to offer this added incentive.



Cumbria Schools Disability Sports Association

A grant of £1,500 paid for a special tennis roadshow benefiting 160 disabled young people across the county

SETTING UP A FUND – THE BENEFITS

- We offer a flexible, easy and cost-effective alternative to setting up an independent charitable trust
- A Named Fund at the Foundation enables donors to support issues or causes of their choice in a tax efficient way
- A Donor-Advised Fund enables donors to get involved in hands-on grant decision making
- Giving through the Foundation is enjoyable and rewarding – you can see how your gift makes a difference
- Any change in circumstances – such as selling a business, retirement or inheritance – offers an opportunity to consider charitable giving
- We award grants in the donor's name and can arrange publicity if desired
- We can target money to small charitable groups by issue or geographical area according to the donor's wishes
- We assess each application carefully and monitor grants to ensure that donations are spent wisely
- The Foundation deals with all aspects of administration and investment management
- We can arrange for donors to visit projects and be briefed about community issues if desired
- Giving to the Cumbria Community Foundation today makes a gift to Cumbria forever

"Having my own named fund at the Foundation means I get the pleasure of being involved in hands-on grant making, but know that I am supported by the knowledge and experience of a team of experts at the Foundation".

Anonymous donor, The Roselands Trust Fund.

"I enjoy my role as a grant maker and get real satisfaction from the variety of projects I have been able to support over the years".

Robin Burgess, OBE – Cumbrian Newspaper (CN) Group Fund

TYPES OF FUND – OPTIONS FOR GIVING

The Foundation welcomes donations of all sizes, whether they are gifts from income or capital or gifts of land or shares. There is a range of options available for both individual and corporate donors. Corporate donors may choose to involve their employees in decision making and the identification of priorities for their fund. The various options available are as follows for long term funds, all of which are also currently eligible for a 50% government top-up through the Grassroots scheme (*see p6 below*):-

Acorn Fund – Minimum donation £15,000

An Acorn Fund can be built up over 10 years for less than £100 per month + gift aid. The donor can choose a name for their fund, but grants are not made in the name of the fund until it reaches maturity.

Named Fund – Minimum donation £25,000

As with the Acorn Fund, the donor can name the fund – perhaps a family or business name or in memory of a loved one. In addition, they can also choose a broad theme and geographical area of benefit.

Donor-Advised Fund – Minimum donation £50,000

In addition to the above benefits, the donor also has the option to be directly involved in the grant making process, choosing which projects and organisations will benefit from the fund.

The above tariffs all relate to long term capital funds which are invested and the income generated over time used for grant making. Such funds are permanent and will therefore continue to benefit Cumbria in perpetuity. Some donors prefer to donate an annual amount for immediate grant making. We call these "Flow Through" funds. The normal minimum sum for a Named and Donor-Advised Flow Through Fund is £10,000 p.a. Combination funds, which are a mixture of both long term capital and flow through, are also possible.

Legacies

In addition, donors may choose to leave a gift to benefit their local community or a cause they care about by leaving a legacy in their will. Legacy funds may also be set up retrospectively in memory of a loved one by Deed of Variation.



Kendal Mountain Search and Rescue Team
£870 grant awarded for water safety training

THE GRASSROOTS ENDOWMENT CHALLENGE FOR CUMBRIA

The Foundation needs to raise £1 million in new donations by March 2011 in order to claim half a million pounds in government match funding for Cumbria. We are the only charity in the county taking part in this government-backed initiative which brings substantial benefits to donors setting up funds with us at this time.

All forms of long term capital funds listed above - both private and corporate - are currently eligible for a 50% government top-up which greatly adds to the value and impact of your giving. As can be seen from the Fund Builder Illustration below, the top-up means that a donation of £50,000, costing a higher rate tax payer only £37,500 after tax relief, adds up to a total fund value of more than £96,000, more than twice the actual cost of the donation. With such an incentive on offer, there's never been a better time to set up a long term fund with the Foundation.

GRASSROOTS FUND BUILDER ILLUSTRATION - Higher Rate Tax Payer

Donation	Higher Rate Tax Payer?	Gift Aid	Total Donation	Grassroots Match	Total Fund Value	Total Cost to Donor after Tax Relief
DONATION EXISTING FUND £1,000	Y	£282	£1,282	£641	£1,923	£750
ACORN FUND £15,000	Y	£4,231	£19,231	£9,615	£28,846	£11,250
NAMED FUND £25,000	Y	£7,051	£32,051	£16,026	£48,077	£18,750
DONOR-ADVISED FUND £50,000	Y	£14,103	£64,103	£32,051	£96,154	£37,500
DONOR-ADVISED FUND £100,000	Y	£28,205	£128,205	£64,103	£192,308	£75,000

CLAIMING BACK HIGHER RATE TAX

If you pay higher rate tax, you can claim the difference between the higher rate of tax (40 per cent) and the basic rate of tax (20 per cent) on the total (gross) value of your donation to the Foundation. For example, if you donate £100, the total value of your donation to the charity is £125 - so you can claim back 20 per cent of this (£25) for yourself. You can make this claim on your Self Assessment tax return if you were sent one.

SETTING UP A FUND – THE PROCESS

As a general guide, these are the steps involved in setting up a new fund:

NAME

The donor chooses a name for their fund.

TYPE OF FUND

Long term capital or flow through?

Donor advised, named or acorn fund?

Anonymity – yes/no?

PURPOSE

The donor agrees general criteria for the Fund, which may be changed from time to time, for example:

- To support community projects throughout Cumbria
- To support disadvantaged people (e.g. disabled children)

AREA OF BENEFIT

The Community Foundation exists to serve Cumbria. The donor can choose a specified geographical area within the county (e.g. village, district or parish) but may make grants to other parts of the country or abroad if desired on an exceptional basis.



Sedbergh Town Band

A Grassroots Grant of £4,000 enabled Sedbergh to establish their Youth Band

SETTING UP A FUND– THE PROCESS

MANAGEMENT

For all types of fund, the Foundation appoints a named member of staff as Fund Manager to liaise with the donor to provide up to date information about the fund and to award one-off grants quickly and effectively if applicable. The Community Foundation also produces twice yearly fund reports which outline the investment performance and give a summary of grant distribution and information about grant awards. The Fund Manager would usually seek to meet with the donor once a year to discuss their fund.

If donors so wish, those with Donor-Advised Funds may have regular contact and/or meetings with the Community Foundation throughout the year with regard to decisions on specific grant applications. The Community Foundation may also fast track recommendations to award a grant outside regular Grants Committee meetings if required.

Some donors of Advised Funds choose to vary their level of involvement, sometimes preferring to be very hands on, other times asking the Foundation's Grants Committee to make all the decisions on the grants, according to the donor's criteria. Decisions on applications to Named Funds are also dealt with in this way.

LEGAL STATUS

A fund at the Community Foundation provides all the benefits of a charitable trust but is not a separate legal entity. Donations are therefore made to the Community Foundation, a registered charity, but held and managed as separate 'restricted funds' within our accounts. For legal purposes grants are ratified by the Community Foundation Board of Trustees to ensure that all distributions are for charitable purposes and to bona fide organisations or individuals. Legally this means the donor plays an advisory role in making distributions but the Community Foundation always ensures that the donor's wishes are paramount.

PUBLICITY

The fund will normally be publicised in the Community Foundation's annual review and on the website. Where appropriate, and only if the donor wishes, we may also endeavour to publicise the new fund to the local media. Alternatively, if the donor wishes to remain anonymous, a neutral fund name may be chosen (e.g. The Roselands Trust Fund) and/or the fund's name excluded from the list in the Community Foundation's publications.

FINANCIAL MANAGEMENT

INVESTMENT MANAGEMENT

Long term capital funds are invested in the Community Foundation's general portfolio. Their value is tracked to provide quarterly income for distribution – similar to a unit trust. The Trustees of the Community Foundation are responsible for setting and reviewing investment policy. They are also responsible for monitoring investment performance.

The current investment managers are Citigroup Quilter. Investment managers are given discretionary powers to select investments within an overall policy agreed with the Community Foundation. Investment performance is measured against a specialist benchmark and the WM Charities Index.

MANAGEMENT CHARGES

The Community Foundation makes a small charge for investment management, grant assessment and administration. It makes an annual charge of 1% of market value of long term capital funds. Flow Through funds normally incur a charge of 10-15%.

TAX RELIEF

The Community Foundation can recover standard rate tax on personal donations through Gift Aid. At current tax rates this means that a private donation of £80,000 is worth £100,000 to the Community Foundation. Higher rate tax payers can recover a further 20% of their gross donation from HM Revenue and Customs through their annual tax return. This effectively reduces the cost of a £100,000 gift to the Community Foundation to £60,000 for higher rate tax payers.

Donations from companies can be offset against corporation tax.

Donations to long term capital funds are also currently eligible for a 50% government top-up through the Grassroots Endowment scheme which is calculated inclusive of gift aid if applicable, greatly boosting the value of the fund even further (see Types of Fund and Fund Builder Illustration above).

GIFT OF SHARES

The Community Foundation can accept gifts in cash, shares or land – or any other asset producing a regular income. Gifts of shares are especially tax effective as they can be offset against income tax as well as avoiding capital gains tax.

ABOUT THE COMMUNITY FOUNDATION

The Community Foundation is a company limited by guarantee and registered charity established in 1999 to create a culture of giving that will change people's lives. We are a fundraising and grant making organisation that works with people who are interested in funding good causes, and matches them with groups that are looking for funding. Through our knowledge and expertise, we enhance the quality of people's giving. We know how much there is still to do and we would like you to be a part of it. The work of the Foundation has been recognised with three national awards (Fundraising Campaign of the Year 2002 & 2005 in the Charity Times Awards and Grant maker of the Year in the Charity Finance Awards 2005). We are also quality accredited by the Community Foundation Network to standards endorsed by the Charity Commission.

OUR MISSION STATEMENT

Cumbria Community Foundation is dedicated to improving the quality of life of the people of Cumbria and in particular for those in special need by reason of disability, age, financial or other disadvantage by:

- Promoting giving to enable the building of a professionally managed endowment fund
- Using our resources flexibly to make grants to voluntary groups which match the wishes of donors and community needs
- Establishing links between the voluntary, statutory and business sectors to ensure the best possible use of resources
- Being ready to respond quickly to new and emerging need



Maryport Settlement "Grow Your Life" Project
£500 gave people in Maryport confidence and green fingers

ABOUT THE COMMUNITY FOUNDATION

ASSETS

The Community Foundation holds long term capital funds valued at £5 million. It also manages 51 funds including four independent charitable trusts.

GRANT AWARDS

Over the past ten years the Foundation has given out over £11.5 million in grant aid to thousands of community groups and individuals in the county. In 2008/09 the Community Foundation awarded just over £1 million in grants including £180,000 on behalf of independent charitable trusts.



Millom Mini Rugby League

34 young aspiring rugby players benefited from a £5,345 grant for new equipment

"The Foundation operates a number of funding streams but one can use the same relatively simple application for all and apply on line or by post. They require annual monitoring reports but they thank you and comment on them when you send them in. There is always someone at the end of the line to offer advice and support and they like to visit to see how you are getting on. If only all funders were like this".

An anonymous beneficiary of the Cumbria Community Foundation who took the time to respond to a survey by the Directory of Social Change which publishes extensive information on funding sources and funders used by charities.

ABOUT THE COMMUNITY FOUNDATION

GOVERNANCE

The Community Foundation is managed by a Board of Trustees who freely give of their time and are elected and appointed by the membership. Board members come from all walks of life and bring a wide range of experience to our activities. The President is HM Lord Lieutenant of Cumbria James Cropper FCA. A current list of Trustees is in our annual review and on our website.

NEXT STEPS

I very much hope you have been inspired by the many and varied options available with the Foundation. Please contact me if you wish to discuss creating a fund or donating to one of our existing funds. I look forward to hearing from you.



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“I resolved to stop accumulating and begin the infinitely more serious and difficult task of wise distribution.”

Andrew Carnegie (1835-1919), Scottish industrialist and philanthropist

EXAMPLES OF FUNDS

A. PRIVATE INDIVIDUAL FUNDS

Listed below are examples of existing funds at the Community Foundation. We are happy to arrange for anyone who is considering establishing a fund at the Community Foundation to talk to one of our existing fund holders.

The Roselands Trust Fund

A flow through fund set up with an initial donation of £10,000. The donor of the fund, who wishes to remain anonymous, had been considering setting up a



Workbase Kendal, supporting people with mental health problems in South Lakeland

charitable trust and heard about the Community Foundation. The donor's interests lie with the needs of older people and people with learning difficulties.

The donor is presented with a list of pre-approved projects which reflect his interests. He then decides which projects are supported. The donor explains "having my own fund at the Foundation means I get the pleasure of being involved in hands on grant making but know that I am supported by the knowledge and experience of a team of experts at the Foundation."

Contact Roger Hart, Fund Manager of the Roselands Trust Fund, tel: 01900 820825

The Hilltop Acorn Fund

A donor who wishes to remain anonymous established the fund in 2004. With regular annual donations, the fund will develop into a Named Fund. This is an unrestricted long term capital fund, the income from which will support the Foundation's own grant making programme which supports new and small groups helping people facing disadvantage.

Contact Andrew Beeforth, Director, tel: 01900 820821

B. CORPORATE FUNDS

Cumbrian Newspaper (CN) Group Fund

The CN Group donated £100,000 to establish a long term capital fund. A portfolio of projects reflecting the interests of the company are presented annually for consideration. The groups which benefit are selected by the Chief Executive Robin Burgess OBE. Grants are made in the name of the Cumbrian Newspapers Charitable Trust. Projects that are primarily targeted are those supporting the development of young people and support to families in hard to reach areas. "CN Group, as Cumbria's local independent newspaper company, has always been interested and involved in reporting the many ways community groups help themselves and those less fortunate within the county. We have consequently been enthusiastic supporters of the Community Foundation since it started. The CN Group Fund means that we are able to distribute the income from this to worthwhile causes every year, hence making a tangible difference to people's lives." Robin Burgess OBE.



Friends of Barrow Island Community Primary School, supporting children and the community in and around Barrow Island

Contact Roger Hart, Fund Manager of the CN Group Fund, tel: 01900 820825

C. LEGACY FUND

The Janetta "Topsy" Laidlaw Trust Fund



Janetta Laidlaw

A combination fund of mainly long term capital, and flow through, was set up in memory of Topsy Laidlaw. Topsy was an occupational health specialist who worked for the Cumbria Health Authority. It was her wish that money from her estate be used to help elderly people in Carlisle. The purpose of the Topsy Laidlaw Trust is to enable people to stay in their own homes. The fund makes awards to individuals in need and to support the work of local charities.

Contact Andrew Beeforth, Director, tel: 01900 820821

D. CHARITABLE TRUST MANAGEMENT

The Edmond Castle Educational Trust

This is an independent charitable trust which is managed by the Community Foundation. The Edmond Castle Trust helps both groups and individuals, in projects that further the education or training of disadvantaged young people.

Giles Mounsey-Heysham, Former Trustee, says that using the Foundation to deliver the fund has meant a much wider range of applications. "It offered a way to reach people looking for funding who might not have known about us – opening a new field of giving. It also offers an excellent secretariat and the judging of the applications by staff is fantastic."

Contact Jane Allen, Fund Manager, tel: 01900 820829

E. GRASSROOTS ENDOWMENT FUNDS

CORPORATE FUNDS

Thomas Graham Grassroots Grants Fund

Roger Smith, Managing Director of Thomas Graham, the Carlisle based steel stockists, is the fifth generation of his family to work in the business. He and his father Ian have supported the Community Foundation as corporate members since 2002. They took the opportunity to create a grant making fund donating £25,000. Roger (who's in his early 40s) said "I look forward to building this fund over time and actively engaging as a philanthropist when I retire". In the meantime Roger has asked the Community Foundation to provide opportunities for him and his daughters to get actively involved in a local community project so they can see at first hand some of the issues facing people from less fortunate backgrounds.

Shepley Group Grassroots Grants Fund

The Shepley Group Fund has pledged £25,000 to create a named fund. Shepley Engineers and its subsidiary companies have been established in Cumbria as a major employer for over fifty years. Paul Scott, Managing Director of Shepley Group said "We are committed to our corporate social responsibilities and I am convinced this partnership with the Cumbria Community Foundation, who will administer the fund on our behalf, will help us achieve our objectives in this area". In addition to creating and building the fund the company is also working with the Foundation to promote involvement by their apprentices in local community projects.

Westmorland Grassroots Grants Fund

Local business Westmorland Ltd, which owns the Rheged Visitor Centre and the motorway services near Tebay on the M6, has pledged to donate £50,000. This donation will enable grants to be made in and around the places where staff from the business live. Representatives of the company will also choose how the money is spent. It is the intention that both the business and its employees will build the fund over time.

PRIVATE FUNDS

Ullswater Trust Grassroots Grants Fund

A couple living near Ullswater have made a commitment to donate £38,400 to create the above fund. Its priorities are to support children and young people's projects in Cumbria with a preference for Eden District.

Quarry Hill Grassroots Grants Fund

A couple, who wish to remain anonymous, made an initial donation of £12,800 as a commitment to building a Fund over time. The fund will make awards to benefit children and young people throughout Cumbria. The fund has recently received a top up donation of £64,000 from a couple who live outside Cumbria.

Wing Cdr. H. Thompson MBE & Rev. Green Grassroots Grants Fund

A couple with close ties to Barrow in Furness have committed £25,000 to create a fund which will support young people in the Borough. They have a particular interest in the personal development of young people through involvement in community and environmental initiatives.