

NEWS RELEASE: Date

Community Foundations provide cost-effective alternative to charitable trusts

Professional advisors are accustomed to helping clients make major life decisions like establishing private charitable trusts. However, for many clients, setting up their own charitable trust isn't the best decision. Many clients underestimate the work involved, the amount of money needed and the hassle of finding worthwhile recipients for their grants. Often the professional advisor ends up being a trustee unable to charge appropriately for his/her time.

Tim Thornton-Jones, Partner with Lawrence Graham, says: "As a general rule of thumb, I advise my clients that a charitable trust needs to be endowed with at least £750,000 in order to generate sufficient income to be viable. Even when a client knows precisely what they wish to do, the preparation to the Charity Commissioners for registration can, typically, cost £10,000. An annual audit is likely to cost £5,000 and just the day to day administration can add another £5,000 per annum."

Working with Community Foundations is an easy way to ensure clients achieve their charitable aims without the hassle. Community Foundations support professional advisors and their clients to increase philanthropy across the UK, matching donors with charitable projects. All Community Foundations are registered charities and through their endowment funds provide funding for the voluntary sector year after year.

There are 56 Community Foundations across the UK, covering about 95% of the population providing the following benefits:

- A highly personalised and professional service for referrers
- The ability to set up a named fund for your client quickly, easily and tax efficiently
- A cost effective fee structure for both endowment and revenue funds
- Client engagement, as much or as little as required involvement with selecting grant recipients and visiting projects
- The ability to target funding to areas of deprivation and disadvantage and ongoing monitoring of projects funded
- Experienced people who work with donors of all shapes and sizes, individuals, families, trusts, companies and legacies

Getting started

Generally Community Foundations are happy to meet the client where it is most convenient for them. The Community Foundation will work with the client to clarify their areas of charitable interest and any other issues. Then a simple agreement is all that is required. Community Foundations will provide financial and administrative management, including audits and reports to the Charity Commission.

Funds can be named or anonymous. When appropriate Community Foundations can act as buffers between the donor and grant-seekers, so they won't be troubled by unsolicited enquiries.

Trebling your clients' donations

In a groundbreaking initiative, the Government is providing £50 million match funding until 2011. The Grassroots Challenge matches charitable donations made by individuals and companies to endowment funds through Community Foundations.

Some Community Foundations offer pound for pound match funding, others offer £1 for every £2. For a higher tax rate payer claiming Gift Aid, this can more than treble the size of their donation.

For further information contact:

The Devon Community Foundation: www.devoncf.com

Somerset Community Foundation: www.somersetcf.org.uk

ENDS

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Notes for editors:

Community Foundations are experts in revitalising local communities through effective charitable giving. Over the last 16 years well over 12,000 private sector donors have used the services of a Community Foundation to make sure that their giving has been invested to make the lasting difference that they wanted to see. Community Foundations now manage close to £200m of committed endowed giving and it is estimated that most people in the UK will live or work within 20 miles of a charitable project that a community foundation has supported.