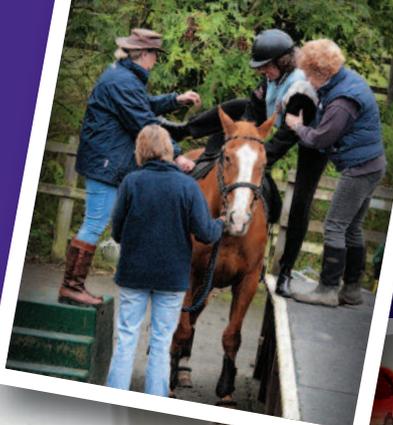




**SUFFOLK**  
Community  
Foundation



**Working in Partnership  
with Professional Advisors**  
Information Pack

**“ Community Foundations are vital contributors to building social capital. They also play a vital role by providing a platform that enables individuals and firms to invest in their communities. Community Foundations are helping to deliver a more inclusive capitalism, one in which individual virtue and collective prosperity can flourish ”**

**Mark Carney** Governor of the Bank of England

# Working in Partnership with Professional Advisors

Helping you to exceed your clients' expectations

Established in 2005, Suffolk Community Foundation is an independent, grantmaking charity. As the central platform for giving in the county, we are part of a national network of community foundations whose aim is to improve the quality of life for local residents by encouraging local giving.

Over the past decade, the Foundation has become a major funder to Suffolk's voluntary and community sector. From providing funding to support a handful of community groups in 2005, we have now helped more than 2,500 small charities and groups since our creation, with our donors' grantmaking exceeding £12,000,000.

## Quality accreditation and governance

Suffolk Community Foundation is Quality Accredited by UK Community Foundations. Formally acknowledged and recognised by the Charity Commission for England and Wales, Quality Accreditation is a programme which endorses and encourages best practice by Community Foundations. Achieving Quality Accreditation demonstrates that a Community Foundation delivers to a standard and is serious about quality and accountability.

We view corporate governance as one of our most important responsibilities. Public confidence in the transparency and accountability of the work of charities has never been more important. Our promise to our donors is that, whatever the size and nature of their contribution, they can be sure it is going straight to where it is needed and will do the most good.

## Need in Suffolk

It doesn't make easy reading, but it is important to highlight the extent of deprivation which exists in Suffolk. Our beautiful and much visited county, which has so much to offer, still faces many challenges of disadvantage and social need – and much of it is hidden.

Popular notions of poverty and deprivation in Britain often assume they are problems confined to inner city areas and large housing estates. The reality can be very different. In 2011 the Foundation commissioned University of Cambridge to undertake research to uncover the extent of social deprivation across Suffolk. The published findings indicated the problem of social need was on a far larger scale than previously thought. Income deprivation affecting children, for example, is particularly concentrated in the larger towns in Suffolk. ➤



Nearly 78,000 people\* in Suffolk live in income deprivation at the most minimal living standard provided by welfare benefits and well below the 'poverty line'. Over 30,000 people currently live in fuel poverty and over 500 children have received counselling following sexual abuse in the last three years.

Suffolk Community Foundation was established to help address these issues and other emerging needs. Through our research and understanding of local issues, our purpose is to enable donors to undertake informed and targeted grantmaking to the causes they care about.

## Our work with you

As individuals understanding of social needs and their role in supporting their own communities increases, there is growing interest to learn more about philanthropy and effective charitable giving and the options available to them. Good advice in this area is important.

Working together we can provide a fully inclusive offering to help you meet your clients' charitable goals and exceed their expectations in terms of the range of options available to them. Whether you are a lawyer, accountant, financial planner, investment advisor or have a specific interest in the technical aspects of planned giving, by combining your expertise with our experience in advising on philanthropy, together, we can ensure that your clients' charitable giving meets the causes they wish to support.

We provide a range of options for private clients who are interested in:

- Leaving a legacy or gift in their will
- Transferring the burden of running a charitable trust
- Setting up a personal fund
- Setting up an 'In memorium' fund

*You will find information on these aspects of charitable giving within this pack.*

## Corporate Donors

We offer similar support to corporate donors (including businesses of all sizes, solicitors, accountants and land agents etc) who have an interest in the local community and are interested in putting their corporate social responsibility into practice.

## Charitable Trusts

We can also take on existing charitable trusts that are ineffective on account of difficulties in identifying beneficiaries or attracting new trustees. We provide a range of options from assisting with grantmaking to taking over legal responsibilities for the trust completely, yet with clients retaining an interest. You can find out more about that in our information on Charitable Trust Transfers.

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\*Hidden Deprivation and Community Need in Suffolk – a report, 2011



## Benefit to your clients

Community Foundations are an ideal vehicle for philanthropists to provide some structure to their giving in a tax efficient way and offer a flexible alternative to creating conventional charitable trusts or a foundation, which can prove complicated and costly to set up and administer. The administrative and governance burden on trustees of running a conventional charitable trust is ever increasing which, understandably, can be off-putting to many clients.

We offer a practical alternative, making charitable giving to local causes stress free, easy and enjoyable for clients, whether the amounts they set aside are large or relatively modest.

We must stress that we believe that there is still a place for the conventional personal charitable trust and, indeed, that may be the donor's preference. In line with the Charity Commission's advice (see insert), our purpose is to ensure that donors are aware of the full range of options available.

Whether your client is looking to establish a named family fund through a lifetime donation or a legacy in their will, or wishes to reduce the administrative burden of an existing trust, we can work with you and your client to find the best solution.

By working with Suffolk Community Foundation, you and your clients can benefit in a number of ways:

- We are local – your clients' funds will be used to support the local community in which they live and work. They can visit projects and see for themselves the positive impact that their charitable giving achieves.
- We are impartial – you may be reluctant to recommend specific charities to your clients for reasons of impartiality. We do not favour any one particular cause or theme.
- We are flexible – with a named family fund (which operates in a similar way to a charitable trust) your clients choose the causes they wish to support. Grants can be made to charitable causes and not just registered charities (for example, improving health and wellbeing or access to learning and improving skills and employability). Clients can change their focus at any time which enables them to respond quickly to emerging social need. Clients can be involved as little or as much as they like in the grantmaking process.
- We are quick and efficient – we can set up a named fund after one meeting rather than waiting several months or longer to register as a charitable trust.
- We make giving easy – we promote the fund and invite applications from community groups to fund their project, review grant applications, provide summaries of the projects, check validity and that the charity's or community group's project falls within the Foundation's charitable objectives. We arrange for the donations to be made from the fund and undertake monitoring to ensure the money has been spent on the project and to measure the impact it has made.
- We are knowledgeable – we have an excellent knowledge of local community need and can match your clients' interests to specific projects, causes and initiatives.
- Your clients decide which projects to support – we encourage donors to have full involvement in decision-making including which community projects to support and the level of funding. Ultimately, responsibility lies with the trustees of Suffolk Community Foundation and grants can only be made following their ratification. ►



- We help clients give tax-effectively – as a registered charity we are an ideal vehicle for all methods of tax-effective giving, offering significant tax benefits for your clients including relief from income tax, capital gains tax, inheritance tax and corporation tax. We can also accept gifts in cash, shares, land, property or other assets which can also be made tax efficiently.
- We are here to stay – if a client leaves a legacy in a will today, it is possible that the charity or cause they wanted to fund is either no longer in existence or in need of assistance by the time their will comes into effect. With a named fund, our trustees have discretion over the distribution of gifts left to them. We can ensure that the original intentions of your client are carried out without having to approach the Charity Commission for a variance of the original deeds of a trust or intentions in a will.
- We are transparent – we ask for a contribution towards our administration costs for managing a fund which varies depending on the size and type of fund and we agree this, up front, with donors. We operate with a very low overall administrative overhead, which means that more money can go out in grants to the community.
- We carry the financial and legal responsibility – setting up a personal charitable trust can be time consuming and costly to establish and administer. The onus on trustees is increasing – to invest and monitor the investment of funds, to ensure regulations are followed in grantmaking, to meet the stringent needs of accounting requirements under SORP as well as the independent scrutiny of the accounts. With a named fund at Suffolk Community Foundation, all these responsibilities lie with our trustees.
- Above all, our offering is personalised and very flexible so it is very likely that we will be able to find a solution that meets, and maybe even exceeds, your clients' needs and expectations, which we hope would help to strengthen your relationship with them further.

To find out more about how we can work in partnership with you please email  
 Judy Dow: [judy.dow@suffolkcf.org.uk](mailto:judy.dow@suffolkcf.org.uk) or Tim Holder: [tim.holder@suffolkcf.org.uk](mailto:tim.holder@suffolkcf.org.uk)  
 or contact by telephone on: 01 473 602602

Suffolk Community Foundation  
 The Old Barns, Peninsula Business Centre, Wherstead, Ipswich, Suffolk, IP9 2BB

[www.suffolkcf.org.uk](http://www.suffolkcf.org.uk)  
 Twitter: @suffolkgiving

Registered Charity Number: 1109453  
 Company Registration Number: 05369725



# Community Foundations

In 2014, the Charity Commission published revised guidance on setting up and registering a charity. The Charity Commission acknowledges that community foundations have a reputation for the effective management of charitable funds in order to maximise their impact at a local level.

Suffolk Community Foundation is able to offer an alternative, cost effective solution to those who are interested in local charitable giving, as well as having the knowledge to connect your clients with a wide range of charitable activity.

## Setting up a named fund as an alternative to a charity

The revised guidelines were established to encourage people to think carefully about alternative options before setting up a charity, such as supporting an existing organisation with the same aim or setting up a named donor fund with a community foundation.

The Charity Commission and community foundations have also worked closely in recent years to ensure that trustees seeking to revitalise moribund (dormant) or ineffective trust funds (and who are looking for an effective way of carrying on their good work in future years) can release their funds to a community foundation as part of their appraisal of options.

The Charity Commission welcomes and supports this initiative and encourages all charities to ask themselves whether they should work with community foundations as an alternative to setting up a new charity or continuing with a dormant or ineffective trust fund, particularly if they agree with one or more of the following statements:

- We find it difficult to identify deserving beneficiaries (charities and community groups)
- We cannot spend the income of the charity
- We find ourselves providing money to the same people or groups every year
- We find it difficult to attract trustees
- We would like to be involved in how the money is spent but we do not want the legal responsibility of being a trustee
- The work of administering the charity and its investment is becoming onerous or disproportionate to the level of funding
- We wish that we knew more about local issues and opportunities and who else was funding what

The Charity Commission website states:

***"If you want to help your local community but don't have lots of spare time to run a charity, you could consider setting up a fund with a Community Foundation instead."***

For more information visit [www.gov.uk](http://www.gov.uk) and search for 'How to set up a charity' or, to compare the benefits of establishing a Fund through Suffolk Community Foundation with setting up an independently registered Charitable Trust, see the Comparative Table insert produced by Suffolk Community Foundation.



# Setting up a Personal Fund

Many of us have a desire to put something back into the community and are likely to be approached by people who wish to establish a charitable trust so that their philanthropic wishes can be met.

In these circumstances, setting up a new charitable trust is the conventional route. However, the legal responsibilities of trustees under charity law are onerous. Any new charity will need to prepare audited accounts annually, decide on an investment policy, monitor the investments, decide upon the sort of needs they wish to help meet, agree the level of support to provide to each group, advertise their fund, carry out due diligence checks on applicant groups, make awards and then monitor the impact that the grant award has had.

Whilst many donors have some of the skills to do this work, very often they do not have the time or the same level of expertise in due diligence and grant award making as those in the charity sector. Charitable trusts can be expensive to run and so some people who like the concept are put off by the cost and compliance requirements.

We believe that Suffolk Community Foundation provides a simple, cost effective alternative to a charitable trust for individuals or businesses.

## Establishing a fund through Suffolk Community Foundation

Whilst there will always be a place for the conventional route, a unique feature of community foundations is the ability to establish a personal fund where the administrative burden and legal compliance is managed by us but, importantly, the donor can remain as closely involved in the application of their money as they wish.

A personal fund with Suffolk Community Foundation works in a similar way to a charitable trust but is a lot easier to manage. We handle the investment, correspondence, compliance and governance.

Personal funds are bespoke to your clients' charitable objectives and donors can choose the name of the fund or whether to remain anonymous. They can also choose the geographical area to benefit in Suffolk, the causes that they wish to support in their grantmaking and the level of their involvement in terms of giving and selecting projects to fund.

Suffolk Community Foundation receives hundreds of requests for funding each year and we have a great depth of understanding as to what makes a good application and project. We also know how to reach small groups that may be beyond the knowledge of the donor. When assessing applications for funding, there are checks in place to ensure that the group has good governance and the skill set to deliver a project that is really needed in the local community. This provides a strategic approach to charitable giving for your client and ensures a low level of risk by making use of the Foundation's expertise in this field. ►



## Long term endowment or immediate impact?

There are a number of options that your client might consider when establishing a fund and we can work closely with them to explain the choices available to enable them to make an informed decision about the most appropriate fund for them:

- Endowment Fund – an endowment provides permanence to a donation and demonstrates a long-term commitment to the local community. Endowed funds are invested with the annual income being distributed as grants. Funds are invested with a view to growing the value of the fund over time to create an expanding and sustainable source of funds for grantmaking in perpetuity.
- Revenue Fund – revenue funds are often established by making an annual donation which is awarded as grants within that year to provide immediate support to local communities.
- Combined Fund – this is very appealing for those donors who wish to grow an endowment fund over time but also wish to make grants from a revenue fund to make an immediate impact.

An additional benefit of setting up a fund through a community foundation is that, periodically, we have access to government 'match funding' programmes such as Community First or the Grassroots Grant Programme, both of which provided a 50% uplift on donations into endowment funds. In short, this could potentially grow £10,000 of your client's donation to £17,500 after the application of Gift Aid. We can provide further details of any current schemes if your client would be interested in exploring this option.

## Management and costs

As an independent charity, we are responsible for raising 100% of our administration costs and accordingly, we need to ensure that we cover the cost of administering and managing our donors' funds. These are met out of contributions to the Foundation.

The size of the contribution to cover administrative costs depends on the size of fund but is typically 1% annually for endowment funds, and 10% for revenue funds. This offers our donors significant value for money when compared with the cost of establishing a conventional charitable trust.

## The donation

Where possible, we encourage donations to be made in a tax-effective manner, usually with Gift Aid. This means that for every £10,000 donated, we can claim back £2,500 at no extra cost to your client.

We can also accept gifts in cash, shares, land, property or other assets which can also be made tax efficiently.

Giving shares to charity has long been a useful way of unlocking capital and passing it on to good causes. Donations made in this way are eligible for full personal income tax relief as well as exemption from capital gains tax. A gift of £1,000 worth of listed shares could reduce a basic rate taxpayer's income bill by £220 and a higher rate payer's by £400. In addition, no capital gains tax is payable on gifts of shares to charity. Similar relief also applies to donations of land or buildings. We can help you advise your clients on how to arrange the transaction.



## Benefits

The key benefit to your client is knowing that by setting up a fund through Suffolk Community Foundation they are making a significant and lasting difference to those in need in the local community without the burden of running it themselves. In short, we believe that we take out the stress and make giving the pleasure that it should be.

There are further advantages that we believe personal funds have over the establishment of a charitable trust. Please refer to our [Comparative Table](#), which highlights the comparisons.



### CASE STUDY

#### Halesworth Volunteer Centre funded by the Martineau Fund

Richard and Diney Martineau created the Martineau Fund through a charitable gift in the form of some of Walsham-Le-Willows most historic cottages with the aim to transform the lives of local communities long into the future. Offering a gift in their lifetime has allowed them to fully involve themselves in seeing the good that their gift is giving to the county they love.

*“ We really wanted to keep the cottages for local people, but realised that our children would probably have to eventually sell two or three blocks to pay for death duties. We have been ‘gifting’ a cottage block a year. So now tenants don’t pay rent to us instead they pay it to the Foundation who in turn have created an endowment fund allowing us to make grants to local charities from the proceeds. We went to the Foundation because the charity is so professional and works so hard. They really know what they are doing ”*

**Richard Martineau**

Halesworth Volunteer Centre received a grant from the Martineau Fund towards the running costs of the community car scheme, helping local residents with journeys to appointments such as dental, opticians, doctors, and social activities such as visiting friends or relatives.

*“ Interacting with other members of the community can stimulate people mentally and improve the lives of those who may be socially or rurally isolated. As well as the fact that we transport passengers to essential hospital and doctor appointments, we know a shopping trip or a trip to meet a friend for coffee is just as important to the health and social well-being of the people that we deal with ”*

**Tracey Gardner** Manager at the Halesworth Volunteer Centre



## CASE STUDY

### Got to Read funded by the Birketts Fund

Recognising the importance of the community in which they work and their responsibility to contribute to it in a positive way, local law firm Birketts, established a corporate fund with the Foundation in 2006. Every year the partners of the firm give £10,000 towards it, part is used to make grants to local charities and the rest forms an endowment to build up a giving fund for the future.



*Suffolk Community Foundation is amazing – whenever the charity panel meets they present a list of applications, which have all been carefully screened. There are six or seven grants to choose from, they've checked the sustainability of the project and the charity too, which really helps.*

*We have been privileged through the Foundation to come into contact with a number of community projects which have not had the profile and funding of larger charitable projects but which are making a noticeable difference on our doorstep. That is hugely satisfying*

**Mike Richards** Senior Associate, Birketts LLP

Among the charities they have supported are Got to Read in Ipswich, which helps individuals and communities to share and enjoy reading. It provides training and support to volunteers who have a love of reading and want to share that with people who want to increase their confidence in reading, writing and speaking. Volunteers give one-to-one support to help someone with their own personal reading goals, whether that is building on what they can do already, or starting right from the beginning. The Birketts Fund contributed towards the running costs, helping the charity to assist people with literacy challenges.



# Comparative Table

Comparing a Fund established through Suffolk Community Foundation (SCF) with an independently registered Charitable Trust.

	<b>SETTING UP A CHARITABLE TRUST</b>	<b>ESTABLISHING A FUND THROUGH SCF</b>
<b>SET-UP PROCEDURE</b>	Must register as a charity and apply to the Charity Commission. Must appoint a Board of Trustees.	Simple fund agreement.
<b>COSTS</b>	Cost likely to be from £1,000.	No start-up fees or costs* Annual cost contribution of 1% of fund value.
<b>TIME FRAME</b>	May take weeks or months.	Can be set-up within 24-48 hours.
<b>INVESTMENT, AUDIT, ACCOUNTING AND TAX</b>	Tax status covered by registration with the Charity Commission. Must fulfil financial and administrative requirements and may incur professional fees.	We handle all financial and administrative management, arrange audit and report to the Charity Commission. Tax status is covered under SCF's charity status.
<b>REPORTING TO AUTHORITIES</b>	Donor/trustees must maintain all financial records, prepare accounts, and submit to the Charity Commission.	We take care of reporting to the Charity Commission, particularly the Annual Report and Accounts.
<b>GRANTMAKING PROCESS, ADMINISTRATION AND FOLLOW UP</b>	Donor responsible for own grantmaking process, administration and overseeing. Must research and check activities and status of all recipient organisations; has ultimate say in all grant decisions.	Professional staff available to help identify and assess grantees, provide input on community needs, and ensure follow up with recipients and reports back to donor. SCF verifies activities and status of all potential grantees. Donors can be involved as much or as little as they choose in the grantmaking process. SCF Trustees' approval is required for all grants.



	SETTING UP A CHARITABLE TRUST	ESTABLISHING A FUND THROUGH SCF
<b>PHILANTHROPY ADVICE</b>	Donor/Trustees responsible for own giving strategy.	We provide full charitable giving and grantmaking know how to ensure the donor maximises the impact of their fund.
<b>DONOR CONTROL</b>	Donor appoints Board of Trustees to control all aspects of grantmaking and investment.	Trustees of SCF take on legal and fiscal responsibility for the donor's fund, while the donor chooses grants to organisations vetted by SCF.
<b>DONATIONS</b>	Often restricted to registered charities.	To both registered charities and non-registered community groups.
<b>PRIVACY</b>	The Charitable Trust must keep public records.	Anonymity of donor can be maintained if desired. If the donor wishes, SCF can serve as a mediator between donor and grant seekers.
<b>PROFILE</b>	Responsible for own profile.	We can help the donor as much or as little as necessary. We can raise the donor's profile in the community by making grants in the donor's name and featuring the donor in publications.
<b>GEOGRAPHY</b>	Donor/Trustees determine their geographical reach.	SCF operates across Suffolk but partners with other UK Community Foundations on the delivery of regional and national initiatives which may be of interest to donors.
<b>NETWORKING</b>	Must find own network and information sources.	We connect donors to a variety of groups and issues in the community and connect like-minded donors through events and initiatives.

\* Where a Trust is set up through a Government match funding initiative, for example, the Government's **Community First** Programme (which provided a 50% uplift on the donation), there may be a small set up cost per donation.



# Leaving a Gift in a Will

Many of our supporters have been committed to Suffolk for many years, and they don't want that commitment to end when they die. Although some people have a clear idea of the charities they wish to support through leaving a gift in their will, others may want to give back to their local community but are unsure exactly which charities to support.

A long term and viable alternative is for Suffolk Community Foundation to be named as the recipient in a will, with the instruction to use the legacy to support a particular cause or a particular area of the county.

## Leaving a legacy for Suffolk

Do you have a client who is interested in setting up a charitable trust through their will, but is wary of the cost and the legal responsibilities they may be leaving for family and friends?

Has your client approached you with a request to leave a charitable bequest to help a variety of Suffolk based charities?

Do you have a client who would like to leave a gift to their local community, but hasn't been able to find the right vehicle?

If the answer is yes to any of these questions, Suffolk Community Foundation can help.

## Types of legacy

There are a number of ways that donors can support local causes via a legacy to Suffolk Community Foundation; we work closely with professional advisors to agree the most appropriate solution for their clients. Whether a residuary legacy, pecuniary or specific legacy, the Foundation is able to manage legacies of all kinds.

Suffolk Community Foundation provides a uniquely flexible range of options and support for clients. Whatever the charitable interests of your clients, the Foundation can:

- Use its local expertise to match deserving causes with the criteria set by your client. For example, if your client has a particular wish to support young people in Lowestoft or mental health issues across the county, we can set up a fund agreement with them which states their wishes.
- Provide a solution for leaving a one-off legacy which benefits a wide range of deserving, local causes across Suffolk. ►



- Offer a way, through an endowment fund, to make a single gift that keeps on giving, in perpetuity, to the causes your client supports.
- Enable family and friends to be involved in the decision making process without the burden of legal or fiscal responsibility.

Simply naming Suffolk Community Foundation as the beneficiary in a will provides your client with the flexibility to support a wide variety of important local causes and to respond to changing needs over time. Suffolk Community Foundation guarantees to use the donation in the best and most effective way to improve lives in the local community whilst adhering to the client's wishes.

## Tax benefits

As an accredited community foundation, legacies made to Suffolk Community Foundation qualify as charitable donations. As you will be aware, charitable legacies are exempt from inheritance tax and could help reduce the total amount of tax paid on your client's estate, maximising what is available for their heirs. We can also accept gifts in cash, shares, land, property or other assets which can also be made tax efficiently.

## Case study examples for clients

The basic principle is that if an individual leaves 10% or more of their estate in their will to charity, the rate of inheritance tax (IHT) will be reduced from 40% to 36%. However, this doesn't necessarily mean that they have to leave 10% of the whole estate - the rules are more generous than this. In short, it is only necessary to leave 10% of the net value of their estate. This is the sum of all the assets after deducting any debts, reliefs, exemptions and the tax free band.

Suffolk Community Foundation is not qualified to provide tax advice to individuals and we always advise any potential donor to discuss the tax implications with their professional advisor. However, we set out below some examples of how the rules governing the IHT exemptions on charitable gifts work, which show how favourable they are.

You might find these examples helpful to share with your clients to illustrate the tax benefits of leaving a legacy:

### Example 1

Robert dies leaving an estate worth £500,000. He has a full tax free band of £325,000 so his taxable estate is £175,000. To qualify for the reduced rate of tax he needs to leave 10% of £175,000 to charity i.e. £17,500. The £17,500 qualifies for the charitable gift exemption leaving £157,500 which is taxable at 36% making a tax liability of £56,700. This leaves £425,800 for his heirs.

### Example 2

Had Robert left a legacy of £15,000 to charity his estate would not have qualified for the reduced rate as £15,000 is less than 10% of the net value. After making a deduction of the tax free band of £325,000 and the charitable gift exemption of £15,000, his taxable estate would be £160,000. This would be taxed at 40% making a tax liability of £64,000 leaving just £421,000 for his heirs. So, interestingly, Robert's heirs will be better off if he leaves £17,500 to charity rather than just £15,000.



### Example 3

If Robert left nothing at all to charity his taxable estate would be £175,000 and the tax charged at 40% would be £70,000 leaving £430,000 for his heirs. So whilst Robert's heirs would be better off if he left nothing to charity at all, as can be seen in points 1 and 2 above, by reducing what is available to his heirs by just £4,200 the charity benefits by £17,500.

The Foundation has specimen wording available to help solicitors ensure that we can manage your client's gift according to their wishes.

## CASE STUDY Private Legacy Fund

One of the Foundation's largest funds came from a mystery £1.2million donation from an estate in the Sudbury area. This was complemented by match funding, which brought the total up to £1.7million. The fund was brought to life thanks to the advice given to the donor from Wealth Advisor Darren Chaplin from Towry Ltd and Catriona Galloway from Birketts Solicitors, who helped their client fulfil her desire to help the people of Suffolk before she died.



*“ She was an incredibly private person, a widow with no children or close family and she had spent her life being very active in the community. She had lived in Suffolk all her life and wanted her estate to be used for charitable purposes but did not like the idea of her estate passing to just one or two national charities which already receive significant funding from other donors and where she felt there was a risk her legacy would be 'lost'. This special fund will not only help local communities for generations to come, it is also a fitting permanent memorial to a very generous lady ”*

**Darren Chaplin** Wealth Advisor from Towry Ltd

Darren and Catriona are now in the very special position of seeing her money in action as grant panel members. Among the charities that have benefitted are the Eden-Rose Coppice Trust in Sudbury, a woodland sanctuary for people with cancer or terminal illnesses, and The Bridge Project, also in Sudbury, which helps disadvantaged adults, including those with learning difficulties or mental health problems.



“ I’m sure they would be very pleased to know that there is a legacy that will go on helping people in Suffolk. It is only a small contribution but hopefully the grants will provide a much needed boost to projects, just as the grants we received at The Yard Project did ”

Clare Meade



# In Memory and Tribute Funds

In your capacity as a solicitor, accountant or wealth advisor, you will no doubt come across cases where family and friends of people who have died wish to set up a fund in memory of their loved one. This is usually so that they can support issues close to the loved one's heart, or that link to the cause of their death. Funds like these enable family and friends to remember them in a special way.

As an alternative to setting up a new charitable trust through the Charity Commission, a named fund can be established with Suffolk Community Foundation whereby funds are raised for the cause and an agreement is established with the family as to how funds should be spent and the type of charity and community groups that they wish to benefit.

By doing this, the monies raised can be paid into the Suffolk Community Foundation named fund and will be tax efficient, as Gift Aid can be claimed as appropriate.

This is a low cost solution for a family and can be set up immediately, without any need to register as a charity or select trustees (with all the statutory obligations that carries) at what might be a very difficult and emotional time for those involved.

## Peter & Dorothy Meade Grantmaking Fund

Peter and Dorothy Meade loved Suffolk and spent much time in the county. When Dorothy died at the end of 2012, her daughter, Clare Meade, wanted to leave a legacy in her parents names, so she established a fund in their memory to provide ongoing support to individuals and projects working in Suffolk to combat inequality. Clare, along with her husband, helped establish the Yard Project in Lowestoft, which ten years ago was given one of Suffolk Community Foundation's first ever grants.



**“ I'm sure they would be very pleased to know that there is a legacy that will go on helping people in Suffolk. It is only a small contribution but hopefully the grants will provide a much needed boost to projects, just as the grants we received at The Yard Project did ”**

Clare Meade



# Charitable Trust Transfers

There are thousands of small charitable trusts across the UK that are either dormant, inactive, or ineffective. You will no doubt have come across charities or charitable trusts that have ceased to operate for a variety of reasons, often through circumstances that are beyond the control of the original trustees.

Reasons why a charitable trust may become dormant, inactive or ineffective include:

- The original purposes may be outdated and irrelevant to current needs
- The purposes may have been fulfilled or ceased to exist or the beneficiaries may no longer exist
- Funding challenges that many in the voluntary sector are facing
- The fund may be too small to make a significant impact (as it generates almost no income) or a lack of expertise may make grant decision-making challenging

With larger funds, it might be that over the years the trustees are not able to distribute funds and they become dormant, or moribund. Trustees may find it hard to stand down or to find someone to replace them, or they may not fully understand their legal or financial obligations.

## Our experience

We can provide a range of solutions from assisting with grantmaking to taking over a trust completely. If they wish, the client can retain an involvement without having the burden of the financial and legal responsibilities.

Working together with professional advisors, we can assist clients with trust transfers, moving the funds into another endowed fund with modern and applicable objectives. We are able, if it is required, through the transfer process to change the specific objects of the trusts and continue to distribute grants in the spirit of the original founders.

With active trusts, it may be that trustees are looking for a sustainable approach to their fund, to ensure that the excellent work they have undertaken for many years is continued in perpetuity without losing involvement in the funds. As an alternative to transferring a trust, where applicable, we are also able to take over the management of active trusts, sometimes by becoming corporate trustees of an existing trust.

Trustees of charities and community groups facing closure may decide the work that Suffolk Community Foundation does to support local communities and individuals is in line with the aims of their group and that a transfer of funds to the Foundation would ensure a worthwhile and effective use of remaining assets. Whatever the reason for closure, it is not uncommon for organisations to have residual funds and the trustees will be required to distribute these in accordance with the dissolution clause in their governing document and may turn to you for assistance. Charity Commission rules are clear that residual assets should be passed on to another charitable organisation that can use such assets to follow the same or similar objectives.



## The benefits of transferring a Charitable Trust to Suffolk Community Foundation

- We can often provide better returns on investments as we are able to pool larger sums of money which are effectively and prudently managed through appointed investment managers.
- Our local expertise means that we can identify current social need and often find beneficiaries and causes that provide the 21st century equivalent of the issues the original trust was set up to tackle.
- In some cases we have 'match funding' schemes in place such as the Government's Community First programme that provided a 50% match on eligible donations.
- Trustees can release the responsibility of managing and administering a trust fund directly, but retain an interest in the fund by acting as an adviser or continuing to award grants.

### Options for transfer

There are several options that can be considered under relevant sections of the Charities Act. This can include:

- Closing a trust and transferring the proceeds to the Foundation. Any group or charity wishing to pursue this should ensure that this action is in compliance with their governing document, and where relevant, has the approval of the Charity Commission. We can assist by writing to the Charity Commission to enable this to take place.
- Suffolk Community Foundation becoming a corporate trustee and retaining the original charity number, but under new management.
- The Foundation can also offer a range of grantmaking services to existing trusts. This can be a fully supportive offering including all of the aspects below, or can just focus on one or more of these elements:
  - Designing the application process
  - Promoting availability of grants to the right target audience
  - Accepting the applications and carrying out due diligence
  - Producing papers for the panel
  - Providing administrative support in terms of making the grant payments
  - Monitoring progress
  - Providing an annual report on the impact of the grantmaking

“*The Shrubland Foundation was originally set up in the 1930s with the aim of helping local people, although more recently no grants were being made. I suggested that it might be a good idea to pass the trust to Suffolk Community Foundation who could invest the capital and put the money to good use helping local charities. So in 2011 the trust was transferred to the Suffolk Giving Fund where it's now used for general grantmaking*”

**David Nicolson** Personal Tax Manager at Ensors



# Dormant Client Funds & Unclaimed Client Accounts

Professional firms are required to return balances on client accounts as soon as there is no longer a proper reason to retain them. In addition to the handling of dormant charitable trust transfers, Suffolk Community Foundation has experience of transforming unclaimed balances into an asset for the community.

For example, solicitors will be aware of the Solicitors Regulatory Code of Conduct Rules (20.1) which allows for practices where funds under the sum of £500 held on client account which can't be traced and returned to the client can now be payable to a charity. (Solicitors do need authorisation to transfer amounts over £500 from the SRA, and the application form and guidance can be found at [www.sra.org.uk/guidance-sar](http://www.sra.org.uk/guidance-sar)). It can be in the interests of the firm to ensure that money, which would otherwise remain inactive and subject to audit each year, goes directly to support a charity.

There may be an unclaimed amount held on client account for a number of reasons, perhaps where:

- The rightful owner cannot be traced
- The rightful owner will not provide instructions on how the funds should be dealt with
- Monies returned to the client have not been cashed

Suffolk Community Foundation handles all cases sensitively and in confidence. Any unclaimed client funds transferred in this way can be used to directly fund charities and community groups who support the people of Suffolk. The exact type of organisation and cause to be supported can be selected by you and your team according to your organisation's charitable objectives. As required by SRA rule 20.1 we are a registered charity (No: 1109453) and can be located on the charity commission website:

[www.charitycommission.gov.uk/showcharity/RegisterOfCharities](http://www.charitycommission.gov.uk/showcharity/RegisterOfCharities)

Suffolk Community Foundation is able to accept funds donated in this way and can provide an indemnity in case the original beneficiary should ask for the money. We are happy to discuss, in confidence, ways of working with you to protect you in cases where large sums are transferred to the Foundation should the original owner seek recompense. It might be, for example, that the funds are held in a general endowment fund earmarked for your firm, protecting the capital and distributing the annual income earned from the interest and dividends to local community groups.



# A Word from your Colleagues



*"Everyone working in the Suffolk area should familiarise themselves with what the Foundation is achieving. Clients when making Wills or lifetime gifts often find it difficult to choose between the vast numbers of charities available. The Foundation provides a conduit for those with a large variety of needs to benefit locally. If the client so desires, there can be complete transparency as separate funds can be set up in clients' name to provide funds at the clients' discretion. Equally the discretion can be left with the Foundation. All too often large sums are left to national charities with no indication as to what they might be used for"*

**Jonathan Long** Partner, Ashton KCJ Solicitors



*"We are delighted to support the Suffolk Community Foundation. As a charitable organisation, they work tirelessly with such a wide number of local area groups to gain a unique understanding of needs and then to bring value to individuals' lives, providing strength, comfort and inspiration to so many"*

**Clare Harrall** Partner, RSM



*"Often clients, when discussing their affairs, wish for the community where they live to benefit from their charitable giving, but can be unsure as to which specific charity they wish to benefit. Suffolk Community Foundation is able to match our clients aspirations with a suitable charity or cause. Our clients have been happy to explore these opportunities further, being grateful for the introduction made"*

**David Nicolson** Director, Private Client Services, Ensors



*"Working with the Suffolk Community Foundation is always a rewarding and productive experience. The team at Wherstead are knowledgeable and very supportive. The Foundation is a marvellous organisation that has enabled our clients to achieve their philanthropic goals"*

**Wayne Perrin** Partner, Greene & Greene Solicitors





*“Our county is intrinsically rural, and whilst a diverse economy has developed in recent years, many of the principles synonymous with the family farm are to be found in the DNA of Suffolk’s employers. Stewardship for the next generation. Building long-term value. Consideration for the local community – our own doorstep. It stands to reason; many of us employ and train people from the local schools and colleges, and count each other – local businesses – as suppliers and customers.*

*So in caring for the community around us, by supporting Suffolk Community Foundation and the essential role that it plays, we are also acting with sensible self-interest as business people. Supporting those organisations at the grass-roots level, those that don’t have flash marketing campaigns or highly paid fundraisers but that are doing things to make a difference to the lives of people in our communities, has to make sense. That’s why I’m proud to be fully behind the work of Suffolk Community Foundation”*

**Luke Morris** Larking Gowen and Past Chairman of Suffolk IoD



*“I am so impressed with the work of the Suffolk Community Foundation – the recognition that relatively modest levels of funding can make an enormous beneficial impact on local community run groups is key to the wonderful contribution this charity makes in the county”*

**Elizabeth Dunn** Associate, Ashton KCJ



*“Our charitable fund with the Suffolk Community Foundation gives us the opportunity to help voluntary and community groups whose primary aim is to improve the quality of people’s lives but who don’t have the same access to the levels of funding enjoyed by larger charities. We have also been able to assist some of our clients in setting up their own Trusts with the Foundation. Our clients have welcomed the support they have received and the one to one advice to help them decide which particular causes they support within Suffolk. One of the advantages for our clients in setting up their own Trusts is that the Foundation is able to take on the day to day management, ensuring that grants are awarded in line with the Trust’s original objectives and picking up the administrative burden involved in the practical elements of dealing with grant requests”*

**Louise Long** Partner, Birketts



*“I think that the Suffolk Community Foundation is in a unique position within our community to support local, grass roots charities and as such is perfectly placed to help with personal, family and corporate philanthropy”*

**Andrew Wheeler** Investment Manager, Brewin Dolphin





**SUFFOLK**  
Community  
Foundation

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[www.suffolkcf.org.uk](http://www.suffolkcf.org.uk)

Suffolk Community Foundation is a member of UK Community Foundations.  
Charity No: 1109453.