

# 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.

