

# Working in partnership with Professional Advisers



# Helping you to help your clients

There is a growing demand for high-quality advice and guidance on charitable giving. We work with lawyers, accountants, financial planners and investment advisers, helping their Somerset-based clients to give locally and – most importantly – give effectively. **More than half of our endowment was built from referrals from professional advisers.**

We find that, given the opportunity, giving to local causes in the places that matter most to them is highly rewarding for donors. We can help you to go the extra mile for your clients, connecting them to a wealth of advice and support to achieve their charitable goals in a tax-efficient, simple and rewarding way. Our unique named fund service offers all of the advantages of having a charitable trust, without any of the hassle.

We can help you to support your clients with:

- leaving a legacy or gift in their Will
- reducing the administrative burden of an existing trust
- setting up their own personal fund to support causes they care about
- setting up a fund in memory of a loved one
- setting up a fund for their business to help them achieve their corporate social responsibility objectives
- finding opportunities to share their skills and expertise with good causes.

Whatever your client's interests or goals, we're here to help them change the world on their doorstep.

## Contents

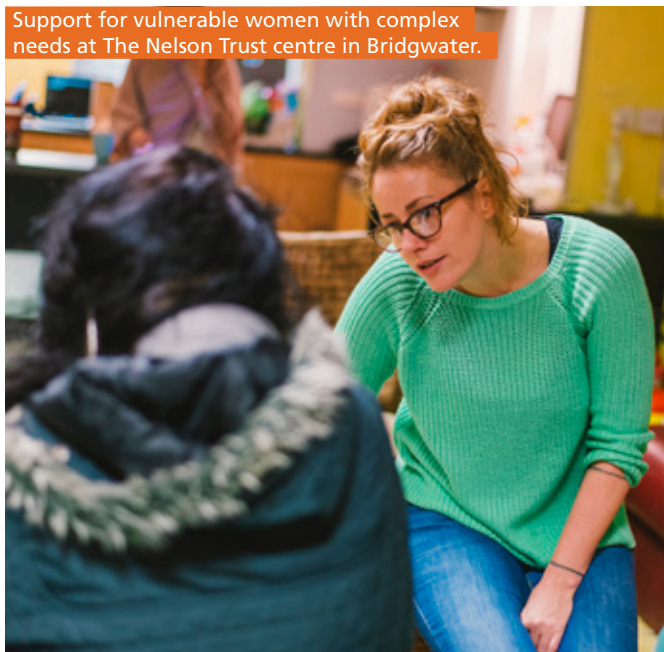
- 01 About the Foundation
- 02–05 Named funds
- 06–07 Legacy giving and Memorial Funds
- 08 Charitable trust transfers
- 09 Dormant client funds and unclaimed client accounts

# About the Foundation

Volunteers from  
Minehead Museum



Support for vulnerable women with complex  
needs at The Nelson Trust centre in Bridgwater.



Somerset Community Foundation is an independent charity that develops and supports local charitable giving. We're part of a national network of 46 community foundations that provide vital funding for local grassroots community projects across the UK and which award over £65 million to good causes every year.

Since we were founded in 2002, we've supported hundreds of charities, voluntary groups and social enterprises in Somerset with funding of more than £7.5 million. Every year, we invest in more than 250 local organisations across Somerset that are working tirelessly to improve the lives of local people.

## What's unique about us?

Somerset Community Foundation offers a simpler and more effective way for families, companies and trusts to make a lasting difference in our communities.

We offer expert philanthropic guidance, comprehensive support and professional administration of charitable giving. Our offer includes:

- advice and guidance to create a charitable giving strategy for families
- unrivalled knowledge of local need and the local voluntary sector
- due diligence on charities to ensure donations are well spent
- grant making, including inviting and assessing applications for funding
- monitoring and evaluation of the impact of your giving
- investment management of charitable funds.

**In short, we help our donors to do good, better.**



# Named funds

A beneficiary of Living Paintings, who create tactile books for blind and visually impaired people



Mums and babies at Nourish breastfeeding support group in Cannington



## Making philanthropy simple

Named funds are an ideal solution for donors who want the benefits of a private charitable trust, without the cost and administrative burden. By creating a fund through Somerset Community Foundation, donors can focus on the most rewarding parts of giving; supporting the causes and places that matter most to them, and seeing how their funds make a difference.

Setting up a fund through Somerset Community Foundation couldn't be easier and can be achieved with just one meeting. A fund can be set up in a donor's name, or in the name of a loved one, and can be set up with money, shares, property or other investments.

Though our donors primarily support causes in Somerset, we are also able to help them make grants across the country, should they wish to do so. Once a donor has decided how they'd like to focus their giving, we'll publicise the fund to local charities and community groups and invite applications for funding. We'll then rigorously assess applications to ensure organisations are robust and well-run, award grants and monitor the difference they make in our communities. If they wish to, donors can be part of the grant-making process, and can also visit and get involved with the projects the funding has supported. All donors receive annual impact reports on the difference their fund has made.

## Helping to develop philanthropy across Somerset

Donors setting up a fund with Somerset Community Foundation are asked for a contribution towards our general charitable purposes. Your contribution helps us to grow philanthropy and awareness of local need across the county and support more great causes. Typically for endowment funds, we ask for a contribution of 5% of the initial donation to set up the fund, and 1.25% of the endowment capital annually. For flow-through funds, this ranges from 10–15% of the annual donation depending on the scale and complexity of the fund.

These donations enable us to deliver additional benefit for Somerset and the local groups we support, including:

- giving expert advice and support to local community groups to improve their work
- fostering collaboration between local groups and organisations tackling similar issues
- opportunities to join up with other fundholders to support an issue, such as social mobility or older people, making donations go further
- publishing reports that highlight key issues facing Somerset, raising awareness and building profile for local charities
- streamlining the process for charities applying for funding by allowing them to apply to multiple sources of funding at the same time.

PROMISEworks, a local charity which provides mentoring and support for vulnerable young people



We're Eco, a wood recycling project which received funding from our Somerset Social Enterprise Fund



## Our fund options

When setting up a fund, donors can choose from a number of options, depending on their charitable aims. The Foundation can provide advice and guidance on which approach has the best fit for each client:

**Flow-through fund:** Donors make an annual donation to a flow-through fund, which is awarded as grants each year to provide immediate support to the local community. Typically, the minimum donation to set up a flow-through fund starts at £10,000 a year.

**Endowment fund:** Donors usually give a lump sum, which is held in perpetuity and invested. The investment income is then distributed annually as grants to the local community. Endowment funds are designed to create a growing and sustainable source of funds. Typically, an endowment fund can be started with an initial gift of £25,000. Many of our donors add to their fund over time.

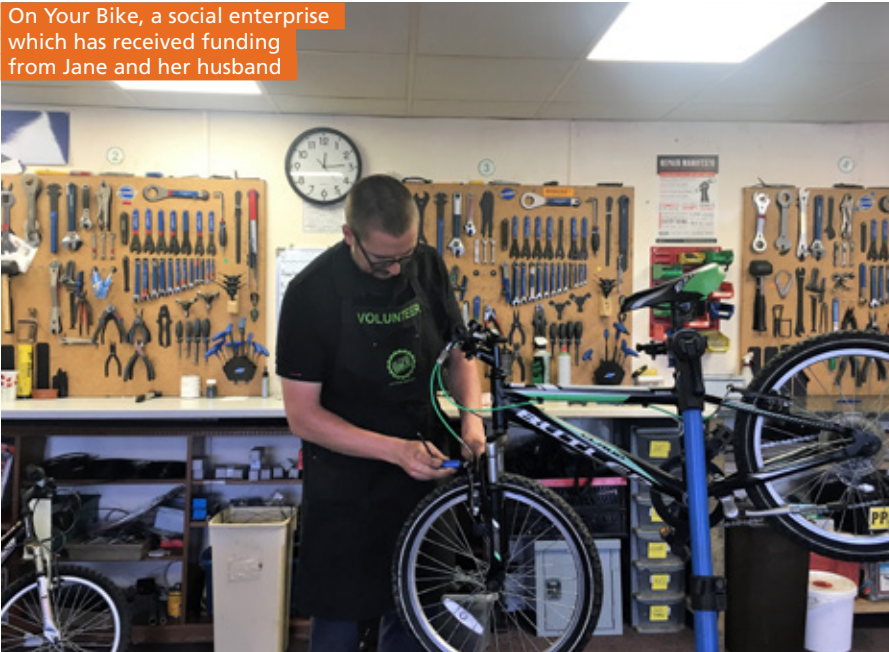
**Combined fund:** Donors can combine both endowment and flow-through funds to enable them to make more immediate grants as well as growing grant-making from their endowment over time.

**Social Investment:** We can also help you support causes you're passionate about by lending your charitable funds to charities and social enterprises. We work with charities and social enterprises by providing a combination of grant and loan funding that supports them to pilot innovative ways to generate income. This helps to strengthen these organisations by increasing their sustainability.

## Giving together

Our **Somerset Philanthropy Network** brings together local donors to help them engage with local needs, support innovation in local philanthropy and build a network of peers who are passionate about changing lives in Somerset. Individuals can join the Network by making a donation of £1,000 a year or more to the Foundation.

On Your Bike, a social enterprise which has received funding from Jane and her husband



**On Your Bike** is an innovative social enterprise that runs bike workshops that give unemployed young people new skills, work experience and confidence. Those they support work on everything from fixing bikes, to administration, finance and web design. The team at the workshops both repair and sell bikes, overseen by a qualified mechanic. A recent grant from Jane and her husband helped the team to buy a new van, meaning they can now collect bikes from the local area for repair and better showcase their work.

## Jane's story: Why we created a named fund with Somerset Community Foundation

**Jane and her husband set up their named fund with us seven years ago to support disadvantaged young people, women's charities, and sport in Somerset. The couple take a blended approach to their giving and have a combined endowment and flow-through fund with the Foundation. Since it was created, the fund has awarded grants of more than £40,000 to a range of good causes.**

"We created our fund because we wanted to support local charities in Somerset and Somerset Community Foundation (SCF) seemed the most appropriate way of doing that. The Foundation is the only organisation that supports lots of different charities in the county; we didn't want to just focus on one charity, but wanted our giving to reflect the variety of our interests at the time. We also liked that the process was very straightforward; the team were very helpful and made it smooth and easy.

Our fund has broadened its reach since our original aim as we have learned about more fantastic local charities with support from SCF. Most recently, we've supported medical charities and projects helping older people.

There are two main aspects we really like about having a fund with SCF; the first is that we can really see the impact directly and easily. The second is that I've been able to get involved with some of the charities we've supported so I can really understand the need and that our donations are being used effectively.

When supporting larger national charities it can feel more challenging to see the impact of your giving. For us, being able to direct the funds exactly where we want them to go, and to focus our giving on our local community, is one of the most enjoyable aspects.

If you're thinking about setting up your own fund, I would definitely encourage you to do it. It's a very fruitful and life enhancing thing to do. We get a huge amount out of it; not just from giving, but also from having the opportunity to engage with the organisations doing such important work in our communities."

**Jane, Fundholder**



## Creating a named fund versus setting up a charitable trust

	Setting up your own charitable trust	Creating a named fund with SCF
<b>Set-up process</b>	Must register as a charity, apply to the Charity Commission and appoint a board of Trustees. May take weeks or months.	A simple process that takes just a couple of days and involves a SCF fund agreement.
<b>Associated costs</b>	Initial set up costs of around £1,000, with ongoing audit fees.	<b>Endowment funds:</b> 5% of the initial donation and 1.25% of the endowment capital annually. <b>Flow-through funds:</b> ranges from 10–15% of the annual donation.
<b>Reporting and compliance</b>	Trustees must maintain all financial records, prepare accounts and submit to the Charity Commission.	SCF will take care of reporting to the Charity Commission, including the annual report and accounts.
<b>Spending funds strategically</b>	Trustees are responsible for the grant making process, including administration, due diligence and grant monitoring. Many new trusts receive hundreds of unsolicited applications.	Our expert team will promote your fund, rigorously assess applications, monitor grants and report back to donors regularly. Donors can be involved as much or as little as they choose in the process and rest assured funds will be spent well.
<b>Philanthropy advice and local knowledge</b>	Trustees are responsible for their own giving strategy, which may require the support of private consultants.	We offer end-to-end support to help donors create a giving strategy and help them maximise the impact of their fund.
<b>Donor influence and control</b>	The donor appoints a board of Trustees to control all aspects of grant making 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>Flexibility for innovation</b>	Donations are typically restricted to registered charities.	SCF can make donations to both registered charities and non-registered community groups in Somerset and globally. We can also support you to explore innovative approaches like social investment.
<b>Strong financial performance</b>	Trustees will need to undertake their own investment strategy and invest funds as a single organisation.	Our fund holders can benefit from strong investment performance as our endowment is pooled with three other local Community Foundations. Together, we're investing funds of over £30 million.
<b>Recognition and publicity</b>	Donors will need to liaise directly with charities and/or media to publicise their support if desired.	SCF can create press releases and work with local media to publicise your giving if desired. We can also maintain complete anonymity in line with a donor's wishes.
<b>Engaging with charities</b>	Donors will need to liaise directly with charities to arrange any visits to projects or volunteering.	SCF can arrange project visits and volunteering to suit a donor's interests. We also run a programme of regular events with opportunities to hear from local charities and network with other supporters.

# Legacy giving

## Supporting Somerset for generations to come

Somerset Community Foundation offers donors a simple and effective way to support local charities with a gift in their Will. Many of our donors have been passionate about supporting good causes in Somerset for many years, and want their support to continue after they pass away. For others, leaving a gift to charity in their Will may be the first opportunity they have had to make a significant contribution to a cause or a community they care deeply about.

“We have found that Somerset Community Foundation can be a terrific way for us to help clients leave a very personal and tailored legacy without the burden and cost of creating a separate charitable trust or feeling restricted to just one charity. The careful analysis of deserving causes and assurance that the money is used cost effectively appeals greatly to many clients both at a modest level (perhaps with a small legacy), but also for more substantial bequests.”

**Stuart Thorne,**  
Partner, Clarke Willmott

We offer a range of options for donors to achieve their wishes:

**Supporting Somerset:** By naming Somerset Community Foundation as a beneficiary in a Will, funds can be used across the county to support a range of good causes.

**Creating a named fund:** Larger gifts can be used to establish a unique named fund at Somerset Community Foundation. For example, a bequest of £50,000 can be used to create a permanent endowment fund that will generate investment income. This will then be given away each year in grants to causes specified by the donor. We'll publicise the fund to local charities and community groups and invite applications for funding. We'll then rigorously assess applications to ensure organisations are robust and well-run, award grants, and monitor the difference they make to our community.

**Supporting an area or theme:** We have more than 90 pre-existing funds supporting different geographical areas or types of work, such as youth or older people. Donors may name an existing fund, geographical area, or theme of work in their Will and be confident that it will be used effectively.

Villagers enjoying a Christmas meal at Evercreech Friendship Club



## Donald's story: The Donald Lake Memorial Fund

Donald Lake, from Yeovil, was a widower and when he passed away a few years ago, he left his entire estate to charity. Apart from naming a couple of charities, he asked the executors to use their judgement to select which other charities to support. The executors, in turn, approached Somerset Community Foundation. They decided to invest the proceeds from the estate in our endowment fund to make a more strategic and long-term impact by creating the Donald Lake Memorial Fund in 2010.

Since then, in Donald's name, we have awarded more than £15,000 of grants to a range of Somerset organisations working with older people. One small grant has enabled Contact the Elderly to start monthly Sunday tea parties for isolated older people in three new villages, and another helped to fund a new lift to help elderly and disabled people access regular social activities in the function room of a church hall in Langport.



# Memorial Funds

Woodwork project at Burnham-on-Sea and Highbridge Men's Shed



John, a volunteer driver helping older people in West Somerset



## Remembering a loved one

Our team can help set up a Memorial Fund, in commemoration or tribute of a loved one, providing family and friends with a personal focus for special memories, which is both tax-efficient and easy to administer. This type of fund can be set up quickly, in just a matter of days.

### Mary's story: The John and Dorothy Ball Fund

John and Dorothy Ball were long-term residents of Wootton Courtenay in West Somerset, and their daughter, Mary, had very happy memories of growing up in the area.

When her parents passed away, Mary wanted to remember them by creating a fund in their memory to make a long-term impact on older people in West Somerset.

Mary said: "My family had lived West Somerset for generations, and I felt that I wanted to keep their memory alive.

I found the process of setting up the fund very simple and straightforward. Knowing that someone else is doing the groundwork is great. My husband and I also have a charitable trust of our own and we know how much time it takes to sift through applications from charities and decide which causes should receive funding. To be able to hand that

over, but still have final say on which grants receive funding, works well for us."

One grant from the John and Dorothy Ball Fund has helped a charity in West Somerset to train volunteer car drivers to help older people in isolated communities. The grant helped 2,000 people from areas with no public transport, ensuring they can get to vital medical appointments, do their grocery shopping and attend social outings.

Another recent grant supported The Orchard Social Group to buy a new cooker to provide hot meals for more than 40 elderly, vulnerable and disabled people who join their regular sessions. Something as simple as a hot meal, a chat, and some games or fun activities can make a huge impact on the mental health and wellbeing of people who are socially isolated.

"Setting up a fund in memory of a loved one is a very worthwhile thing to do. For us, knowing we are no longer in the area, but our family name is still involved in the community is very rewarding. We also know that the money is being well spent and put to good use, and we feel very confident of that with Somerset Community Foundation."

**Mary Smallwood,**  
The John and Dorothy Ball Fund

# Charitable trust transfers

## Breathing new life into dormant or ineffective trusts

There are thousands of charitable trusts across the UK that are either dormant, ineffective or inactive. Often, the original objectives of the trust may be difficult to fulfil, Trustees may lack the expertise or capacity to award grants effectively, or the trust may generate very little income.

Somerset Community Foundation can offer a range of solutions to breathe new life into dormant trusts and put funds to good use supporting local charities and community groups. Options include:

- **Closing a trust and transferring the proceeds to Somerset Community Foundation:** Transferring the trust must be in compliance with the charity's governing document and must be approved by the Charity Commission. We can assist you in this process and the funds can be held in a new named fund with similar objects to the original trust.
- **Managing the trust:** Somerset Community Foundation can take on the management of the trust, becoming a corporate Trustee and retaining the trust's original charity number.
- **Specialist grant making services:** The Foundation can offer a range of grant making services, from end-to-end grant making or one or more specific elements, such as designing application forms, promoting grants to charities, or grant monitoring.

## Why transfer a trust to Somerset Community Foundation?

- **An easier way to give:** By transferring the trust to the Foundation, Trustees can release the responsibility of managing and administering a fund directly, but retain a connection to the fund as an adviser or by being involved in awarding grants should they wish.
- **Our unique expertise:** With over 15 years of grant making experience, we bring unrivalled local knowledge of local need, and of the charities and community groups that help Somerset to thrive. In 2017–18, we supported more than 250 local organisations across the county that are working tirelessly to improve the lives of local people.
- **Stronger returns:** By pooling investments from other families and companies, we are often able to generate better returns than standalone trusts. This means we can make more grants to the good causes that need them most.



Dairy House community garden, part of the Elim Connect Centre, which received a grant from the Graham Burrough Memorial Trust to help homeless people suffering with mental health problems

## Pam's story: The Graham Burrough Memorial Trust

Pam Burrough established a trust in memory of her husband, Graham, after he died in 1997. The trust supported hundreds of mental health charities over a 20 year period, at which point, Graham's widow, Pam and her trustees decided to wind up the trust.

Pam's solicitors approached Somerset Community Foundation to take over the running of the trust in partnership with Dorset Community Foundation, with each receiving over £300,000.

The funds will continue to be invested as part of our endowments and the income will be used to support some of the many local grassroots projects helping people living with mental health issues.

"I am very happy indeed that such a viable future for the trust has been established. I wish I had discovered just how the Foundation works at an earlier stage in our decision making. I feel very confident that Graham's legacy will be administered wisely and will continue, in his name, to help and cheer many others suffering mental health problems."

**Pam Burrough,**  
The Graham Burrough Memorial Trust

# Dormant client funds and unclaimed client accounts

A volunteer at the recently rebuilt Galhampton village hall



Children at Home-start West Somerset, which offers practical support for local families



In addition to the handling of dormant charitable trust transfers, Somerset Community Foundation can transform unclaimed balances into an asset for the local community. If you are unable to trace the rightful owner, there are no instructions on how funds should be used, or funds returned to the client have not been cashed, why not consider donating the funds to Somerset Community Foundation to help local good causes? In doing so, firms can release funds that would otherwise remain unspent and subject to audit every year.

In 2014, the Solicitors Regulation Authority (SRA) increased the limit of unclaimed funds from £50 to £500 which can be paid to charity without SRA permission. These small amounts can make a big difference to small charities across Somerset.

Amounts over £500 can also be paid to charity, providing SRA permission. Somerset Community Foundation will take out indemnity insurance in case the original beneficiary should ask for the funds to be returned. We will handle all cases with the utmost sensitivity, and funds will usually be held in our endowment, leaving a lasting legacy for Somerset for generations to come.

## Harnessing dormant funds to help your firm make a difference

If your firm has a number of dormant client funds and would like to put them to good use, why not consider using them

towards your firm's charitable support? We can advise you on your approach to Corporate Social Responsibility and can lift the burden of assessing applications for funding from your firm.

● **Named funds:** If you have dormant funds of £25,000 or more, why not consider donating them to Somerset Community Foundation to set up a named fund? Named funds offer all of the benefits of a charitable trust, without any of the cost or time demands. We'll rigorously assess applications, award grants and monitor the difference they make. If you wish, you can visit the charities supported or be involved in the grant making process. You'll also receive an annual impact report on how your funds have been used.

● **The Somerset Fund:** The Somerset Fund unites local businesses and families who are passionate about supporting local charities and helps them change lives, together. Supporters are encouraged to make a donation of £2,500 or more to the fund, which will benefit from matched funding of 50% and be pooled with donations from other companies, meaning donors make an even greater impact. Our expert grants team will support good causes to apply for grants from The Somerset Fund, assess applications, and make sure donations reach those most in need.

Supporters can benefit from volunteering opportunities, networking and PR opportunities, and an annual impact report on the difference their donations have made.





### Get in touch

If you, or your client, would like further information about making a gift to Somerset Community Foundation, please contact **Laura Blake, Development Director on 01749 344949 or email: [laura.blake@somersetcf.org.uk](mailto:laura.blake@somersetcf.org.uk)**

You can also find more information on our website: **[www.somersetcf.org.uk](http://www.somersetcf.org.uk)**

Follow us  @somerset\_cf  @SomersetCommunityFoundation

