

## Named fund vs own charity/charitable trust

A named fund is a ring-fenced charitable fund held by us on your behalf. Named funds are a great way for you to get directly involved in community philanthropy, without the cost and administration of setting up your own charitable trust. Here we offer a side-by-side comparison of the steps involved in setting up a named fund as opposed to a brand-new charity or charitable trust.

	<i>Setting up your own charity or charitable trust</i>	<i>Setting up a named fund hosted by a community foundation</i>
<b>SET-UP PROCEDURE</b>	Must register as a charity and apply to the Charity Commission; must appoint a Board of Trustees	Simple agreement – OCF <i>Memorandum of Understanding</i>
<b>COSTS</b>	Likely to be at least £1,000	Contribution/donation to OCF, typically a % of fund value
<b>TIMEFRAME</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, or contract or hire staff; auditors likely to be cost around £2,500	OCF handles all financial and administrative management, sorts out audit and reports to the Charity Commission; tax status is covered under OCF's charity status
<b>REPORTING TO AUTHORITIES</b>	Donors/trustees must maintain all financial records, prepare accounts, and submit to the Charity Commission	OCF takes care of reporting to the Charity Commission, particularly the annual report and accounts
<b>GRANT-MAKING PROCESS, ADMINISTRATION AND FOLLOW UP</b>	Donors responsible for own grant-making process, administration and oversight; must research and check activities and status of all recipient organisations; has ultimate say in all grant decisions	Donors can be involved as much or as little as they choose; OCF trustee approval required for all grants; professional staff help identify and assess grantees, provide input on community needs, ensure follow-up with recipients and report back to donor; OCF verifies activities and status of all potential grantees
<b>PHILANTHROPY ADVICE</b>	Donors/trustees responsible for own giving strategy	OCF provides full charitable giving and grant-making know-how to ensure the donor uses their fund for the causes that most need help

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<b>MAXIMISING FUNDS</b>	Donors are able to invest what they can in the community projects they want to support	By operating through a community foundation donors have access to additional match-funding that will boost their impact
<b>DONOR CONTROL AND RESPONSIBILITY</b>	Donor appoints Board of Trustees to control all aspects of grant-making and investment	Trustees of OCF take on legal and fiscal responsibility for the fund, while the donor recommends grants to organisations vetted by OCF
<b>GRANTS</b>	Often restricted to charitable trusts; donors may not know about many smaller groups operating in their areas of interest	Can be made to both registered and non-registered community groups; OCF makes suggestions about lesser known groups that would benefit from funding
<b>PRIVACY</b>	The charitable trust must keep public records	Anonymity of donor can be maintained if desired; if the donor wishes, OCF can serve as a mediator between donor and grant-seekers
<b>PROFILE</b>	Entirely responsible for carrying out own publicity and marketing	OCF can help the donor as much or as little as they want; we can raise donor's profile in the community by making grants in their name and featuring them in publications
<b>GEOGRAPHY</b>	Donors/trustees determine their geographical reach	OCF operates across Oxfordshire, but partners with other UK Community Foundations on the delivery of regional and national initiatives that may be of interest to donors
<b>NETWORKING</b>	Must find own network and information sources	OCF connects donors to a variety of groups and issues in the community, and connects like-minded donors through events and initiatives
<b>DORMANCY</b>	Charitable trusts risk dormancy if the donor passes away, the cause becomes obsolete or the initial momentum to set up the fund has slowed	Charitable gifts invested in named funds will benefit the community forever and not become dormant, as OCF will honour a fundholder's charitable wishes even after they passed away

