

# Setting up a named fund



**Named funds are one of the specialist services that Community Foundations are uniquely positioned to provide. They are a simple and cost effective alternative to establishing an independent charitable trust, quick to set up and extremely flexible, allowing you to have as much input into the grant making process as you choose.**

Leeds Community Foundation (LCF) handles all the administration, reporting to you as regularly as you wish.

## Your involvement

You may be happy with broadly determining what kind of causes you would like to support and give the Foundation the discretion to decide which specific projects to fund. You may wish to see first-hand the effect your support is having in the local community. Greater personal involvement in the decision-making might mean: visiting some of the projects; meeting with LCF staff to review applications; or setting up a committee to help with decision-making.

## Types of funds

### Endowment

An endowment fund gives permanence to your donation and demonstrates your longer-term commitment. We invest your donation through our investment managers and, each year, some of the income is available for distribution in grants. The actual amount you have to distribute annually will depend on the sum invested so we suggest a minimum entry level of £50,000.

### Immediate impact

An immediate impact fund is when you donate a specific sum of money that is then awarded in grants over a 12-24 month period. Donors are encouraged to make regular annual contributions to “top up” the Fund. The minimum size for an immediate impact fund is £25,000.

### Combined

We can combine these options into a combined fund for donors who want to build up a substantial endowment fund over time, but who also want to make grants on an annual basis as well.

## Benefits of a named fund

- **Authenticity:** fundholders enjoy the peace of mind of knowing that the fund is part of LCF’s trusted, verified and established infrastructure.
- **Efficiency:** donors avoid unnecessary hassle and wasted time, as LCF is responsible on behalf of the named fund for all the administration, reporting and governance as required by the Charity Commission and HMRC.
- **Growth:** the monetary value of donations is maximised thanks to LCF’s eligibility to reclaim Gift Aid, access to match-funding schemes and professional investment management, alongside the pooled funds of all our donors.
- **Impact:** charitable gifts have a wider and deeper impact in the community, as fundholders benefit from LCF’s local knowledge and understanding of the charitable sector, and 11-year track record of running a charity.
- **Longevity:** charitable gifts invested in named funds will benefit the community forever, as LCF will honour a fundholder’s charitable wishes even after they passed away.

*“Save a bit, spend a bit & give a bit away is what my parents used to tell me. There is nothing more rewarding than feeling like you are making a difference to the lives of people around you. My named fund allows me to do just this.” Mr. JK Lee, BEM*

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LCF has experience of managing endowment and immediate impact funds for a range of donors. The below examples provide an insight into the support we provide.

## Endowment fund

### Leeds Tradesmen's Trust

In 1843, local businessman Thomas Sydney set up the now named Leeds Tradesman's Trust Fund with a donation of 500 guineas to stop people ending up in the workhouse. 150 years since it was first set up this endowment fund is now managed by the Foundation and on top of the thousands of pounds it has already distributed, it is now valued at £860,000 and distributes approximately £20,000 a year to support people who are in need.

## Immediate impact funds

### The Ann Maguire Arts Education Fund

Established by the family of respected Leeds school teacher, Ann Maguire, who was tragically killed in 2014. The Fund was set up to collect donations from family, friends and people who wanted to show their support. Over £200,000 has been raised, which is distributed in grants and bursaries to individuals and groups who need financial support to develop their skills and talents within the arts.



## Combined fund

### Jimbo's Fund

Jimi Heselden is known as one of the UK's biggest philanthropists – giving £23 million to LCF before he sadly died in 2010. Initially set up as an immediate impact fund, after his death, his family wanted his generous legacy to live on. Some of his donation was transferred into an endowment fund and renamed as with his nickname - Jimbo's Fund. Eight years on, the Fund has distributed over £13m and helped 269 local community projects.

**Jimbo's FUND**

## How it works

### INVEST

Cash donation; fundraising; payroll giving; legacy; transfer of shares, land or property



### BOOST

Tax efficiency; Gift Aid; match-funding schemes; investment fund managers



### CONTRIBUTE

Small donation to LCF covers overhead costs; contribution waived for smaller funds



### CHANGE THE WORLD

Administration by LCF; fundholder can assess and meet charities; PR and marketing