

Making the most of local charitable trusts

Trust transfers



HCF

Hertfordshire Community Foundation

DS Achieve knows that with early support children with Down syndrome can maximise their future potential. Funding from HCF has helped to cover their running costs ensuring local children with Down syndrome are given the best possible start in life.



HCF is an independent charity which encourages and supports local philanthropy. We provide advice and giving options to our donors which we transform into funding and support for small charities, voluntary groups and individuals in Hertfordshire.

Could Hertfordshire Community Foundation be a safe haven for your charitable trust?

Over the past 10 years Community Foundations have provided a safe haven for over 3400 trust funds with asset transfers totalling in excess of £60 million.

Historically many of these trust funds became dormant and ineffective when their objects became increasingly difficult to fulfil. Trustees faced a dilemma in knowing what if any action they could take. By engaging with their local Community Foundation assistance was provided to regularise the situation resulting in the assets being re-invigorated and used to support charitable giving in the future.

More recently an increasing number of trustees responsible for active trust funds have realised, from a succession planning and continuity perspective, they need to plan for the future

and have sought to transfer their trust fund to their local Community Foundation.

Community Foundations have worked closely with the Charity Commission for England and Wales to develop understanding, knowledge and the specialist expertise to handle trust transfers.

At Hertfordshire Community Foundation (HCF) we provide guidance and support to trustees wishing to consider transferring responsibility for their charitable trust and the attaching assets. HCF can then either reinvigorate dated objects and make assets fit for future charitable use or simply carry on the good work of former trustees and continue to deliver effective grant making in line with the objects of the funds.

Dormant and ineffective trust funds

We are aware there are significant charitable assets that, for a variety of reasons, are not being used effectively resulting in the trust funds becoming moribund (dormant) or ineffective (consistently being unable to spend annual income). This could be due to:

- The objects of the trust fund, over time, becoming impossible to fulfil
- The historical area of benefit becoming restrictive making it virtually impossible to identify qualifying grant recipients
- Trustees being unable to administer the trust fund due to illness, lack of resources and expertise or other commitments
- The assets of the trust fund being too small to have significant impact

- Financial returns on cash/investments held reducing over time resulting in a negligible amount of annual income being available for grant distribution
- Trustees no longer having the relevant local knowledge to deliver grants effectively
- The work of administering a charitable trust fund becoming a serious concern and inconvenience to trustees

By engaging with HCF, trustees can find a solution to their problems leading to effective grant making recommencing in line with the donors original intentions.



Mudlarks supports adults with learning disabilities and mental health issues through supported learning and meaningful work in the community. Their projects include allotments, a cafe and teams of gardeners. Funding from HCF has helped to cover their running costs during the pandemic so that their allotment could remain open.



Herts Welcomes Refugees supports refugees and asylum seekers by providing practical support aimed at helping them to integrate and thrive in their local communities. With support from HCF they provide a befriender network which reduces isolation and identifies ways to help individual needs.

Active trust funds

HCF manages over 100 trust funds on behalf of donors, delivering charitable benefit in support of the objects of the funds.

In some cases trustees have transferred their trust fund to HCF to ensure that the excellent work they have undertaken for many years is continued in perpetuity.

In some situations trustees have elected to remain as advisers of the fund, for example, to oversee grant making and provide local input to decision taking on grant awards.

Very often the returns on investments have been significantly improved upon with the transferring assets joining a larger pool of money, effectively managed through appointed investment managers.

The benefits to consider in transferring your trust fund to HCF

Below are some of the benefits which should apply if you decide to proceed:

- The potential for the transferring assets to achieve a significant increase in total returns through prudent but effective financial management.
- The ability for trustees to absolve themselves from the responsibility of managing and administering a trust fund but in some cases retaining the ability to maintain an interest in the fund by acting as an adviser.
- For significant trust transfers a fund agreement will be prepared for the benefit of both parties. In addition you will receive an annual fund report summarising the impact of your transferred funds.
- HCF will ensure that grant awards are made in line with the object of the transferring trust fund and always be used to meet real need.
- HCF will be happy to provide guidance and assistance to trustees and obtain the necessary permissions from the Charity Commission for England and Wales to effect the transfer of your trust fund, through the application of the provisions of the Charities Act 2011.
- The satisfaction in knowing that if your trust fund has become dormant and ineffective that the original donor's philanthropic beliefs can still be delivered HCF exercising the relevant provisions of the Charities Act 2011 to use the assets broadly in line with their original objects, to support charitable purposes now and in the future.

Contact

If you would like to find out more about how HCF can support your charitable trust or you have any questions, we would be delighted to hear from you.

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Caring Hair offers people facing hair loss free, expert advice and support. Females report hair loss as one of the most traumatic side effects of cancer treatment. Funding from HCF has helped Caring Hair to expand and improve their support service to help patients to have the skills to help themselves manage their hair loss journey.





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