

Charitable Trusts and Foundations

What Are They?

There are about 7,500 grant-making trusts and foundations in the UK, giving a total of approx £2 billion in grants each year to charities. Trusts' total giving to charities is about the same as the total of grants given to charities by the UK government.

Most trusts and foundations derive their income from an endowment, i.e. a capital sum given to them by a rich individual, family or company. The endowment may take the form of cash, stocks, shares, or land. It provides a tax-exempt income which funds their grant-giving. Some trusts and foundations receive their income from other sources: e.g. gifts from a company's current profits, or a regular appeal on TV and radio. Some trusts act as a broker for donors and collectors of endowment, either in a local area (a community trust) or in a specialist field (an intermediary trust).

Who Can Apply?

Trust income comes from an endowment i.e. an individual, family or company. The interest made is given out in grants. No tax is paid to the government but in return, trusts can only fund charitable causes. Consequently, they often only give to or via a registered charity or to organisations which are accepted as charitable e.g. churches.

What Do They Fund?

Trusts and foundations like to fund what government does not fund:

- New methods of tackling problems;
- Disadvantaged and minority groups that face barriers in accessing services, or which have inadequate access to services;
- Responses to new or newly discovered needs and problems;
- Work which is hard to finance through conventional fundraising;
- One-off purchases or projects;
- Short and medium-term work which is likely to bring a long-term benefit and/or to attract long-term funding from elsewhere.

About 70 per cent of trusts and foundations give in the health and social welfare fields. 30 per cent give to the arts and recreation and 9 per cent give to causes related to religion. About 7 per cent of their funds are given internationally.

They might fund a slide for a playgroup or fund a 3 year project to deal with drug addiction amongst young people.

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? • How Do You Apply?

Usually in writing. Find out what they require from you. Some require in depth information. There is information below about how to find trusts that might fund you.

£ How Much?

Usually small amounts, although there are some larger trusts that provide funding for more than one year.

+ Pros:

- Simple procedures
- Flexible about what they can fund
- Wide range of interests
- Often prepared to fund something new and untried
- Often prepared to fund more unpopular causes

- Cons:

- Few give large grants (tends to be £100s rather than £1000s). Most are too small to fund salaries
- Need research
- Many don't meet more than twice a year, so the process can be slow
- Those that do make large grants are interested in setting-up costs, not long-term running costs

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Further Information:

• To find trusts

- Major trusts have their own websites. To find these look at Association of Charitable Foundations website: <http://www.acf.org.uk/> or Charities Direct website: <http://www.charitiesdirect.com/>
- To find local trusts near to you, contact your local CVS - England, Wales, Scotland, Northern Ireland, or local council. Libraries may also be able to help.
- Local community web-pages often have this information.
- Use Google <http://www.google.co.uk> to find them. Ensure you find the appropriate site and not one with a similar name in another part of the world.

DSC (Directory of Social Change) provides searchable databases online. There is a free database of Government Funding which covers most Government departments that fund the Voluntary and Community Sector www.governmentfunding.org.uk There is information and a subscription service to a searchable database of ongoing funding from Trusts and Foundations at www.trustfunding.org.uk

FunderFinder sells software including a searchable database of ongoing funding from Trusts and Foundations. Contact them to find out if there is an agency offering public access to this database in your area. They also offer some free downloadable software to help with applications to funders. Look at website www.funderfinder.org.uk for further information.

Grantfinder provides a comprehensive searchable database to subscribers which includes all funding for Local Authorities and business as well as the voluntary and community sector. This expensive service is of limited use to the public, but your Local Authority may subscribe and have access to this database. Look at website www.grantfinder.co.uk for further information.

J4B provide searchable databases of all funding for Local Authorities and business as well as the voluntary and community sector for subscribers in local areas. These, including many Local Authorities, offer the service free to the public. J4B also make this database freely available on their website www.j4b.co.uk for those who register.

• Newsletters of updates and short term offers of funding

At times, trusts' and foundations' circumstances change. They may change their guidelines of who they can fund. They may have more (or less) in their budget. Often they will respond to change by introducing short term funding opportunities with strict deadlines.

• CIB Newsletters

News of changes and short term funding offers can be found in The CIB Newsletters.

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➔ Further Information: (Continued)

- **There are other sources of this information including Profunding/Funding Digest www.fundinginformation.org and Grants On-line www.grantsonline.org.uk**

Grants Online provide subscription services including the latest funding opportunities at website www.grantsonline.org.uk

Profunding offer subscription services of the latest funding information for the Voluntary and Community Sector at www.fundinginformation.org. This service is comprehensive and particularly useful for professional fundraisers and those giving funding advice. They also provide a low cost basic service for community groups.

Remember to compare services before paying any substantial fee. You should be able to gain a free trial to see what you are getting (as with The CIB newsletter above). Phone and ask if they do not offer this on their website.

Before parting with subscription fees check whether the service you want to access is available at your local CVS or elsewhere locally. To contact your local CVS go to the NACVS website www.nacvs.org.uk to find their details.

• **Books**

- **Directory of Grant-making Trusts 2005-06**

This comprehensive reference work covers 2,500 grant-making trusts. 19th edition, 2005, ISBN 1 903991 58 7

- **A Guide to the Major Trusts 2005/2006 Volumes 1 & 2 Tom Traynor**

Regarded as the fundraiser's bible, these essential reference works provide the only source of independent critical analysis of what trusts do in practice. Volume 1 covers the top 400 UK trusts, 7th edition, 2005, ISBN 1 903991 55 2

- **Fundraising from Grant-making Trusts and Foundations Karen Gilchrist & Margo Horsley 1st edition, 2000, ISBN 1 900360 77 2**

- **Trust Fundraising Edited by Anthony Clay 1st edition, 1999, ISBN 1 85934 069 5**

- **Directory of Grantmaker's Websites**

This CD-ROM contains the website addresses for nearly 3000 grant-making trusts, foundations and companies from the UK and particularly from around the world.

- **There are also publications from DSC on regional and local trusts.**

Look at the DSC website and on line bookshop for further information and catalogue.