



GIVING PACKAGES FOR DONORS **as at August 2008**

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Introduction

This document has been developed to outline the ways for donors to give to Cornwall through the Cornwall Community Foundation, and to take advantage of The Grassroots Grants Endowment Challenge 2:1 Uplift.

If you would like to discuss any of the options outlined here, or to inquire about alternative bespoke options, we invite to contact the office on 01566 779333.

Standard fees

1.25% of total amount charged as management fee on endowment funds, charged once at point of deposit, deducted from gift.

10% of total donation charged on all "flow-through" funds, as administrative fee, per grant made, deducted from gift.

These fees are standard unless otherwise arranged.

A set-up fee for a named fund may be discussed.

Investment of funds

The Cornwall Community Foundation Board of Trustees has considerable investment experience, and members include the current Chairman of Schroder Investment Management, an ex-Governor of The Bank of England, and a former director of Baring Asset Management.

Giving Packages as at August 2008 FINAL I LT

Our investment policy is set by the Trustees' specially designated Management Committee. The Investment policy for endowments is aimed primarily at generating sustainable income, for distribution, with due regard for the preservation of capital value and the possible need to realise investments to meet operational needs.

The current investment strategy is to have 60% of available funds invested, with a 60:40 ratio between equities and bonds. The Cornwall Community Foundation currently has Endowment Funds invested in cash (40% on deposit with COIF, yielding some 5.6% in the three months to March 2008), Shares (40% with M&G Charifund, dividend yield some 5.32%) and Bonds (20% M&G Charibond yielding 6.46%).

Interest

Interest on Funds is calculated quarterly and allocated per fund annually by the Management Committee, to be managed per donor according to original fund agreement. The donor is sent quarterly statement showing original amount of gifts, interest, expenditure, fees.

Gift Aid

It is Cornwall Community Foundation policy to pursue Gift Aid on all eligible donations. Gift Aid is now at 22% on top of the original gift, but transitional relief until 2011 makes up the difference to the previous amount of 28p per pound.

Grassroots Grants Endowment Challenge, 2:1 uplift



The Cornwall Community Foundation has launched The Grassroots Endowment Challenge to all donors (existing and new) to help us raise £1m for the benefit of community groups in Cornwall and The Isles of Scilly. We are building our endowment (savings) in order to 'future-proof' our work by generating long-term income from which we can make grants for ever.

Through the Grassroots Grants Programme, which The Cornwall Community Foundation successfully bid for in July 2008, the government will donate another half again on all eligible gifts which are managed as endowment – so for every £2 we receive £1.

We need to raise £1.55 million by 2011 to access all the available match funding of £518,000.

We have a variety of giving packages for all sorts of donors, and each package is designed with a proportion of the gift being managed as endowment. Please see below.

Note: Money administered through the CCF Grassroots Endowment Fund will generate interest over time to be distributed as the donor requests. The first release of interest will be in March 2010.

Uplift Scenarios on Gifts from Donors through Gift Aid, Grassroots and Tax Benefits

Individual Donors

All grassroots endowment gifts from standard rate tax payers can be enhanced even further than the Grassroots 2:1 Uplift if Gift Aid is also eligible:

| | | | | | | |
|--------------------------------|---|------------------------|---|-------------------------------------|---|------------------------------------|
| £100 gift from donor | + | £28 Gift Aid | + | £64 50% Grassroots Uplift | = | £192 Total amount to CCF |
|--------------------------------|---|------------------------|---|-------------------------------------|---|------------------------------------|

Businesses liable for Corporation Tax

A £10,000 gift from a business would become £15,000 through grassroots. (Gift Aid is not eligible on this). The businesses could save £2,100 in Corporation Tax, meaning that the £15,000 gift had only cost the business £7,900, just over half of the total benefit received by The Cornwall Community Foundation.

| | | | | |
|-----------------------------------|---|--|---|---------------------------------------|
| £10,000 gift from donor | + | £5,000 50% Grassroots Uplift | = | £15,000 Total amount to CCF |
|-----------------------------------|---|--|---|---------------------------------------|

| | | | | |
|---|---------|---|-----------|--|
| £7,900 final cost to Corporation of gift | because | £10,000 amount deducted from pre-tax profits | therefore | £2,100 Corporation Tax saved (at 21% for small companies) |
|---|---------|---|-----------|--|

or

| | | | | |
|---|---------|---|-----------|--|
| £7,200 final cost to Corporation of gift | because | £10,000 amount deducted from pre-tax profits | therefore | £2,800 Corporation Tax saved (at 28% standard rate) |
|---|---------|---|-----------|--|

Higher Rate Tax Payers.

If a higher rate tax payer donates £1,000 to The CCF, and we claim Gift Aid (as long as the donor pays tax in the UK), the gift becomes £1,280. A Grassroots uplift of £50 on £1,280 is £640, making the total gift worth £1,920.

The charity will claim Gift Aid on the donation at the basic rate. Then the individual can show the donation on their tax return, the difference between the basic rate (20%) and the higher rate (40%) = 20% is calculated on the original gift, and that amount is deducted from their taxable income. Therefore the original gift will reduce the donor's tax bill.

| | | | | | | |
|---------------------------------|---|-------------------------|---|--------------------------------------|---|-------------------------------------|
| £1000 gift from donor | + | £280 Gift Aid | + | £640 50% Grassroots Uplift | = | £1920 Total amount to CCF |
|---------------------------------|---|-------------------------|---|--------------------------------------|---|-------------------------------------|

| |
|---|
| £744 final cost to higher rate tax payer (£1,280 x 20% tax saving = £256, from £1,000 = £744) |
|---|

Uplifts scenarios over time.

The proportionate cost to the donor for their giving decreases exponentially over time, as is illustrated below. We encourage all our donors to engage in long-term giving to Cornwall both for the financial benefit and also for the benefit to the overall experience.

Gift Aid and Grassroots Uplift Scenarios For Individuals over 3 years

| Annual Donation | Gift Aid | Grassroots Uplift of 50% on donation | Total Annual Donation | Cost to High Rate Taxpayer | Total Gift over 3 Years | Total Cost to Basic Rate Taxpayer | Total Cost to Higher Rate Taxpayer |
|------------------------|-----------------|---|------------------------------|-----------------------------------|--------------------------------|--|---|
| £1,000 | £280 | £640 | £1,920 | £744 | £5,760 | £3,000 | £2,232 |
| £5,000 | £1,400 | £3,200 | £9,600 | £3,720 | £28,800 | £15,000 | £11,160 |
| £10,000 | £2,800 | £6,400 | £19,200 | £7,440 | £57,600 | £30,000 | £22,320 |
| £25,000 | £7,000 | £16,000 | £48,000 | £18,600 | £144,000 | £75,000 | £55,800 |
| £100,000 | £28,000 | £64,000 | £192,000 | £74,400 | £576,000 | £300,000 | £223,200 |

NOTES: Cost to higher rate tax payer based on tax rebate claimable on charitable donations

i.e. Difference between higher and basic rate of tax (40% - 20%) = 20% x gross donation (donation plus gift aid)

Example: Donation £1000 x 28% (gift aid) = £1280 x 20% (higher rate - basic rate) = £256.

Original donation - tax rebate (£1000 - £256) = £744

Grassroots and Tax Effective Uplift For Businesses over 3 years

| Annual Donation | Grassroots Uplift of 50% on donation | Total Annual Gift | Savings in Corporation Tax to Business | Total Gift over 3 Years | Total Cost to Business |
|------------------------|---|--------------------------|---|--------------------------------|-------------------------------|
| £1,000 | £500 | £1,500 | 1) £210 2) £280 | £4,500 | 1) 2,370 2) 2,160 |
| £5,000 | £2,500 | £7,500 | 1) £1,050 2) £1,400 | £22,500 | 1) £11,850 2) £10,800 |
| £10,000 | £5,000 | £15,000 | 1) £2,100 2) £2,800 | £45,000 | 1) £23,700 2) £21,600 |
| £25,000 | £12,500 | £37,500 | 1) £5,250 2) £7,000 | £112,500 | 1) £59,250 2) £68,000 |
| £100,000 | £50,000 | £150,000 | 1) £21,000 2) £28,000 | £300,000 | 1) £237,000 2) £272,000 |

NOTES: Calculated at 1) 21% Corporation Tax and 2) 28% Corporation Tax

Giving Packages

The packages as outlined here have been designed to provide a range for all kinds of donors – in terms of their interests, the level to which they wish to engage in the process of giving, and also according to the amount they wish to give.

Each package has an endowment element in how we manage the funds received from donors, and it is that element upon which the Grassroots Endowment Challenge uplift is eligible – providing the other requirements are in place. These don't allow statutory money, or money from another trust.

Please note that bespoke packages are also available, according to donors wishes and our own resources.

- 1) General Donations
- 2) Become a Friend
- 3) Acorn Funds
- 4) The Cornwall 100 Club (Corporate Philanthropy Scheme)
- 5) Introductory Packages
- 6) Donor-Directed Funds
- 7) Named Funds

GIVING PACKAGES

General Donations

| Minimum Amount | Target profile | Donation Management Options | Benefits |
|---|---|---|--|
| Any | Any one wishing to give to Cornwall through The Cornwall Community Foundation, and not interested developing a long term giving strategy. | <ul style="list-style-type: none"> • 100% 'flow-through' to be distributed through one of our existing grant programmes as nominated by the donor, or at the discretion of The Grants Committee if the donor does not nominate. • 100% 'endowment' to be invested as part of CCF endowment, and the interest earned to be reinvested or distributed as above at the discretion of The Grants Committee. • Or a combination of the above. | <ul style="list-style-type: none"> • Automatically become a Friend if over £25 and details supplied. • Anonymous gifts are also welcomed. • Quarterly Financial Statements on Gift if required. |
| <p>Notes:</p> <ul style="list-style-type: none"> • General Donors are asked to kindly supply their name, address and email address so that we can thank you. • All general donors are also requested to also sign a gift aid and a grassroots form, which we can supply. • If name and address supplied, we will contact you with our thanks, and to inquire about the 'flow-through' / endowment split. Also to inquire as to which fund to benefit • Fees charged as standard. | | | |

Friends of The Cornwall Community Foundation

| Minimum Amount | Target Profile | Donation Management Options | Benefits |
|--|--|---|---|
| <p>£25 per annum.</p> <p>Standing Order preferred. Annual giving required.</p> | <p>Small to Medium givers, willing to commit to repeated long term giving.</p> | <ul style="list-style-type: none"> • 50% 'flow-through' funds to be made as grants from The Friends Fund, 25% to development costs, 25% to endowment + Grassroots Uplift. • Alternative Donation Management Option available: 100% to endowment + Grassroots Uplift. Interest to Friends Fund to be distributed as grants (first release 2010) • Friends' contributions distributed through The Friends Fund, as directed by The Friends Fund Panel. Decisions ratified by CCF Grants Committee. | <ul style="list-style-type: none"> • Newsletter. • Events. • Email Updates throughout the year. • Friends can volunteer to be on panel. • Visits to projects. • Local networking. • Financial Updates on Fund. |
| <p>Notes:</p> <ul style="list-style-type: none"> • Friends will be asked which of the two options they would like for the management of their donation. • All Friends are also requested to also sign a gift aid and a grassroots form, which we can supply. • Payment by standing order is requested if convenient. The office can supply a form. • All Friends asked if they would like to be a member of The Friends Fund (virtual) Panel. • No extra fees on fund, as covered by 25% to development costs. | | | |

The Cornwall 100 Club

| Minimum Amount | Target Profile | Donation Management Options | Benefits |
|--|--|---|--|
| £1,000 per annum (min), for at least three years. | Businesses working in Cornwall or with an interest in supporting Cornwall through strategic, long term giving. | <ul style="list-style-type: none"> • 50% 'flow-through' to grants, 25% to our endowment, 25% 'development', • Grants distributed through The Cornwall 100 Club Fund | <ul style="list-style-type: none"> • Logos for use on own materials. • Membership Certificate. • Profile-raising. • Response letter for requests for funding. • exclusive events . • reports on grants. • visits to projects. • volunteering opportunities through partner organisations. • Financial Statements. |
| <p>Notes:</p> <ul style="list-style-type: none"> • No fee charged because of 25% development fee • Set up required: membership form and clarification of which benefits the member requires. • End of membership requires 3 months notice. | | | |

Acorn Funds

| Minimum Amount | Target Profile | Donation Management Options | Benefits |
|--|--|--|---|
| Min £1,000 per annum. | Individuals, families, groups, businesses, who are interested in strategic, long term philanthropy committed to giving over period of years. An Acorn Fund is like building a charitable account. The aim is to build it to £25k and start a named fund. | <ul style="list-style-type: none"> • 100% endowment • Interest distributed or reinvested. • If distributed, to be channelled through one of existing grant programme. | <ul style="list-style-type: none"> • Quarterly Financial Statements on Gift. • Automatic Friend membership. • Newsletter. • Invitation to Events. • Additional updates as required. • Visits to projects. |
| Notes: <ul style="list-style-type: none"> • If the original gift is eligible for the Grassroots Endowment Challenge Uplift, the first release of interest will not be until 2010. • Fees charged as standard. | | | |

Introductory Package

| Minimum Amount | Target Profile | Donation Management Options | Benefits |
|---|--|--|--|
| Min £1,000. One year package only | Other grant-making organisations and trusts. Aim: to encourage long term giving through CCF by offering an excellent. | <ul style="list-style-type: none"> 100% 'flow-through' to be distributed through one of our existing grant programmes as nominated by the donor, or at the discretion of The Grants Committee if the donor does not nominate. | BESPOKE bene experience, e.g. panel meeting, holder. The ch fund holder for Plus standard b <ul style="list-style-type: none"> Newsle Events. Quarte Gift. Promor |
| Notes: <ul style="list-style-type: none"> Fees charged as standard. | | | |

Donor Directed Funds

| Amount | Target Profile | Donation Management Options | Benefits |
|--|--|---|--|
| £10,000 minimum | <p>A donor who wishes to chose the grants to be made</p> <p>(i.e. the group, or the theme, or region) and instructs CCF accordingly.</p> <p>The donor benefits from The CCF due diligence and administrative service. Philanthropic advisory service also available.</p> | <ul style="list-style-type: none"> No more than 50% of the fund to be distributed in grants per annum. The other 50% to be managed as endowment, with the interest available to be reinvested or distributed through grants. | <p>Option to give Funds.</p> <p>Plus automatic</p> <ul style="list-style-type: none"> Newsle Events Email U Friends Visits to Local n Financi |
| <p>Notes:</p> <ul style="list-style-type: none"> Fees charged as standard. The difference between Donor Directed Funds and a Named Fund is that a Donor Directed Fund does not require the advertising of the grants as the shortlist is selected from previous eligible applicants or grantees nominated by due diligence. | | | |

Named Funds

| Minimum Amount | Target Profile | Donation Management Options | Benefits |
|---|---|---|--|
| £25,00 with a commitment to further giving | Major donors: individuals, families, corporations. Donors seeking to make a substantive, long-term contribution to Cornwall, with philanthropic support from CCF. | <ul style="list-style-type: none"> • £25,000 minimum invested in endowment fund. • Interest available to be distributed as grants or reinvested in fund. • Grants are donor directed as to theme or cause (i.e. outside existing CCF funds). Guidance available. • The Donor will be invited to nominate the panel members. • Set Up Fee may be charged. | <ul style="list-style-type: none"> • Executive distribu • Opport affect fr • Quarte • Plus au • Newsle • Events. • Email U • Friends • Visits to • Local n |
| <p>Notes:</p> <ul style="list-style-type: none"> • Fees charged as standard. • Interest earned on Endowment Funds as part of the Grassroots Endowment Challenge 2:1 Uplift will be available for • The difference between Donor Directed Funds and a Named Fund is that a Donor Directed Fund does not require t nor the advertising of the grants as the shortlist is selected from previous eligible applicants or grantees nominated by due diligence. | | | |