



Bedfordshire & Luton
Community Foundation

Guide to Giving

Updated 2022



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Introduction

If you have been given or requested this guide, then it is likely that you have been thinking about charitable giving in Bedfordshire and Luton and how you can make a positive difference to the lives of local people.

How do you start?

At Bedfordshire and Luton Community Foundation (BLCF), we believe that your charitable giving should be a positive, fulfilling, and uplifting experience.

BLCF has been at the forefront of charitable funding in the county for more than 21 years. We have advised individuals, families and organisations in the county as to how to give effectively and efficiently, and we are sure we can help you achieve your charitable aims.

Some parts of Bedfordshire may appear affluent, but pockets of deprivation exist

across the county and without exception, all identified social issues have been exacerbated by the impact of Covid-19. It has never been a better time to consider supporting your local community by working with BLCF.

We hope this guide will help you find direction for your local giving.

Please read on to find out more about how you can work with us to get the best out of your giving.

Karen Perkins

Karen Perkins, CEO



About Us

Bedfordshire and Luton Community Foundation is an independent grant making charity set up specifically to generate and manage funds. These funds are dedicated to meeting the needs in our communities by assisting the work of Bedfordshire and Luton charities and voluntary organisations as well as supporting individuals.

An accredited grant-maker, we are part of a UK network of 47 Community Foundations, and the main distributor of local and national government money to the voluntary sector in Bedfordshire and Luton.

Since the Foundation was established in 2001, more than £25 million has been given out in

grants that have made a real difference to the most disadvantaged people in our county.

A small team of professional staff supports our Trustees in developing our supporter base, making grants, researching the needs in the county, advising the charity and donor sectors, and ensuring the proper financial administration of the Foundation.

In 2021-22 we distributed nearly £5m through 247 grants benefiting 185,000 people.

Those grants are made possible by our generous donors and fundholders: these are businesses and ordinary people who want to invest in and give back to their local communities.

To find out more about our work you can read our [2022 Strategic Plan – Local Focus. Lasting Change](#)



Your donation in safe hands

We fully understand how important it is to know that your money has been used effectively to support local causes that you can trust to make a difference within the community and who will use your donation responsibly.

BLCF manages your donations in a professional, ethical manner, carrying out due diligence on applications and using our unique experience to assess the viability of projects. We reach grassroots organisations you never even knew existed. We have a great depth of understanding as to what makes a good application and a viable project. You can rest assured any donation you make will be handled by experts who have their finger on the pulse.

Bedfordshire and Luton Community Foundation is governed by a Board of

experienced and diverse Trustees who bring a wealth of knowledge and broad professional oversight to our operation.

The charitable resources entrusted to us are overseen by our Finance Committee. They delegate the ongoing management of our investments to professional, UK-based investment managers, who have demonstrated successful track records over the longer term, and have sound market reputations and experience in the charity sector. Appointed investment managers are regulated by the Financial Conduct Authority.

Our Finance Committee monitors investment performance quarterly against agreed benchmarks, with a formal review of performance annually.



About Giving

Like any areas of expertise, we have specialist terms that we use to describe our work.

But we want you to understand what we mean when we talk about different kinds of funds.

Flow-through and Endowment Funds

These terms describe how we approach the funds that we are given.

Endowment Funds:

A longer term gift which is invested and from which we accrue interest every year which is used to fund a cause the donor cares about.

Endowment funds are in perpetuity, and over time the amount a donor will give to charity through their endowment will surpass the original donation, making it a lasting legacy to the community for generations to come.

Flowthrough Funds:

These are usually spent down over a shorter term, typically over a year. The gift is held in cash, in a restricted fund, to support the causes the donor cares about in the year(s) ahead. To keep a flowthrough fund going, the donor adds to the fund in future years.

Endowment Funds

DESCRIPTION

This is a fund that is invested to produce an annual income which is distributed as grants each year.

An Endowment Fund ensures your gift is invested for the long term. It provides a permanence to a donation, and is a long-term commitment to the local community.

Ideal for people who want to give in perpetuity and perhaps leave a legacy of giving.

Funds are invested, with the annual income being distributed in grants.

Funds are invested with a view to growing the value of the fund over time, to create an expanding and sustainable source of funds for grant making in perpetuity.

CRITERIA

Minimum £25,000

FEES

A 2% management contribution is deducted annually.

Flow-through Funds

DESCRIPTION

This can be set up as a one-off fund or as an on-going fund that is topped up regularly, usually annually.

This is ideal if a long-term endowment is unsuitable as it enables the donor to put their money to work straightaway.

A Flow-through Fund works well for business giving, when a more immediate impact is may be preferable to a longer term strategy, or to meet a crisis or urgent need.

Flow-through funds are established by making an annual donation which is awarded as grants within that year to provide immediate support to local communities.

CRITERIA

Minimum £50,000

FEES

10% of donation as a set-up contribution and then 10% per annum on top-up.

Building Up A Fund

For both Endowment and Flowthrough Funds, we have options for how these can be set up to suit changing circumstances, including Acorn and Hybrid Funds.

Acorn Funds:

This option allows a donor or donors to set up a fund over time with regular or one-off donations. It is an excellent way to work towards an Endowment Fund. Once the fund reaches a certain size (currently £25,000) it will be invested and the returns from the fund distributed.

Hybrid Funds:

A Hybrid Fund is very appealing for those donors who wish to grow an endowment over time but also wish to make grants from a revenue fund to make an immediate impact.

Part of an annual donation is allocated to an Endowment Fund or Acorn Fund, while part is distributed within the year as a Flowthrough fund.

Named Funds and Combined Funds

Named Funds:

A Named Fund is a fund that is set up by one donor – this can be an individual, a family or a business.

The donor will give the fund a specific name that is meaningful to them, and can remain as closely involved in the application of the funds as they wish.

Combination Funds:

A Combination Fund is usually be set up by BLCF to meet a particular community need, but it can also be initiated by a group of donors. In a Combination Fund, a specific groups of donors or the general public will be invited to donate to support a particular issue.

Both Named Funds and Combination Funds may be set up as Flowthrough, Endowment or Hybrid Funds, and may start off as an Acorn Fund.

Our Combination Funds

If you want to get started on your giving journey, but do not want to set up your own named endowment or fund, you can join your donation with others in a Combination Fund.

This way, smaller donations combine together to meet a community need, and have a huge impact.





The Bedfordshire Fund

The Bedfordshire Fund provides an ideal way to start your journey with us, either with a regular monthly payment or with a one-off or annual donation.

Donations of all sizes are pooled together and grants are made each year to support local communities across the county. The Bedfordshire Fund is operated both as a Flow-through Fund and an Endowment Fund.

We allocate 70% of your donation to the Flow-through Fund, and run grant-making rounds through the year to distribute your donation across Bedfordshire according to need.

The remaining 30% is allocated to the Bedfordshire Acorn Fund, which is invested each time it reaches £25,000. The investment returns are added to the Flow-through fund for distribution throughout Bedfordshire according to need.



The Bedfordshire Hardship Fund

With the unprecedented rise in energy and fuel costs, and the rise in the basic costs of living, many families, disabled and elderly people are struggling to make ends meet – and having to make the difficult choice between heating and eating.

We established The Bedfordshire Hardship Fund to support those struggling in our county. This appeal aims to raise money to help vulnerable individuals & families, working with selected community partners to support those most in need. We believe that no one should have to go without the basic necessities, including affording to heat their homes, have access to hot water or basic white goods essentials.



Businesses for Communities Fund

This is ideal for businesses that want to put something back into their community, but do not have capacity themselves to process approaches from community groups and charities. The Businesses for Communities Fund combines donations from a range of businesses to create a fund to support the causes that they care about the most. Businesses are invited to join at different participation levels.

Each donation to the Businesses for Communities Fund will be split: 30% will go into the Businesses for Communities Fund and invested as an endowment fund that will continue to build for the future and benefit future generations. The remaining balance will be allocated to the Businesses for Communities Flowthrough fund, and distributed to good causes. A grant making round will be triggered once the total of the fund reaches £25,000.



The Young Future Skills Fund

This fund helps individuals gain experience and take first steps on a career path through direct support and accompanied mentoring. Businesses can allocate a percentage of their donation to the Businesses for Communities Fund to the Young Future Skills or make a separate donation. A grant making round will be triggered once the total of the fund reaches £10,000.

Your Named Fund

You may prefer to set up your own named private family or business fund to meet your philanthropic aims.

Named Funds are created for a variety of reasons: in memory of a loved one, to campaign for a cause close to your heart, to demonstrate impactful corporate social responsibility (CSR), or simply because you want to help. Whatever the reason, a named fund is an effective way of carrying out great charitable intentions.

Setting up and managing your own fund can take a lot of time, expense and requires specialist expertise. There is much to consider ensuring your money will be used effectively, with credible organisations within your community that are relevant to your cause.

BLCF can take the burden away from you by managing your fund in a professional manner, dealing with legal compliance, governance, investment, and administration. We will ensure your fund achieves the criteria you have set out to fulfil by setting up a Named Fund and you can remain as closely involved in the application of your money as you wish

We take the time to understand what you would like to achieve with your fund. With our local knowledge we can assist in identifying the areas of greatest need.

Our funding checks ensure that applicants have good governance and the skill set to deliver a project that is really

needed. This provides a strategic approach to charitable giving and ensures a low level of risk.

When you set up a Named Fund you can choose one or more of the following ways that you would like your fund to be used. You can:

- Determine the purposes of the fund, then allow BLCF the discretion to make grants in line with local needs
- Determine the purposes of the fund, then recommend grant recipients from shortlists prepared by our team
- Recommend one or more registered charities to be annual beneficiaries of grants
- Permit the fund be used to support BLCF activities at our discretion



Ask Yourself These Questions

If you are thinking about doing this, it is likely you have already asked yourself at least one of the following questions:

- Is there an easier way to achieve my charitable aims?
- Where do I go to get the right advice?
- If I set up my own private trust, how will I manage the application and assessment process to local charities?
- How can I be sure the applicants are who they say they are and carry out proper due diligence checks?
- How can I be sure they will spend my donation responsibly and let me know what impact my donation makes?
- How can I decide on an investment policy and monitor the investment?
- How do I know which are the right priorities or needs for this fund?
- How much should I give to organisations to make a difference?
- Where can I let people know about the fund?

These are common questions but when the onus is on you to ensure your money reaches the right causes it can sometimes start to feel like a burden, rather than the fulfilling experience it deserves to be. BLCF can take that burden away from you.

BLCF makes sure charitable giving is always fulfilling and never feels like a hassle.

Named Fund FAQs

How involved will I be?

Donors can be involved as little or as much as they wish in the grant-making process. Some fund-holders tell us that getting to know the charities they are supporting is one of the most rewarding aspects of giving. Other fund-holders prefer to remain in the background. How much you get involved is entirely up to you, but BLCF will support you through the entire process.

How will BLCF support me?

BLCF will support you by:

- Providing information on effective giving and local needs
- Promoting your fund
- Receiving and processing requests for support
- Assessing and shortlisting suitable projects to receive grants
- Servicing meetings with fund panel members
- Awarding grants, then monitoring and reporting on their effectiveness
- Claiming any eligible Gift Aid and crediting it to your fund
- Investing the fund capital through professional investment managers [Endowment Funds only]
- Providing fund statements and reports.

What is the advantage of working with BLCF?

By partnering with us you can:

- Discuss and agree how to meet your charitable goals
- Access a wealth of local knowledge to ensure your gift supports communities or causes you care about
- Make your gift in the most cost-effective and tax efficient way
- Be confident that we will carefully manage all administrative responsibilities including investments, annual reporting and due diligence over the organisations that you choose to support
- Maximise the impact of your gift to make a real difference year after year.

Should My Named Fund be an Endowment or a Flowthrough Fund?

Your Named Fund can be an Endowment or a Flowthrough Fund.



Feel confident that you will make a difference

A study* into the barriers to charitable giving found a lack of faith in charities and a lack of control over how donations are used were two of the biggest reasons holding people back from giving more to their community.

It's understandable. It's only natural when you make a donation, especially a significant one, that you want to know it has been spent wisely.

But when this is not your area of expertise it can be difficult to know what to look out for, how to ask the right questions and how to get the peace of mind you need to feel confident that your gift will make a real difference. You need expert insight into the most deserving causes that meet your community's greatest and most urgent needs. We can share this with you.

The study found 42% of high net worth individuals believed their donations would not be large enough to have a significant impact. At BLCF we make sure every penny you donate counts.

23% of high net worth individuals cite a lack of knowledge, experience and contact with the charity sector as a barrier when considering large donations.

***Source: Savanta Study, 2020**

www.savanta.com/view/barriers-to-giving

Supporting You Supporting Us

Many donors or fund-holders prefer to stay anonymous when it come to their giving but some want to celebrate the support they give to help those in need.

When you work with us your fund will receive:

1. A Relationship Manager
2. The opportunity for your logo (or a created logo/name) to appear on fund publicity and documents jointly with BLCF
3. A Fund Distribution Report after each round
4. An Annual Fund Financial Statement
5. An Annual Fund Infographic
6. An Annual Review Meeting
7. Grants Panel Training (if you wish to sit on the Grants Panel for your Fund)
8. Invitations to speak at or attend funded groups' events

Leaving a Legacy

Making a Will is first and foremost a means by which you ensure that your loved ones will be protected after your death. Once that has been achieved many people choose to gift some of their assets to benefit those less fortunate.

Reflecting on your own life, the lives of those you care about and the communities around you and thinking about how you wish to be remembered, gives you the opportunity to leave a positive legacy to help your community for generations to come and to be remembered.

By making Bedfordshire and Luton Community Foundation a beneficiary of your Will or part of your estate plan, you are making a valuable contribution to a better future for our communities. We can help you through all the sensitivities of deciding how best to make a difference. The Foundation can work now with you, or your Professional Adviser, to ensure that your wishes are met and that your generosity will last for generations to come.

Any gift you leave, no matter what size, will help us to make a huge difference to many people who need support.

- By naming the Bedfordshire and Luton Community Foundation as the beneficiary of your gift without any restrictions, you give us the maximum flexibility to support important causes and respond to changing needs in our area's future. You can also leave a gift of any size to support a particular cause or community through one or more of our Combination Funds .
- If you leave a gift of £25,000 or more in your Will, you can set up a Legacy Fund within our endowment. If you are passionate about a particular cause or issue you may want to ensure that your lasting legacy reflects this. We can help you establish a legacy of giving beyond your lifetime, helping you decide how you want to be remembered and the impact you will make. A Legacy Fund It is also a meaningful way to remember a loved one, with an in memoriam fund that can be endowed for many generations to come.

Tax Benefits

Legacies made to Bedfordshire and Luton Community Foundation qualify as charitable donations. As you will be aware, charitable legacies are exempt from inheritance tax and could help reduce the total amount of tax paid on your estate, maximising what is available for your heirs. We can also accept gifts in cash, shares, land, property or other assets which can also be made tax efficient.

Making or updating your Will does not have to be expensive or complicated. However, we strongly recommend that you seek legal advice about drafting and the correct execution of a Will or codicil.

Why Leave A Bequest To Us?

You can be sure that your bequest will support local charities. Many of our supporters have been committed to Bedfordshire for many years, and they don't want that commitment to end when they die. Although some people have a clear idea of the charities they wish to support through leaving a gift in their will, others may want to give back to their local community but are unsure exactly which charities to support.

It is also true that local charities receive fewer legacies than large national ones. They are often smaller and younger, and may not be perceived as being permanent. However, through our invested funds we are building a permanent, substantial and multi-purpose endowment for the local community, which enables us to fulfil your charitable wishes in perpetuity. This will benefit local community groups that are active and relevant at any point in the future.

When you name Bedfordshire and Luton Community Foundation as a recipient in your will, you can leave an instruction to use the legacy to support a particular cause or a particular area of the county, or you can leave that decision to us, with the assurance that your gift will stay local, be effective and make a difference year after year.

Our flexible range of options:

- We can use our local expertise to match deserving causes within the criteria set by you.
- We can provide a solution for leaving a one-off legacy which benefits a wide range of deserving, local causes across Bedfordshire.
- We can offer a way, through an endowment fund, to make a single gift that keeps on giving, in perpetuity, to the causes you support.
- We can work with your family and friends to involve them in the decision making process without the burden of legal or fiscal responsibility.



Setting Up Your Own Charitable Fund Should Be Simple

Setting up a Named Fund with BLCF

Setting up a new Charity

Set-Up Procedure	Simple agreement – BLCF Memorandum of Understanding	Must register as a charity and apply to the Charity Commission; must appoint a Board of Trustees
Costs	Contribution/donation to BLCF, typically a percentage of the fund value	Likely to be between £5,000 and £10,000 (professional/solicitor fees and registration fees)
Timeframe	Can be set up within 24–48 hours	May take weeks or months
Financial Management	BLCF handles all financial and administrative management, sorts out audit and reports to the Charity Commission; tax status is covered under BLCF's charitable status	Tax status covered by registration with the Charity Commission; must fulfil financial and administrative requirements, or contract/hire staff; auditors likely to cost around £2,500 annually
Reporting To Authorities	BLCF takes care of reporting to the Charity Commission, particularly the annual report and accounts	Donors/trustees must maintain all financial records, prepare accounts, and submit to the Charity Commission
Donor Involvement/Responsibility	Trustees of BLCF take on legal and fiscal responsibility for the fund, while the donor recommends grants to organisations vetted by BLCF	Donor appoints Board of Trustees to control all aspects of grant-making and investment
Philanthropy Advice	BLCF provides full charitable giving, grant-making and sector know-how to ensure the donor uses their fund for the causes that most need help	Donors/trustees responsible for own giving strategy.
Maximising Funds	By operating through a community foundation, donors have access to additional match-funding or creating funding partnerships that will boost their impact	Donors only have access to the original source of funds; collaborative funding may not be considered or may be time-consuming
Privacy	Donor anonymity can be maintained if required. BLCF mediates between donor and grant seekers	The Charitable Trust must keep public records
Profile	BLCF can help the donor as much or as little as necessary. We can raise the donor's profile in the community by making grants in the donor's name and featuring the donor in social media and publications.	Responsible for own profile
Networking	BLCF connects donors to a variety of group and issues in the community and connects like-minded donors through events and initiatives	Must find own network and information sources

At Bedfordshire and Luton Community Foundation you can expect:

Excellence: We strive to achieve excellence in the delivery of our service by exceeding the expectations of both our donors and our grant recipients.

Support: We go above and beyond to support fund-holders by sharing our knowledge and expertise with you to help build a sustainable and confident voluntary sector across Bedfordshire and Luton.

Integrity: We operate with integrity in everything we do. We are transparent in our processes and deliver what we promise. You will receive clear updates detailing how your fund has been distributed and what difference it has made.

Expertise: Our meticulous due diligence means you can rest assured your donations are going to credible, fully vetted charitable organisations

Accountability: Our comprehensive reporting ensures you know where your money has been spent and how it has made a difference.

Authenticity: Fundholders enjoy the peace of mind of knowing that the fund is part of BLCF's governance

Efficiency: BLCF is responsible on behalf of the fund for all the administration, annual reporting and communication with the Charity Commission and HMRC. This is paid for out of a fee charged to each donation.

Growth: The monetary value of donations is maximised thanks to BLCF's eligibility to reclaim Gift Aid, access to match-funding schemes and professional investment management, alongside the pooled wealth of all our donors.

Impact: Charitable gifts have a wider and deeper impact in the community, as fundholders benefit from BLCF's local knowledge, insight and understanding of the local charitable sector, partners and other stakeholders. We also have a 25-year track record of running a charity.

Perpetuity: Charitable gifts will continue to benefit the community, as BLCF will honour a fundholder's charitable wishes even after they passed away, or after the initial momentum to set up the fund has slowed.



Getting Started

Bedfordshire and Luton Community Foundation makes giving simple.

To get the ball rolling on setting up a fund with expert support, just follow these simple steps:

Start Your Journey

We can help you decide whether you should create your own fund or start your giving journey with our Bedfordshire Fund.

Think About Your Goals

We can help you and your family think about your passions and the causes that matter to you most.

Choose What You Want to Support

Whether you are interested in a specific area of need or a particular type of organisation or community, we can help you focus your ideas.

Choose How to Proceed

We can help you decide whether your interests are best served by being part of a combined fund, or by setting up your own Named Fund

Work With Your Adviser

We would be delighted to meet with you and/or your adviser, to talk things over.



Contact Us

If you would like to find out more about our funds or have any questions please contact us using the details below.

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