

# Setting up a named fund

One of the main options that we offer donors is a named fund. This is a ring-fenced sum of money held by Sussex Community Foundation and used to make grants to charities and community groups in Sussex.

Setting up a named fund is a great way for a donor to get directly involved in community philanthropy, without the cost and administration of setting up a separate charitable trust. We provide personal support to ensure that giving is effective and we help to match the donor's charitable interests with local needs.

Sussex Community Foundation handles all administration and correspondence related to the named fund. Donors can make decisions on what kind of causes they wish to support and where the funds should be directed. The Foundation operates an open and accountable application process, publicising the availability of funds and, where appropriate, inviting relevant local charities to apply for funding. All applications undergo a rigorous and transparent assessment process to ensure there is good governance, financial and project management and to assess the positive impact on the community.

The named fund provides a mechanism through which it is rewarding and effective for donors to award grants to meet local needs.

## Types of named funds

Options for named funds vary, depending on the size of gift and how involved the donor wants to be in making decisions about individual grants. We can advise on the best approach for a named fund. Once the fund is active, we will match it with appropriate requests for support from local charities and community groups. There is also the option of joining with like-minded others in supporting a local fund for a specific geographic area or a themed fund, benefitting a particular issue or cause.

Named funds can either be distributed over a defined period of time in a flow-through fund or invested in an endowment fund, where the capital remains and the income from the investment is used each year to distribute as grants.

Typically, the minimum donation to establish a flow-through fund is £10,000 per annum. For an endowment fund, the initial donation starts from £25,000. However, these amounts are negotiable.

The advantage of an endowment fund is that it remains as a permanent resource year after year. Over a relatively short period, the value of grants awarded becomes greater than the original donation which itself remains as a capital fund. The donor may wish to set up a combined fund, with some funds distributed immediately and the remainder added to endowment.



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Foundation**  
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Sail Boat Project  
Funded by the Field Family Fund

The Field Family has lived in Sussex for many years and been significant contributors to the community life of the county.

Since 1995, Colin and Christine Field have been directors of their family business, the CPJ Field Funeral Company, which has funeral homes across Sussex.

Colin and Christine Field decided to set up a named fund at Sussex Community Foundation partly because of the emphasis on supporting small local groups and also because of the option of establishing an endowment fund. Funds are invested and income used to award grants.

"We were keen to set up a permanent fund that would provide support for the local community for many generations to come. That's why the endowment fund option at Sussex Community Foundation was so attractive." **Christine Field**

**For further information, please contact Stephen Chamberlain or Toni Darton on 01273 409440**

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Website: [www.sussexgiving.org.uk](http://www.sussexgiving.org.uk) Registered Charity 1113226

## Setting up a named fund

### Management and decision-making

The majority of Sussex Community Foundation's investments are managed by Sarasin & Partners LLP which manages over £7 billion on behalf of its clients. It has a strong investment track record and specialises in services for charities.

A formal fund agreement between the Foundation and the donor is drawn up to govern practical areas such as responsibilities of those involved, the grant-making process, causes and issues supported and the decision-making process.

The donor can delegate responsibility for decisions on grant-making to Sussex Community Foundation or become more involved themselves. A grant-making advisory panel can be convened by the donor, if required. Some companies choose to involve their employees in making decisions on individual grants.

If the fund is established as part of a legacy, the donor can appoint family members or friends to be involved in making decisions on grants, if they choose, or ask Sussex Community Foundation's Trustees to make these decisions on their behalf.

Sussex Community Foundation's Board of Trustees has ultimate responsibility to ensure that all income is distributed for charitable purposes under the agreed criteria.

### Feedback and contribution to the Foundation

A report is provided every year on the value of a fund, investment performance, and grants awarded, including feedback from grant recipients on the impact the donor's giving has made. Fund-holders can choose to receive regular newsletters, our annual review and to attend our AGM and other local events.

Sussex Community Foundation asks for a contribution towards its general charitable purposes for services provided in managing named funds. Typically for endowment funds, this is 3% of the initial donation, as a one-off set-up charge and 1.5 % of endowment capital per year. For flow-through funds, the charge is 10% of the total donation.

This includes management of the fund, investment charges, if applicable, and administration of the grant-making process, monitoring of grants and reporting to Charity Commission.



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Mick's Garage  
Funded by the Cullum Family Fund

Peter Cullum is an entrepreneur in the UK insurance sector and has built up the largest independently-owned insurance group in Europe.

In 2006, he established the Cullum Family Trust to provide funding for a small portfolio of charitable causes. The Trust is managed by his two daughters, Claire Cullum Jay and Abi Cullum, both residents of Hove. The family has allocated some of their charitable giving to local causes and has set up the Cullum Family Fund at Sussex Community Foundation.

"We wanted to make a difference to our local community and the Foundation offered us an ideal way to do this. The team has a great deal of knowledge about the local community and is already running a grants programme which we can just tap into."

**Claire Cullum Jay**

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