



FACT SHEET 8

Charitable Trusts and Foundations

What are they?

There are about 7,500 grant-making trusts and foundations in the UK, giving a total give about £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 the grant-giving. Some trusts and foundations receive their income from other sources: eg gifts from a company's current profits, or a regular appeal on TV and radio. Some trusts act as a broker for donors and collector of endowment, either in a local area (a community trust) or in a specialist field (an intermediary trust).

- 1: Who can apply?**
- 2: What do they fund?**
- 3: How to Apply?**
- 4: Make a budget**
- 5: Locate funders**
- 6: Make applications**
- 7: Follow up**

1: 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.

2: What do they fund?

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

- new methods of tackling problems;
- disadvantaged and minority groups which have trouble using ordinary 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.

3: How to Apply?

Usually in writing (either by completing an application form or by writing a letter of application). It is important to find out what they require from you. Some require in depth information.

4: How much?

Generally, trusts fund small – medium amounts, although there are some larger trusts that provide larger funding and funding for more than one year.

Benefit of applying to a Charitable Trust:

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

Disadvantage of applying to a Charitable Trust

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

Top Tips:

- Make sure you have researched eligible Trusts in more detail before you apply to them;
- Meet local and national funders at local Funding Fairs and other events and use this invaluable opportunity to engage in one-to-one discussions with them regarding your projects. See CFL events page: www.cumbriafundinglinks.org.uk/events
- If the funder is funding something new or untried, it is important to keep in contact with them and keep them informed of progress (as they are keen to see how things are developing), including details of any problems (as they may be able to help with a solution)!
- All Funders (especially Charitable Trust funders) like to build relationships with organisations and projects, so it is important to develop this at every opportunity. Invite them to events/AGM or simply invite them to come and have a look around;
- The Golden Rule is always say THANK YOU! Everyone likes to feel appreciated and funders are no different.

Further Support and Advice is available from Cumbria CVS Locality Offices in:

Barrow: 72-74 Scott Street, Barrow-in-Furness, LA14 1QE. Tel: 01229 823144

Carlisle: 27 Spencer Street, Carlisle, CA1 1BE. Tel: 01228 512513

Eden: 6 Hobson Court, Gillan Way, Penrith, CA11 0DT. Tel: 01768 800350

South Lakeland: Stricklandgate House, 92 Stricklandgate, Kendal, LA9 4PU. Tel: 01539 742627

West Cumbria: Community Resource Centre, 12a Selby Terrace, Maryport, CA15 6NF
Tel: 01900 819191

Visit **Cumbria CVS Website** at: http://www.thirdsectorcumbria.org.uk/support_CumbriaCVS.html

Cumbria CVS Training Course information

Is available on our website: www.thirdsectorcumbria.org.uk/support_cumbriacvs_training.html
Tel: 01900 819191