

Comparative table: Setting up a named fund vs charitable trust

A named fund is a ring-fenced charitable fund held by us on your behalf. Named funds are a great way for you to get directly involved in community philanthropy, without the cost and administration of setting up your own charitable trust. Here we offer a comparison of the steps involved in setting up a named fund versus a brand new charity or charitable trust.

| | Own charity or charitable trust | Named fund with Heart of Bucks (HoB) |
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| SETUP | Must register as a charity and apply to the Charity Commission. Must appoint a Board of Trustees | Simple fund agreement |
| COSTS | Likely to be from £1,000 | Contribution/donation to HoB, typically a % of fund value |
| TIME FRAME | May take weeks or months | Can be set up within 24-48 hours |
| INVESTMENT AUDIT AND TAX | Tax status covered by registration with the Charity Commission. Must fulfil financial and administrative requirements and may incur professional fee costs | HoB handles all financial and administrative management, arranges audit and reports to the Charity Commission. Tax status is covered under HoB's charity status |
| REPORTING TO AUTHORITIES | Trustees must maintain all financial records, prepare accounts, and submit to the Charity Commission | HoB takes care of reporting to the Charity Commission, particularly the Annual Report and Accounts |
| GRANT-MAKING PROCESS, ADMINISTRATION AND FOLLOW UP | Donors responsible for own grant-making process, administration and overseeing. Must research and check activities and status of all recipient organisations and has ultimate say in all grant decisions | Donors can be involved as much or as little as they choose. Staff available to help identify and assess grantees, provide input on community needs, ensure follow-up with recipients and report back to donor. HoB verifies activities and status of all potential grantees. HoB grants panel approval required for all grants. |
| GIVING ADVICE | Donors/trustees responsible for own giving strategy | HoB provides full charitable giving and grant-making know-how to highlight local needs. |

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| DONOR CONTROL AND RESPONSIBILITY | Donor appoints Board of Trustees to control all aspects of grant-making and investment | Trustees of HoB take on legal and fiscal responsibility for the fund, while the donor chooses grants to organisations vetted by HoB |
| GRANTS | Often restricted to registered charities. Donors may not know about many smaller groups operating in their areas of interest | Can be made to both registered and non-registered community groups. HoB makes suggestions about lesser known groups that would benefit from funding |
| PRIVACY | Records filed with the Charity Commission are in the public domain | Anonymity of the donor can be maintained in desired. HoB can serve as a mediator between donor and grant-seekers if desired |
| PROFILE | Entirely responsible for carrying out own publicity and marketing | HoB can help the donor as much or as little as required. The donors profile can be raised by awarding grants in their name and featuring them in publications |
| GEOGRAPHY | Donors/trustees determine their geographical reach | HoB operates across Buckinghamshire but partners with other UK community foundations on the delivery of regional and national initiatives that may be of interest to donors |
| NETWORKING | Must find own network and information sources | HoB connects donors to a variety of groups and issues in the community, and connects like-minded donors through events and initiatives |
| DORMANCY | Charitable trusts risk dormancy if the donor passes away, the cause becomes obsolete or the initial momentum to set up the fund has slowed | Charitable gifts invested in named funds will benefit the community forever and not become dormant, as HoB will honour a fund holder's wishes, even after they have passed away |