

# 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.

	<b>Own charity or charitable trust</b>	<b>Named fund with Heart of Bucks (HoB)</b>
<b>SETUP</b>	Must register as a charity and apply to the Charity Commission. Must appoint a Board of Trustees	Simple fund agreement
<b>COSTS</b>	Likely to be from £1,000	Contribution/donation to HoB, typically a % of fund value
<b>TIME FRAME</b>	May take weeks or months	Can be set up within 24-48 hours
<b>INVESTMENT AUDIT AND TAX</b>	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
<b>REPORTING TO AUTHORITIES</b>	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
<b>GRANT-MAKING PROCESS, ADMINISTRATION AND FOLLOW UP</b>	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.
<b>GIVING ADVICE</b>	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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<b>DONOR CONTROL AND RESPONSIBILITY</b>	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
<b>GRANTS</b>	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
<b>PRIVACY</b>	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
<b>PROFILE</b>	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
<b>GEOGRAPHY</b>	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
<b>NETWORKING</b>	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
<b>DORMANCY</b>	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