

GIVE DIFFERENTLY

A 'how to' guide to philanthropy by the Institute for Philanthropy
In association with Barclays Wealth



Many people want to make a difference, but it can be difficult to know where to start.

With that in mind, we at the Institute for Philanthropy have written 'Give Differently', a short and simple guide to making your donations go as far as they can.

 Institute for Philanthropy

With offices in London and New York, the Institute for Philanthropy works to increase effective philanthropy in the United Kingdom and internationally.

contact@instituteforphilanthropy.org
www.instituteforphilanthropy.org

 **BARCLAYS
WEALTH**

Barclays Wealth is the UK's largest wealth manager and provides international and private banking, investment services, financial planning and brokerage to clients in over 50 countries worldwide.

www.barclayswealth.com

FOREWORD



Philanthropy is the investment of private resources for public benefit. Many people regularly give their time or money to advance social causes, and in the UK alone there are many thousands of charities and community groups for donors to choose from. However, with so many different causes in need of support, and so many organisations doing great work, deciding where and how to give can be easier said than done. How can you tell whether your resources will be used effectively? How can you best make a difference to an issue you care about? What products or services are available to help you give most efficiently?

The Institute for Philanthropy, in association with Barclays Wealth, has written this practical guide to help you start to answer these questions. *Give Differently: a how to guide to philanthropy* is designed to provide an introduction to strategic giving, and to help you make your philanthropy more effective and more satisfying. Whether you are just starting out in philanthropy, or wishing to go deeper and to develop a more detailed plan for your giving, this guide aims to help you give with greater confidence to the causes that you care about.

Bea Hollond, Chair, Institute for Philanthropy

CONTENTS





“Giving is something we can all do – be it money or time – at our own level. It’s so important to find the right way for you as an individual – so it’s mutually beneficial for both sides. I try to do both so I get a hands-on sense of my community as well as supporting it.”

Emma Turner, Director of Client Philanthropy at Barclays Wealth

5 :

FOREWORD

6 :

INTRODUCTION

- A giving community
- Giving works

8 :

HOW TO MAKE A START

- Finding the right charity
- Finding your cause
- Scoping the field

14 :

YOUR OPPORTUNITY

Selecting organisations and checking them out

- A closer look at organisations
- Finances
- Site visits

20 :

YOUR DONATIONS

How to give tax efficiently

- Gift Aid
- Payroll Giving
- Trusts and donor-advised funds
- Matched giving schemes
- Donating shares
- Giving in Europe
- Social enterprises
- Support through loans

26 :

YOUR MISSION

Taking it further

- Giving time
- Venture philanthropy
- Models for giving
- Socially responsible and impact investing
- Setting up a grant-making trust or foundation

32 :

APPENDICES

- Directory
- Definitions
- Endnotes
- Acknowledgements

INTRODUCTION

The majority of adults in the UK gave to charity in 2009/10: 56% donated in a typical month, equivalent to 28.4 million adults.¹



“It’s a small world’ – we hear that all the time. ‘And it is getting smaller’ – we hear that too. For me philanthropy is about being a good neighbour in our small world. Define your community as narrowly or widely as feels right – and then do what you can to help those most in need in your community. Engage with passion, humility, empathy and commitment and you will get out more than you put in.”

Chris Mathias, Chairman, Arbor Ventures

A Giving Community

People give money to charities in Britain every day. Even when you donate the odd few pounds here and there, you are part of a powerful giving community. Many charities rely upon the small gifts of the public; and when you slip a coin into a tin or text a donation to Comic Relief, those few pounds quickly become millions.

You are probably used to being asked for money: hearing the rattle of appeal tins; leafing through the fundraising mail in your letterbox; or sponsoring a friend to run a marathon. You react and give a donation: perhaps out of a personal resonance with an issue, a feeling of empathy or a desire to give back – but mainly because someone asked and you gave.

But giving needn’t be a one-way street: if you wish to sort out recycling in your neighbourhood, help the world’s poorest people access loans in Pakistan, save a rare turtle, support kids’ fitness or encourage access to the world’s best museums, there are organisations that are working towards these goals, and by finding and supporting them you can support your passion and make a difference to things you really care about.

... and it works

Charity is already integrated into many people’s lives – coaching your local soccer team, buying the Big Issue – these are everyday encounters that matter. Yet it’s easy to go still further to pursue issues you care about, and it is deeply rewarding to see that your assistance, be it as a volunteer or as a donor, makes an impact.

Charities are there to make a difference.

They exist to take on essential work left undone by government, profit-making companies and individuals. From the small community group that provides a safe space for local children to play, to the massive medical research charity working to cure a disease that affects thousands – every day charities improve lives.

If there is an issue that you care about, and you want to strengthen the voice of people working to tackle it, there will be a group in the UK or internationally that could benefit from your support.

HOW TO MAKE A START



5

steps to get you started

1

Change the world

When you watch television or read a newspaper, or talk to your friends and family, think about what you'd like to change in this country and in the world.

2

Local opportunity

Look around in your community and see what needs to be done.

3

Matchmaking

Match the problem to organisations that exist to defeat it – the web and the other resources in this guide will help with this.

4

Approaches

Choose your point of intervention. Some organisations seek out the root causes of problems through research, whilst others are on the frontline directly serving those affected. Support the approach that most interests you.

5

Investigate

Find out as much as you can about the organisation you are going to give to.

Finding the right charity

Giving effectively to charity, be it time, expertise or money, boosts organisations, involves you in your community and makes change happen. If you care about something and want to make a difference, you can: by finding an effective organisation.

Perhaps you are struck by a major issue, for example, like climate change or illiteracy, and find yourself thinking, “**What can I possibly do to help?**”

If you are in this group go to SCOPING THE FIELD (p. 12).

You may already know what you want to achieve and what kind of help you want to contribute.

All you have to do is **find the right organisation.**

If you are in this group go to SELECTING ORGANISATIONS (p. 15).

Or you may be in the biggest category of giver: you want to contribute in some way, but are unsure where to start. You've probably given to the national or international appeals, or taken unwanted items to a charity shop, but have never really considered the cause to which you might actively want to donate, or what issue you would like to impact.



There are about 180,000 registered charities in the UK.² There could also be as many as 870,000 'civil society' organisations – smaller, unregistered, community groups – operating across Britain.³



“After confronting my own alcoholism I realised that there was a demand for a facility that confronted the problems of addiction amongst athletes. I could have given my testimonial money to any charity, but in giving to something I knew about, I found greater satisfaction and engagement. It feels great to give to something that matters personally to me. I’m in to fight alcoholism for the long term – and giving to Sporting Chance was a big part of that.”

Tony Adams, Footballer

Finding your cause

One way to start is to make a list of the things you care about:

- *What have you treasured most as a child or as an adult?*
- *What are you grateful for?*
- *What are you worried or angry about?*
- *What are some of the best and worst things that have happened to you?*
- *Think about your own community, where you live or where you work, and what needs to be changed:*
 - *Too much litter?*
 - *Too much crime?*
 - *Not enough parks?*
- *What catches your attention on the news, or when you travel abroad?*

Your list may surprise you.

You might remember the carers who looked after your grandmother when she was ill, or how great it was to see a group of children being taken around the National Gallery. You could remember the programme on depression on television, or the sleeping bags tucked into cold archways last winter in the city centre. Perhaps you remember the aunt with a rare disease, or your theatre director friend who won a grant to put on a career-making show. Whatever speaks to you, wherever you wish to make a difference, there are organisations working to make it happen.



“Community foundations work with many inspiring British donors, who give so much more than cash: their time, energy, enthusiasm, skills and connections. We find there is an immediacy to local giving that donors relish, as they can see the tangible outcomes of their investment, right on their doorstep. That’s one of the joys for us, being that bridge between philanthropists and an often unrecognised world of social enterprise and creativity.”

Clare Brooks, Director of Philanthropy, Community Foundation Network

Scoping the field

Once you’ve identified the issue(s) you care about, go online to find organisations that work in that area. The internet is an invaluable tool to help you find what you are looking for. For instance, if you decide you are interested in education and deaf children, Googling those terms will raise a host of organisations. You can then consider how to narrow the field.

GuideStar is a useful independent site which has search facilities to help you find charities that fit what you are looking for.

The Localgiving.com website is also a good resource, which lets you search local charities by issue area and location and allows you to fund (tax efficiently) local charities and community groups, all of which have been pre-vetted.

Your local community foundation will also usually be able to give you advice on organisations in your area. Community foundations are a network of 60 charities covering the whole of the UK; they exist to strengthen local communities and tackle local problems. Typically they manage donors’ funds and help donors who want to fund locally, and as such they are expert about what is going on in their communities.

You can contact them for advice and information which most will be happy to share. You can find out where the community foundation nearest to you is by going to the Community Foundation Network website, and potentially give to one of the 26,000+ charities and community groups that they support.

The estimated
total amount donated
to charity in
Britain in 2009/10 is
£10.6 billion.⁴

BE STRATEGIC

Different organisations have different approaches to solving problems.

Some organisations deliver services, like food or housing, rehabilitation or counselling. Some do research to find out what the root causes of a problem are, and others focus on eradicating those causes.

You may want to support one of each kind of intervention, so that you are seeking solutions to your issue on all fronts. This kind of strategic thinking can be helpful whether you are giving £50, £5,000, or £5 million. It brings clarity to your giving, matching your interests and the way you would problem-solve to the charities you support.

QUESTIONS TO CONSIDER

- *Are the aims of the charity aligned with your aims?*
- *Are its goals clear?*
- *Can you tell whether it is doing what it sets out to do?*
- *What is its annual budget?*
- *How many people is it serving every year?*
- *What sort of changes is it bringing about?*
- *Does it evaluate what it is doing so that it knows whether it is effective, or not?*
- *What is its strategy, short, medium and long term?*
- *Are the staff and trustees skilled and reliable people?*

ONLINE LINKS

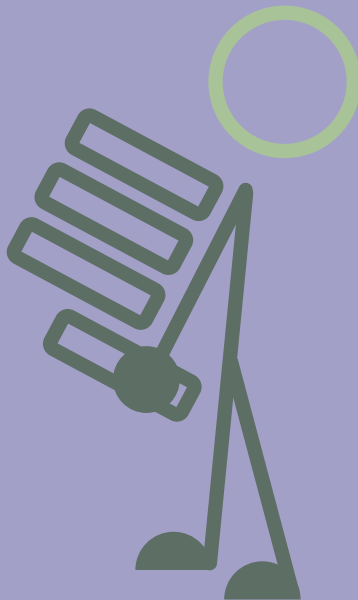
GuideStar www.guidestar.org or
www.guidestar.org.uk

Localgiving.com www.localgiving.com

Community Foundation Network
www.communityfoundations.org.uk

YOUR OPPORTUNITY

Selecting organisations
and checking them out







“As donors we are responsible for the effective “investment” of society’s philanthropic resources. In pursuing conscious due diligence, we send to charities critical signals about the importance of consistent and faithful reporting. This practice builds our own confidence and satisfaction as donors, and ensures a more effective distribution of philanthropy. But, most importantly, it helps establish for charities an intentional performance/reporting discipline, which is essential for the success of every societal enterprise.”

Buzz Schmidt, Founder, GuideStar International

A closer look at organisations

If you think you’ve found a charity that you want to give to, it is wise to assess its financial and organisational health so that you can make sure that it will use your money well.

There are a number of ways to investigate organisations:

Look online at the Charity Commission register of charities for England and Wales, the Office of the Scottish Charity Regulator for Scotland, or the Charity Commission of Northern Ireland. By using their search facilities, you can find out whether the organisation that you have found is a charity in good standing. The website will tell you whether the charity has submitted its documents on time – if they have not but you are still interested in supporting them, you may wish to contact the charity to ask why this is.

Check the organisation’s website. Nearly all charities have one and it will give you a sense of how they present themselves to the world.

Look at the organisation’s Annual Report, which will tell you what the organisation has done the previous year and how. All charities must prepare a Trustees’ Annual Report and Accounts and make them available on request. You can look usually find these online: they may be on the charity’s own website, on the Guidestar website, or on the relevant charity regulator’s website.

The Charity Commission requires that charities send them their Trustees’ Annual Report if they have an income of over £25,000. If the report is not available online, you can ask for it by letter, email or phone. Charities should make them available if you ask directly, although smaller organisations may levy a small charge for supplying them to you.

The largest 1,818 charities (1.1% of those on the register) attract over 68% of the income.⁵

Finances

It is always enlightening to look at a charity's financial statements. You will be able to see whether the organisation has money in the bank: they will need some to cover unexpected costs or funding shortfalls, particularly if they operate in a risky or difficult arena. An organisation with no reserves may be in danger of going under.

On the other hand, if the organisation seems to be sitting on a lot of money relative to their annual expenditure, you may wish to enquire as to why this is.

The financials will tell you how much is spent on salaries (most charities spend most of their money on salaries besides their expenditure on programmes) and how much on other kinds of expenditures. And you can also see where they get their money from: gifts from the public or from grant-making trusts or the government.

OVERHEADS AND OPERATING COSTS

Some people judge charities according to how much of their budget is spent on 'overheads' such as fundraising, finance and IT, concluding that the lower the percentage, the better and more efficient the charity. Unfortunately this is not a good measure of effectiveness, and can in fact be quite damaging. Like any other organisation,

charities need adequate resources and organisational infrastructure to do their work, and you cannot expect a charity with broken computers and no fundraisers to be able to carry out effective, impactful programmes over the long term. In addition, these measures are generally very arbitrary as there is no universally agreed definition of what should be included under 'overheads' in the first place.

If you have unanswered questions after looking over the available information, contact the organisation directly to find out what you want to know. The way a charity responds to enquiries can tell you a lot about their efficiency.

Do they reply promptly and courteously?

Do they tell you what you want to know?

If you are making a gift of £5 or £50 you will probably want to spend less time checking the organisation than if you are making a gift of £5,000 or £50,000. Whatever the amount, it makes sense to find out as much as you can.

Doing these checks should make you feel good about the charity and what it does. If it doesn't, you might want to think again and look for another charity to support.



“I decided to devote most of my philanthropic efforts for education for the disadvantaged, for a couple of simple reasons. First, as an economist, I believe that to raise the country’s long term growth performance, improving productivity is key, and the absolute key to raising productivity is better education for all, especially those most disadvantaged. Secondly, I went to secondary school just as the comprehensive system was introduced, and there were many people that were just as bright as me, but they didn’t have the same encouragement to persist with education”.

Jim O’Neill, Economist and Co-founder of Support and Help in Education

Site visits

If you are interested, and especially if you are considering making a larger donation, you can visit a charity’s office or places of operation for a SITE VISIT.

Remember that charity workers are busy people, and you want them to concentrate on carrying out their programmes, so respect their time. But if you and the charity can find the time it can be illuminating to visit and see them at work, and it can be a great way to help you decide whether you wish to support them.

Site visits can be rewarding, and most charities will be pleased to show you what they do. Some will even have open days for just that purpose. You can tell quite a lot about a charity by how willing they are to receive a visit. There are of course some places that it will not be appropriate for you to visit – for example refuges for victims of domestic violence – and some busy times when staff simply cannot fit in a meeting, but if a charity seems reluctant to let you visit for no apparent reason that may put up a red flag for you.

TIPS FOR SITE VISITS

1. Keep an open mind
2. Make an appointment in advance
3. Read up on the organisation and its work before you go
4. Ask open ended questions
5. Do not raise expectations

You don’t have to make a donation just because you’ve been to see them. Charities benefit from tax breaks and in exchange they are accountable to us, the public.

QUESTIONS FOR SITE VISITS

- “Please tell me about your programmes”
- “What’s the most exciting part of what you do?”
- “How do you keep up to date with what’s going on in your field?”
- “How do you work out whether you are achieving / have achieved your goals?”
- “What change has your work brought about?”
- “Have you evaluated your programmes, and what were the results? How have you used these results to improve your work?”

Don’t be afraid to ask:

- “What are the challenges you face in the next five years?”
- “Who are the other organisations working in this sector and how do you work with them?”
- “What is the evidence base for what you do?”

Avoid questions that convey judgement:

- “Isn’t that an awful lot of money to spend on...?”

THINGS TO LOOK AT

Note the way the staff interact:

- Are they respectful of each other?
- Do they appear to co-operate?
- Do they communicate well?

If the answer is “**yes**” to all of the above they are likely to be a more effective team than if the answer is “**no**”.

Note the physical environment:

- Is the workplace efficient and not overly luxurious?
- Is it in a sensible location, given what it does?

Thank the staff for giving their time.

YOUR DONATIONS

How to give tax efficiently



5

tax efficient schemes to investigate

1

GIFT AID

2

'GIVE AS YOU EARN' OR 'PAYROLL GIVING'

3

MATCHED GIVING

4

TRUSTS AND DONOR-ADVISED FUNDS

5

DONATING SHARES

There are ways to give which will save you money and increase the amount that the charity receives.⁶

Gift Aid

The Government scheme of Gift Aid for UK taxpayers is one of the easiest ways to make your donation tax efficient for you and also increase the value of your gift to charity. Making your donation using Gift Aid lets the charity reclaim the basic rate tax on your gift, at no cost to you.

The basic tax rate is 20%, which means that if you give £10 it is worth £12.50 to the charity when you use Gift Aid⁸.

All charities can, or should be able to, tell you how to use Gift Aid – this usually involves signing a simple declaration form that you are a UK taxpayer.

If you are a higher rate taxpayer, there is a real benefit to you too. If you declare your donations on your tax return, you can claim a rebate based on the difference between the higher rate (40 or 50%), and the basic rate (20%) of tax when you fill in your self-assessment form: so that both you and the charity benefit.

For example: if, as a higher rate tax payer, you make a donation of £100, on top of the £25 that the charity claims back directly, you can claim £25 (if you pay a tax rate at 40%) or £37.50 (if you pay a tax rate at 50%) from HM Revenue & Customs (HMRC).

Community groups that are not registered charities cannot claim Gift Aid for themselves, but donations to such groups made through community foundations or Localgiving.com, for example, are eligible for Gift Aid and associated tax rebates for donors

GIFT AID: HOW IT WORKS

Basic rate taxpayer donates £100
Charity claims basic rate
(20% of gross value) £25
Charity receives £125

Higher rate taxpayer donates £100
Charity claims basic rate
(20% of gross value) £25
Charity receives £125
Donor claims higher
rate back for themselves
 $£125 \times (40\% - 20\%) 20\% = £25$

It is estimated that each year as much as £750 million that could have been claimed by charities via Gift Aid goes unclaimed.⁷

Payroll Giving

As well as Gift Aid, there are 'Payroll Giving' schemes for those who pay tax through the Pay As You Earn (PAYE) system. Payroll Giving schemes are sometimes called 'Give As You Earn' schemes. If your employer operates a Payroll Giving scheme, you can make donations to charity directly from your pay packet or from your company or personal pension.

You can give as much or as little as you like. Once you have authorised your employers to deduct a gift from your pay, they will arrange to take that amount and transfer it to a Payroll Giving agency approved by HMRC.

The agency will then distribute the money to the charity or charities of your choice. Your gift is deducted from your pay before your tax is worked out. So you pay tax only on the balance. This means that you get your tax relief immediately at your highest rate of tax. Your National Insurance contributions are not affected.

If your employers do not operate a Payroll Giving scheme, you might want to ask if they would be willing to start one. Your employer can find out about running a scheme by contacting HMRC.

The HMRC and The Institute of Fundraising's 'Tax-Effective Giving' websites are helpful. They both give information about Gift Aid and Payroll Giving, with examples, so that you can work out for yourself what it will mean for you and the charities you give to if you use these schemes.

ONLINE LINKS

Tax-Effective Giving
www.tax-effective-giving.org.uk
 Her Majesty's Revenue and Customs
www.hmrc.gov.uk
 Directgov
www.direct.gov.uk



“It’s a two way relationship, with you and the project you get involved with, each getting something out of it. Me? I’ve been involved with a day centre for homeless teenagers for more than thirty five years. It keeps me rooted, and challenges my thinking and values every day. I’d pay good money for that: come to think of it, I do!”

Jon Snow, Broadcaster, ITN News

Trusts and donor-advised funds

Another way to give is by starting your own charitable trust (for more detail on this see p.31) or donor-advised fund. A donor-advised fund is an account that is administered by an intermediary organisation, which allows you to ring-fence and claim Gift Aid on money you intend to donate to charity. You can then make donations directly from the account, which is topped up with the extra 20% of Gift Aid, usually minus a small administration fee. A common vehicle for a donor-advised fund is the Charities Aid Foundation (CAF), where accounts can be set up with £100 or more or by setting up a direct debit of £10 a month.

Other organisations also offer donor-advised funds – you could choose, for example, to set up a donor-advised fund with your local community foundation. The benefit of setting up a donor-advised fund with an intermediary organisation is that they usually have a great deal of experience in grant-making and monitoring, and often you can choose how much or how little you would like to be involved in funding decisions and processes.

In putting money into a trust, donor-advised fund or CAF account you are declaring that that donation, though as yet unchannelled to a specific cause, will be used for charitable purposes. Your trust, donor-advised fund or CAF account will also be eligible for Gift Aid.

This means that you as the donor get the Gift Aid bonus and hence, more money to give to the causes of your choosing. But as

your trust or donor-advised fund gets the Gift Aid, the charity you donate to from it, doesn't. £100 from a trust or a CAF account remains £100 when the charity receives it.

And as always with Gift Aid, higher rate tax payers can claim back for themselves the difference between the lower and higher rates.

Matched giving schemes

Some businesses will also want to help you to increase your gift: a number of companies run MATCHED GIVING SCHEMES in which they match a proportion of an employee's financial donations to charity. Matched giving schemes are often linked to Payroll Giving schemes, so just ask your payroll department whether your company runs one.

Donating shares

If you are a UK taxpayer, you can claim income tax relief on the value of most stocks and securities when you donate them to charity. Donating shares to charity also gives rise to neither a gain nor a loss for Capital Gains Tax purposes.

So, if you are a 40% taxpayer and you give shares worth £1,000 to a charity, you can claim income tax relief of £400. This means the donation has cost you only £600. If you want to give just a few shares, particularly those which are not worth selling because that would cost more than they are worth, Share Gift is an organisation that will help you.

Giving in Europe

The previous section covered tax benefits in the United Kingdom. What do you do if you live in Germany, have assets in the U.K. and want to give to a project in the Netherlands? The 'Giving in Europe' website provides a great starting point for understanding the mechanisms and tax effects of giving in and between any of the countries in the EU. It also covers transatlantic giving, from Europe to the U.S.A.

Social enterprises

Not all organisations focused on doing good are charities. Some are social enterprises, like for example Café Direct, Jamie Oliver's Fifteen and Divine Chocolate.

Social enterprises are businesses with primarily social objectives, the surpluses of which are principally reinvested for that purpose in the business or in the community. They are distinct from traditional businesses in that they are driven by a desire to make profits for shareholders and owners. Social enterprises tackle a wide range of social and environmental issues and operate in all parts of the economy.

Social enterprises are not registered with, or regulated by, the Charity Commission. Social enterprises do not receive the tax benefits that charities and their donors get from schemes like Gift Aid and Payroll Giving, but they are an imaginative and business-based way to make a difference. You can help by buying what they sell.

Support through loans

Another way to give money is by giving a loan directly to an individual or a group of people living in poverty. The website 'Kiva' lets you loan money to people without access to traditional banking systems around the world. You can lend as much or as little as you want to the borrower of your choice, and as it is a loan, you can get the money back.

ONLINE LINKS

Charities Aid Foundation
www.cafonline.org

Share Gift
www.sharegift.org.uk

Giving in Europe
www.givingineurope.org

Kiva
www.kiva.org

Community Foundation Network
www.communityfoundations.org.uk

YOUR MISSION

Taking it further



5 ways to take it further

1

Volunteer / engage your skills

If you like an organisation, see if they have anything that you could help out with: whether it's cutting press clippings, coaching a team or painting a wall.

If you have specific skills such as management, finance or PR expertise, you could also consider offering these: time can be a valuable donation too!

2

Become a trustee

All charities have boards of directors who volunteer their time and skills to oversee the strategic direction and financial health of the organisation. Charity boards need people with all kinds of expertise, and serving as a trustee can be a hugely fulfilling way to support an organisation.

3

Give with others

In pooling resources, your donation will be multiplied and you will have the opportunity to meet other people and enrich your experience of giving. Join a network or giving circle and try donating with others.

4

Use your for-profit investments

Align your financial investments with your giving goals. Invest in companies whose business it is to make the changes you're looking for. Worried about Climate Change? Invest in renewable energy.

5

Set up a Trust or Foundation

Trusts and Foundations are tax-effective vehicles through which to give – you get breaks for setting them up, and they are reasonably cheap to register and run. It's a great way to institutionalise your giving.



“Having been a dealer in European printmaking for more than 30 years, I have had the privilege of owning a good many beautiful works of art. But to be honest, nothing I have done in my work compares with the joy of finding and backing the right people to tackle some of the toughest social and environmental problems. Owning beauty is a wonderful thing, but making a difference in the world is even better.”
Frederick Mulder, Chair, The Funding Network

Giving time

Volunteering encompasses a host of activities. It can take the form of the practical help that many organisations need: filing, sending out emails or letters, stuffing envelopes, sorting contributions to charity shops. Volunteering can make the most of a particular expertise you have, for instance accounting, marketing, management, IT, all essential to effective not-for-profits; or it can engage other skills you have – coaching football, teaching riding, music, gardening or photography. It can consist of mentoring or simply spending time, helping children with their reading, being the role model that is otherwise missing in a young person's life, or visiting people in nursing homes, prison and hospice.

Whatever your skills or interests, there is likely to be a way to put them to good use.

Searching “volunteering” on the internet will produce links to a multitude of organisations which use or place volunteers. The ‘do-it’ website is a good starting point: they have an extensive database of volunteer opportunities that can be sifted according to interest and postcode.

In 2009-10, 40% of adults volunteered formally at least once in the 12 months prior to interview, with 25% having volunteered formally at least once a month.⁹

Venture philanthropy

Some people want to give their time at an even more engaged level, employing their expertise as well as their money to organisations in which they are interested.

Venture philanthropy is the name given to the scenario in which donors play a substantial part in the structuring and running of the organisation they support.

A venture philanthropist, like a venture capitalist, conceives of his/her donation as an investment and makes it with the expectation of a return.

For a venture philanthropist the sought-after return is social rather than financial, and usually represented in an increase in the effectiveness of an organisation.

For more information on involvement in Venture Philanthropy see the Venture Partnership Foundation and Impetus Trust.

Models for giving

Some givers find strength in numbers, and you might want to consider joining or forming a GIVING CIRCLE or an AFFINITY GROUP.

There are various giving circles in the UK, two of the most established being The Network for Social Change and The Funding Network. The Funding Network has local branches often run in conjunction with community foundations.

Giving circles bring people together to pool resources and give together; to organisations that typically are reviewed in advance by a screening process.

Another advantage of being in a group is that you have other members with whom to discuss the organisations and the work they do.

Affinity groups are, so far, more common in the US than in the UK, but as their name suggests they are groups of people who have a common interest, who collaborate to find and fund solutions. An affinity group might focus, for instance, on improving juvenile detention conditions or saving natural resources. An example in the UK is the Women's Foundation, a giving circle that focuses on women's issues in London.

Socially responsible and impact investing

Socially responsible investing (SRI) is the positive or negative screening of traditional investments on the basis of social, environmental and ethical criteria. With its roots in the nineteenth century in the Quaker and Methodist movements, it grew in the 20th century with funds such as the PAX fund which avoided investments connected to the Vietnam war. The term 'SRI' covers negative screening to exclude for instance alcohol, arms, tobacco and oppressive regimes; positive screening to invest in best-in-class companies with regards to ethical criteria; and shareholder engagement to encourage best practice. You don't have to sacrifice returns when you invest responsibly; companies that meet the criteria are usually those that are forward-thinking in their approach, run sound businesses and develop their staff. SRI is a well-established model, and many mainstream providers have been offering responsibly-invested funds for years.

Impact investing is a fast-growing field which involves making investments with the express purpose of creating positive impact beyond financial returns. Some examples are investing in clean energy solutions; investing in microfinance or small and medium enterprise funds in the developing world; or providing non-grant funding such as loans to charitable organisations.

Although impact investing is not yet as mainstream as SRI, and there are fewer funds with proven track records, many donors and investors are drawn to the potential of creating positive social impact with their financial investments; or of getting a return on money that would otherwise have been given away. For more information and resources on impact investing see the Global Impact Investing Network (GIIN).

ONLINE LINKS

do-it

www.do-it.org.uk

Venture Partnership Foundation

www.vpf.org.uk

Impetus Trust

www.impetus.org.uk

The Network for Social Change

www.thenetworkforsocialchange.org.uk

The Funding Network

www.thefundingnetwork.org.uk

The Women's Foundation

www.womensfoundation.org.uk

Global Impact Investing Network

www.thegiin.org

Setting up a grant-making trust or foundation

Some givers want to start a GRANT-MAKING TRUST or FOUNDATION. These can take the legal form of being either a charitable trust or a company limited by guarantee.

Most people nowadays prefer the latter route but each has advantages and disadvantages. After creating the organisation it will need to be registered as a charity, which is a separate step. It will be regulated by the Charity Commission if it is in England or Wales. Useful information can be found on the Charity Commission website, including downloadable forms that are important first steps in establishing your foundation.

If you choose this route you would typically put money into the grant-making trust or foundation; the institution itself gets the tax benefits of being a charity (it is eligible for Gift Aid and pays no tax on its income or capital growth); and you make grants from it to the charities of your choice.

People create grant-making organisations to ensure that particular amounts of money are spent on charitable purposes and not subject to capital gains or inheritance tax; to put a layer of protection or anonymity between themselves and the organisations they give to; to create a lasting name for themselves or others; or to create a vehicle for family philanthropy. Whichever giving vehicle you choose, the principles of giving are exactly the same as if you were giving independently. As an alternative to creating your own charitable trust you can establish a fund with a community foundation, or at the Charities Aid Foundation. The Association of Charitable Foundations is the UK membership organisation for grant-making trusts.

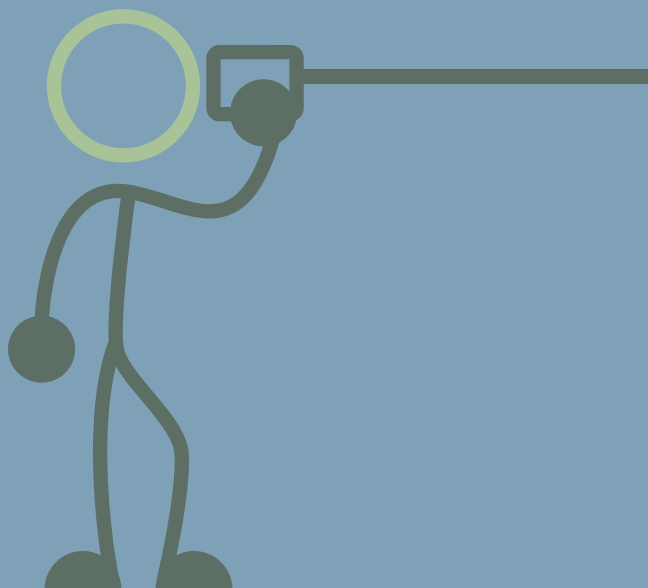
For more information on setting up a grant-making trust or foundation, contact the Institute for Philanthropy.

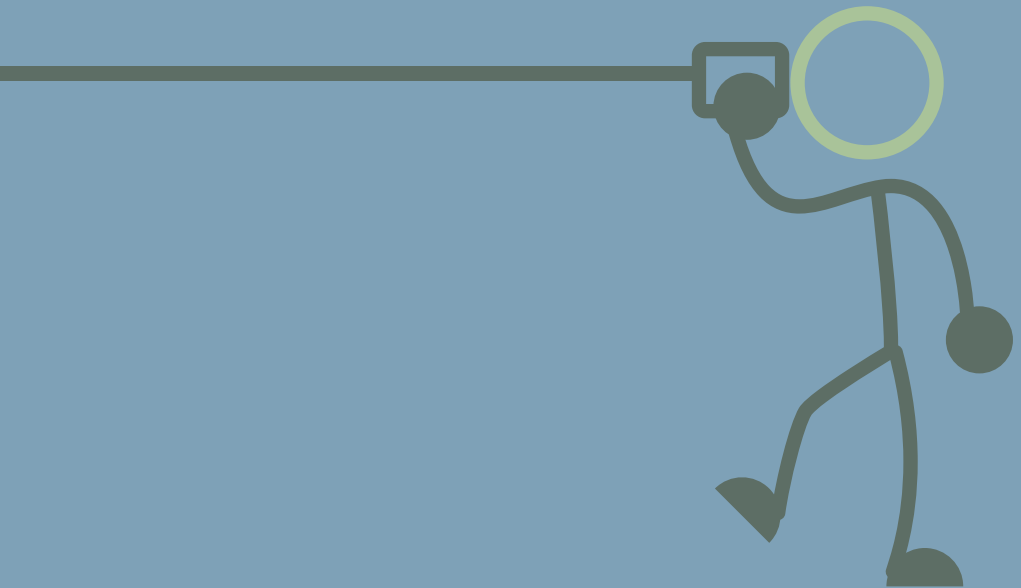
THINGS TO CONSIDER WHEN SETTING UP YOUR TRUST

1. Mission, or what are your goals?
2. What will your strategy be to achieve your mission? How will you do it?
3. Procedures: will you accept applications for grants or will you decide yourself what you want to give to without waiting for or asking for applications?
4. Who will be on your board?
5. How will you assess the organisations you support?
6. How will you evaluate your trust or foundation's work?
7. Will your trust or foundation have an endowment or will you donate to it as needed when you want to make grants?
8. If you have an endowment how will you invest it?
9. What will you call your trust or foundation?

APPENDICES

*Directory, Definitions,
Endnotes &
Acknowledgements*





DIRECTORY

A few of the many organisations that exist to help you give with confidence

The Association of Charitable Foundations

www.acf.org.uk

A membership organisation for people with grant-making trusts.

Charities Aid Foundation

www.cafonline.org

A registered charity which aims to "raise the profile of giving", and provides a range of financial services for charities and their supporters.

The Charity Commission

www.charity-commission.gov.uk

The registrar of charities in England and Wales.

The Charity Commission for Northern Ireland

<http://www.charitycommissionni.org.uk/>

The registrar of charities in Northern Ireland.

Community Foundation Network

www.communityfoundations.org.uk

The umbrella organisation for community foundations – it has a locator that helps you find your nearest community foundation.

Community Service Volunteers

www.csv.org.uk

One of the longest established and largest voluntary service organisations.

do-it

www.do-it.org.uk

An online database of UK volunteer vacancies, searchable by postcode and interest.

Global Impact Investing Network

www.thegiin.org

Information and resources for impact investing.

Giving in Europe

www.givingineurope.org

This website serves as an initial resource for optimising cross-border charitable giving.

Guidestar

www.guidestar.org.uk (UK)

www.guidestar.org (USA)

GuideStar provides an easily accessible source of detailed information about every charity and voluntary organisation in the UK and in the USA.

Her Majesty's Revenue and Customs

www.hmrc.gov.uk

Gives useful information about tax effective schemes for giving.

Impetus Trust

www.impetus.org.uk

Venture philanthropy experts that bring both strategic funding and expertise to help charities.

Institute for Philanthropy

www.instituteforphilanthropy.org

With offices in London and New York, the Institute for Philanthropy works to increase effective philanthropy in the United Kingdom and internationally, by:

- Providing donor education
- Building donor networks
- Raising the awareness and understanding of philanthropy

JustGivingwww.justgiving.com

A website that helps individuals and groups to fundraise online. Donors can search causes by type or location.

Kivawww.kiva.org

A website that allows you to make a loan to a specific borrower in the developing world.

Localgiving.comwww.localgiving.com

Lets you search local charities by issue area and location and allows you to fund (tax efficiently) local charities and community groups.

Office of the Scottish Charity Regulatorwww.oscr.org.uk

OSCR is the independent regulator and registrar of Scottish Charities.

Philanthropy UKwww.philanthropyuk.org

A useful website providing philanthropy news and a variety of free resources and advice.

Sharegiftwww.sharegift.org.uk

Informative website on the tax implications and process of giving shares to charity.

Tax Effective Givingwww.tax-effective-giving.org.uk

Managed by the Institute for Fundraising, this is an instructive website with information on different tax effective schemes for giving.

The Funding Networkwww.thefundingnetwork.org.uk

A network that brings donors together to fund and collaborate in giving to a variety of different projects.

The Network for Social Changewww.thenetworkforsocialchange.org.uk

A network of donors that come together to fund and support projects for positive social and ecological change.

New Philanthropy Capitalwww.philanthropycapital.org

A consultancy and think tank dedicated to helping funders and charities to achieve a greater impact.

Venture Partnership Foundationwww.vpf.org.uk

Venture Philanthropy membership organisation that provides money and expertise donated by its members to high-potential charities.

The Women's Foundationwww.womensfoundation.org.uk

London-based giving circle that focuses on women's issues.

There are many organisations and philanthropy is a fast growing field. However, we are not attempting to mention them all because our aim here is to help you start giving, or to take you to the next level.

DEFINITIONS

To be a charity an organisation must have purposes all of which are exclusively charitable; a charity cannot have some purposes which are charitable and others which are not. A charitable purpose must be one of the thirteen listed in the Charities Act:

- a) the prevention or relief of poverty;
- b) the advancement of education;
- c) the advancement of religion;
- d) the advancement of health or the saving of lives;
- e) the advancement of citizenship or community development;
- f) the advancement of the arts, culture, heritage or science;
- g) the advancement of amateur sport;
- h) the advancement of human rights, conflict resolution or reconciliation or the promotion of religious or racial harmony or equality and diversity;
- i) the advancement of environmental protection or improvement;
- j) the relief of those in need, by reason of youth, age, ill-health, disability, financial hardship or other disadvantage;
- k) the advancement of animal welfare;

l) the promotion of the efficiency of the armed forces of the Crown or of the police, fire and rescue services or ambulance services;

m) other purposes currently recognised as charitable and any new charitable purposes which are similar to another charitable purpose and must be for the public benefit. The nature of the benefit provided to the public may look very different depending on what the charity is set up to achieve.

Charities in England and Wales with expected annual income of over £5,000 must register with the Charity Commission.

The regulation of Scottish charities is devolved to Scottish authorities, which means that different laws apply to charities operating in Scotland to those in England and Wales. The definition of a charity in Scotland also differs in several ways, for example the list of permitted charitable purposes and the assessment of public benefit vary between jurisdictions. The Office of the Scottish Charity Regulator's website will be able to tell you more about Scottish charity law.

The Charity Commission

The government body that regulates the administration and affairs of registered charities in England and Wales.

The Charity Commission of Northern Ireland

The independent regulator of charities in Northern Ireland.

Community Foundation

Community foundations are charities located across the UK, the purpose of which is to strengthen local communities and tackle local problems. They have been active in the UK since the 1980s and constitute a network of almost 60 foundations established across the country.

Donor-advised fund

A donor-advised fund is an account that is administered by an intermediary organisation, which allows you to pool money you intend to donate for charitable organisations of your choice.

Due diligence

The process by which a donor researches an organisation's financial and organisational health, in order to decide whether to make the donation.

Gift Aid

A government programme that adds the amount of the basic rate of tax to any contribution you make to charities, and entitles higher rate tax payers to a refund.

Impact Investing

Investments made with the intention of creating positive impact beyond financial return.

Not-for-profit or non-profit organisation

An organisation the purpose of which is something other than making a profit. Profits are retained in the organisation to further its purpose and are not distributed as they would be in a for-profit organisation. A not-for-profit/non-profit with a charitable purpose and which is for the public benefit may be registered as a charity.

Office of the Scottish Charity Regulator

The regulator and registrar of Scottish Charities.

Payroll Giving

A payroll scheme that enables you to give to charities directly from your salary so that you don't pay any tax on the donated amount.

Philanthropy

Literally, love of mankind, practical benevolence. Commonly used to mean the act of giving, particularly money, to charitable causes.

Social Enterprise

Businesses with a social purpose working in the UK and internationally to deliver lasting social and environmental change. Well known examples: Café Direct, The Eden Project, Big Issue, Jamie Oliver's Fifteen.

Socially Responsible Investing

The positive or negative screening of traditional investments on the basis of social, environmental and ethical criteria.

Strategic Philanthropy

The creation and implementation of a proactive giving/investing plan to create real and lasting change in the world, leveraging the greatest possible impact from the resources at hand.

Venture Philanthropy

The provision of both financial and non-financial support to social organisations with the intent to build their capacity and increase their impact.

ENDNOTES

- ¹ CAF and NCVO (2010) "UK Giving 2010" p. 6
- ² http://www.charity-commission.gov.uk/About_us/About_charities/factfigures.aspx 30th June 2011 figures
- ³ National Council for Voluntary Organisations, (2009) "UK Civil Society Almanac 2009"; London, NCVO cited in http://www.ncvovol.org.uk/sites/default/files/UploadedFiles/Research_Events/Phillimore_et_al.pdf
- ⁴ CAF and NCVO (2010) "UK Giving 2010" p. 10
- ⁵ http://www.charity-commission.gov.uk/About_us/About_charities/factfigures.aspx 30th June 2011 figures
- ⁶ It's important to note that charities aren't always synonymous with organisations working for good causes. To claim tax back on a donation in the UK, for example, the organisation must be recognised as a charity for tax purposes by HMRC. You can check this by asking the charity to confirm that it has an HMRC charity reference number.
- ⁷ <http://www.fundraising.co.uk/news/2010/09/09/%C2%A3750m-gift-aid-unclaimed-because-039antiquated039-system>
- ⁸ http://www.direct.gov.uk/en/MoneyTaxAndBenefits/ManagingMoney/GivingMoneyToCharity/DG_078490
- ⁹ <http://www.communities.gov.uk/publications/corporate/statistics/citizenshipsurveyq4200910>

ACKNOWLEDGEMENTS

With thanks to Barclays Wealth for their assistance in developing this PDF version of the book.

Many thanks also to the donors and experts who took the time to share their giving insights with us:

Tony Adams
 Clare Brooks
 Chris Mathias
 Frederick Mulder
 Pasco Namunyala
 Jim O'Neill
 Buzz Schmidt
 Jon Snow
 Emma Turner

“It is a struggle for me. I’m not in a position to give easily; it comes down to where I’m coming from... Coming here, from Uganda I was in a better position to give a little back home. I was supporting the kids of my uncle whose dad passed away. I saw them growing up and they were very intelligent children. One time I called and spoke to them, and they were really stuck. They had finished year six, and were due to go to secondary school but they didn’t have pocket money, school fees – any of the basics. I was in a better position but not the best. But at one time someone helped me, and that’s why I am where I am now. It gives me a good feeling to see them living a happy life. They did their ‘O’ Levels, and further courses, and they are both working now. I’m going to start helping another child who is not related this year. There is nothing that motivates me like seeing someone living a happy life. It’s a struggle for me; I am a family man with three children and a wife too. It’s not easy.”

Pasco Namunyala, Night Security Guard

*Give Differently:
a how to guide to philanthropy*

by the Institute for Philanthropy
www.instituteforphilanthropy.org
contact@instituteforphilanthropy.org

A limited company registered in England and Wales
Company Registration No. 4531222
Registered Office: 2 Temple Place, London, WC2R 3BD
Registered Charity No. 1093927
A charity registered in Scotland, no. SC041110
Copyright © Institute for Philanthropy, 2007
Content adapted for Barclays Wealth in
March 2009; updated in September 2011.

In association with



If you would like to know more about
our Client Philanthropy Service and
what we do for our clients and
their families, please speak to your
Private Banker or call 0800 851 851.

www.barclayswealth.com