

# GRASSROOTS ENDOWMENT CHALLENGE

## FREQUENTLY ASKED QUESTIONS

### WHAT IS THE GRASSROOTS ENDOWMENT CHALLENGE?

The Grassroots Endowment Challenge is a superb opportunity for local communities to build a substantial fund for their small voluntary groups working at Grassroots level.

The Challenge itself is to match the £1.8 million of match funding available for Hampshire and the Isle of Wight from 2008-2011. If we can meet the Challenge, by 2011 we will have £3.6 million in Endowments for the county which will be used to award grants for local community groups for years to come.

### WHO IS FUNDING THE CHALLENGE?

In July 2007 the Government via The Office of the Third Sector announced that it would make £50 million available to community endowment funds across England via a match funding initiative.

### WHAT IS THE MAIN AIM OF THE GRASSROOTS ENDOWMENT CHALLENGE?

The aim of the Challenge is to encourage local giving towards community owned endowments, invested to provide long term sustainability of grant giving to small voluntary and community groups who will ultimately benefit from grants made from the community endowment funds.

### WHO IS RESPONSIBLE FOR THE PROGRAMME?

Hampshire and Isle of Wight Community Foundation (HIWCF) are responsible for operating the programme across Hampshire and the Isle of Wight.

### WHAT IS MATCH FUNDING?

A one to one (1:1) match, which means that for every £1 donated to an endowment fund, the Government will match it with another £1. If an individual signs a gift aid form we can also add on a further 28% gift aid.

### Example:

Donation = **£100** plus £100 match = £200 + gift aid on original donation = **£228**

### HOW CAN £1=£3?

Your donation	£1.32
Government matches your donation	£1.32
28% Gift Aid added to your donation of £1.32	37p
Total contribution to the fund	£3.01
Higher rate tax rebate of 25% on your £1.32 donation	33p
Net cost to you	99p

## **HOW MUCH MATCH FUNDING IS AVAILABLE FOR HAMPSHIRE & THE ISLE OF WIGHT?**

The total match funding available is £1.8 million which will be made available in 3 separate and varying amounts over the next 3 years.

The amount of capital endowment made available will be allocated to 4 specific geographical areas across the county; Southampton, Portsmouth and the Isle of Wight with the rest of the county being referred to as Hampshire.

<b>ENDOWMENT CHALLENGE</b>				
<b>Area</b>	<b>2008 – 2009 Match Fund Available</b>	<b>2009 -2010 Match Fund Available</b>	<b>2010 -2011 Match Fund Available</b>	<b>Total Match Fund Available</b>
Hampshire	249,378	498,756	498,756	1,246,890
Isle of Wight	27,290	54,580	54,580	136,450
Portsmouth	38,686	77,371	77,371	193,428
Southampton	45,040	90,078	90,079	225,197
<b>Total</b>	<b>360,394.00</b>	<b>720,785</b>	<b>720,786</b>	<b>1,801,965</b>

**Funds cannot be rolled over from one year to another – any funds we do not match for any one year will be returned to the Treasury.**

## **IS THERE A MAXIMUM AMOUNT THAT CAN BE MATCHED FOR EACH PERSON OR COMPANY?**

The maximum donation allowed from any one donor or company, in each specified area, has been capped at an overall 25%. For example, total match funding over the three years in Hampshire is £1,246,890 therefore no one donor can claim more than £311,722 matching for Hampshire. However they could set-up further funds for other areas and claim up-to a further 25% match funding for these areas.

## **HOW CAN I DONATE?**

There are two ways you can donate:

- By setting up a Named Grassroots Endowment Fund – ideal if you can donate £15k or more over the next 3 years and want to decide what causes your donation will support
- By making a General Donation – a great option for those who want to make one-off donations, no matter how large or small to support their local community groups. These donations will be put into a General Fund to support a wide range of causes and groups working locally.

## WHAT IS A NAMED FUND?

A Named Fund is an endowment fund set up by an individual or business who can choose a name for the fund. Named Fund holders have the benefit of being able to set specific criteria for what type of activity their fund will support. For example, a fund may be named 'Joe Bloggs Grassroots fund for Southampton' with the fund holder specifying that grants can only be made from the fund for voluntary and community groups concerned with the elderly and disabled.

A Named Fund is like having your own charitable trust; you can choose the name and specify the causes and areas in your local community that you want to support but HIWCF carry out the management and administration on your behalf.

Businesses or individuals can set up a Named Fund with a single minimum donation of £15,000 or £5,000 per year over 3 years. Here are examples of how you can build a fund:

<b>NAMED FUND</b>						
<b>Gift Per annum over 3yrs</b>	<b>Match Per annum over 3yrs</b>	<b>Gift Aid</b>	<b>Annual Gift inclusive of Gift aid</b>	<b>Annual cost to HRT</b>	<b>Fund Value over 3 yrs</b>	<b>Total Cost to HRT over 3yrs</b>
£5,000	£5,000	£1,400	£11,400	£3,750	£34,200	£11,250
£10,000	£10,000	£2,800	£22,800	£7,500	£68,400	£22,500
£25,000	£25,000	£7,000	£57,000	£18,750	£171,000	£56,250
£50,000	£50,000	£14,000	£114,000	£37,500	£342,000	£112,500
£100,000	£100,000	£28,000	£228,000	£75,000	£684,000	£225,000

HRT = Higher Rate Tax Payer

## HOW MUCH WILL IT COST TO HAVE MY OWN FUND?

A small fee is deducted from match funding to set-up a Named Fund. No further charges are made until 2011 when the fund will start to award grants to the community; at which point a small annual fee is charged to cover the cost of managing the fund, marketing, investments and grant distribution.

Example fees:

Set-up fee for a gift of £5,000 = 5% or £250

Annual management fee for a £30,000 fund = 1.5% or £450 (discounted rate for the first 2 years)

## HOW LONG WILL MY FUND LAST?

The funds are a long term community investment designed to last for generations and can be handed down to your family.

### **CAN I LEAVE MY FUND TO MY FAMILY?**

Yes – when you set up a named fund you will be asked whom you would like to pass the responsibilities of being a fund-holder to.

### **IF I MAKE A GENERAL DONATION, WHERE WILL MY MONEY GO?**

If you don't want to set-up a fund but simply want to make a donation into your local community you can send us a donation which will be added to the General Fund for your area. A General Fund will be set-up for each of the 4 areas and anyone can give a donation to a General Fund. These donations might come from people running a marathon, holding a fundraising event or simply sending us a gift. These funds will always be there to support our communities for now and for generations to come. When you make a donation, don't forget to fill out one of our gift aid forms so that we can claim the tax back from the HMRC.

### **WHO WILL BENEFIT FROM MY DONATION?**

The Grassroots scheme is intended to support small organisations and community groups who are working in our communities but need funding to respond to local issues and needs.

Activities could include but are not limited to:

- The purchase of equipment, like a computer, oven, furniture
- The costs of putting on a local event or workshop
- Staff costs to enable the employment of individuals
- Contribution to rent costs (related to activities/service delivery)
- The cost of attending a conference or event
- Training for volunteers
- Additional activities to expand an existing funded project
- Activities that support community activity
- Activities that meet an identified need in the local community
- Funding to support an organisation to achieve a quality accreditation or other standard relevant to their activities

Community groups are at the heart of building stronger communities. The kinds of groups that could benefit from your donation include: mother and toddler groups; after school groups; youth clubs; self help groups for people with mental and physical health issues; projects working with the learning or physically disabled; social and cultural groups; community sports groups; activity groups for older people; support groups for people from ethnic and other minorities; groups run by local people who want to tackle local issues. The list is endless but the common theme is that most of these groups are led by volunteers and live a hand to mouth existence.

## **HOW CAN I FIND OUT MORE?**

If you'd like to discuss setting up a fund or would simply like to make a donation, please contact us using the details below.

Tel: 01256 776116

Email: [challenge@hantscf.org.uk](mailto:challenge@hantscf.org.uk)

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