

Helping you to help your clients

A philanthropy guide to Berkshire for Professional Advisors

BERKSHIRE COMMUNITY FOUNDATION
Local Giving. Lasting Impact.

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What we do

As a professional advisor, you play a key role in guiding your clients through their financial decisions, including their charitable giving. At Berkshire Community Foundation (BCF), we understand that many clients seek to support the causes they care about while **maximising the impact of their donations**. Tax-effective giving allows your clients to achieve their philanthropic goals while benefiting from tax relief.

By partnering with BCF, you can offer **tailored solutions** that align with your clients' values, ensuring their gifts make a lasting difference within the local community. While we are not authorised to provide financial advice, we can offer guidance on the range of tax-efficient charitable giving opportunities available and discuss the various donation options that can help donors achieve their philanthropic goals.

Our team is **here to support you** in delivering the best advice, helping your clients leave a meaningful legacy while taking full advantage of available tax reliefs. Together, we can enhance the giving experience, making philanthropy both fulfilling and tax-efficient for your clients.

72%

of financial advisors do not include philanthropy in their initial fact-finding meeting with clients.

28%

of professional advisors say they don't know where to signpost a client for help with philanthropy.

2x

Young investors (aged 21 to 41) are twice as likely as their parents to choose a wealth advisor who provides charitable planning advice.

Source: CAF survey, 2024

Discover how we can work with you to ensure your clients' charitable intentions are achieved in the most effective way.

Working with you

We have an in-depth understanding of the Berkshire charitable landscape, allowing us to direct your clients' philanthropy to **impactful, vetted local projects** that align with their values. We provide a range of options for private clients who are interested in:

Setting up a personalised fund

We make it simple for your clients to establish a bespoke charitable fund that reflects their values and priorities, supporting the causes they care about most in Berkshire.

Contribute to an existing fund

Clients can make an impact immediately by contributing to one of our established funds, which target key local needs. It is a flexible and tax-effective way to give back to Berkshire.

Transferring an existing charitable trust

We can provide an efficient transfer process, relieving administrative burdens and ensuring their charitable intentions continue to be honoured effectively.

Tax efficient giving solutions

Our team offers guidance on various tax-effective giving options, helping your clients maximise tax relief while making a positive difference.

Leaving a legacy or gift in their will

BCF can support individuals who wish to leave a lasting gift to a range of organisations.

Benefits to your clients

Berkshire Community Foundation makes it easy and rewarding for philanthropists to give efficiently to local charities. We make charitable giving to local causes stress-free, easy and enjoyable. By working with us, you and your clients can benefit in a number of ways:

We are local

Your clients' funds will be used to support the local community in which they live and work. They can visit projects and see for themselves the positive impact that their charitable giving achieves.

We are flexible

With a personalised fund, your clients choose the causes they wish to support. Grants can be made to registered charities as well as voluntary groups and organisations. Clients can be involved in decision-making, including which community projects to support and the level of funding provided.

We are knowledgeable

We have excellent knowledge of local community need and connections to grassroots community and voluntary groups that make a difference to local communities, so can match your clients' interests to effective projects, causes and initiatives.

We make giving easy

We invite applications from community groups and review them, carrying out the due diligence to check validity and synergy with the client's wishes. We arrange for grants to be made from the fund and undertake end of grant monitoring to ensure the money has been spent well.

We are here to stay

If a client leaves a legacy in a will today, it is possible that the charity or cause they wanted to fund will be no longer in existence or in need of assistance. We ensure the original intentions of your client are carried out without having to approach the Charity Commission for a variance of the original deeds of a trust or intentions in a will.

We are quick and efficient

We can set up a personalised fund as soon as the client is ready rather than waiting several months to register as a charitable trust.

We are reliable

We understand fully that your clients are placing a great deal of trust in you, and we know that any time you make a referral there is a degree of **reputational risk** to you and your firm.

BCF are experts in this sector, and as such, we ensure comprehensive due diligence checks are completed on all our applicants and only when fully satisfied, do we approve a grant or payment.

Comprehensive due diligence

Checks arecompleted on every applicant before any grant or payment is approved.

Separate, restricted and audited

EachDAF wework withisa separate restricted fund, reported on and audited annually.

Jointly approved

All funding decisions are approved by both the fund owners and our own trustees before a grant is awarded.



Children taking part in activities at Ufton Court

Setting up a Bespoke or Donor Advised Fund

We can work with you and your client to establish a **Bespoke Fund** for grant distribution, aligning the fund's criteria and priorities with your client's philanthropic aims. This approach provides a flexible, straightforward alternative to traditional charitable trusts.

We offer two fund types:

Flow-Through Fund

Distributes donations as grants for immediate impact.

+

Endowment Fund

Investment returns fund grants in perpetuity.

...or a combination of both, tailored to your client's vision.

If you hold client assets, you can continue to manage the assets that the client chooses to allocate for charitable purposes with BCF. They will be transferred so that BCF becomes your client in respect of those assets, but you will continue to manage them on our behalf and we will work in partnership with you to ensure your client's philanthropic aims are met.



Families enjoying music at Nature Nurture Jubilation event

Gift Aid

Gift Aid is a government scheme that enables charities to reclaim basic rate tax on all gifts given by UK taxpayers. HMRC contributes an additional **25%** to charitable gifts from individuals.

£1,000 becomes £1,250

For every £1,000 given as a charitable donation, BCF will receive a total of £1,250 at no additional cost to the donor.

Further relief for higher earners

Higher rate or additional rate taxpayers can reclaim the difference between their tax rate (40% or 45%) and the basic rate (20%).

Effect of a £100,000 donation by a 45% taxpayer

When you donate £100,000 to BCF as a 45% taxpayer, you receive tax relief of **£31,250**. The net cost to you is reduced to **£68,750**.

The government also adds **£25,000** through Gift Aid, bringing the total gift value to **£125,000**.



A £100,000 donation becomes £125,000 and the net cost to your client is £68,750.

Gifts of shares, land and property

Gift of shares

Your client may have a large investment portfolio but limited liquid cash resources and wish to support charitable causes. **Gifts of shares are one of the most tax efficient ways to make a donation.**

Your client may also have inherited small amounts of shares from a relative, or received shares following a company privatisation or take over. Such small holdings are often difficult to dispose of, not least due to the costs involved.

Shares can be sold and the value donated to BCF to either establish a new Fund or contribute to an existing fund. Shares that are transferrable can be donated directly.

Tax relief in two ways

Income Tax relief on the value of the shares

Exempt from Capital Gains Tax: your client will not be taxed on any gain on the value of their shares

Note: only publicly quoted shares qualify for tax relief.

Gift of land or property

Your clients may ask for advice on donating or transferring a gift of land or property to charity. Such gifts can be offered to any charity, which will first need to ensure it can accept the proposed gift before it can be transferred. Your client will not have to pay tax on land or property donated to charity and will be able to get tax relief on both Income Tax and Capital Gains Tax.



Children enjoying the trampoline with Autism Berkshire

Legacy gifts

All money left to a charity is **immediately free of inheritance tax**, as well as reducing the taxable portion of an estate. In addition, if at least **10% of the taxable value** of the estate is left to charity, the inheritance tax on the remainder is automatically reduced from 40% to 36%.

EXAMPLE

Jane has a gross estate of £1 million. There is no tax to pay on the first £325,000 and so the net taxable estate is £675,000. The table below illustrates the benefits of gifting 10% of her estate.

Gift to BCF	0%	4%	10%
BCF receives	£nil	£27,000	**£67,500**
Inheritance Tax (40% / 36%)	£270,000	£259,200	**£218,700**
Non-charity beneficiaries receive	£730,000	£713,800	**£713,800**

97.8%

of their original entitlement is still received by beneficiaries if 10% is donated to charity, due to the reduction in the rate of inheritance tax from 40% to 36%.

No worse off

Beneficiaries are no worse off between a 4% and a 10% donation to charity, as the lower inheritance tax rate compensates for the increase in the charitable donation.

Leaving a legacy to BCF: clients can name BCF in their Will, with the instruction to support a particular cause or area of the county, or to be unrestricted. As we are here to stay, we can ensure their original intentions are carried out.

Other ways to give

Aside from setting up a Bespoke Fund, there are many other ways your client can get involved and many reasons for giving. **By working together, we can find a solution to help your client reach their philanthropic goals and support the causes they care about.**

Contributing to an existing Collective Fund

For clients who are not yet ready to commit to a Donor Advised Fund but who still wish to support a range of voluntary organisations across the county, making a regular or one-off donation of any size to one of our Collective Funds may be a solution.

BCF Themed Funds offer an opportunity to collaborate and pool funds with other donors who all share a passion for a particular cause, targeting critical issues across the county:

Give a Child a Chance | **Together for Women and Children** | **Surviving Winter**

Donations of any size can be made to BCF at any time, allowing us, using our local knowledge and expertise, to get the funds to where the need is greatest quickly and efficiently.

Leaving a Legacy

While some clients will have a clear idea which charities they wish to support through a gift in their Will, others may want to give back to their local community but are unsure exactly which charities to support.

A long-term option is for your client to name BCF in their Will, with the instruction to support a particular cause or area of the county, or for it to be unrestricted. As we are here to stay, even if a specific charity or cause no longer exists or needs assistance when the legacy is realised, we can ensure your client's original intentions are carried out.

Memory, balances and trusts

In Memory and Tribute Funds

In your capacity as a Professional Advisor, you may come across cases where family and friends of people who have died wish to set up a fund in their memory. As an alternative to a Bespoke fund, BCF can help establish an In Memory or Tribute Fund, enabling your client to create a lasting legacy for their loved one. We can tailor the fund themes, criteria and geography so the funds are spent in a way that best represents the causes close to their heart. This is a low-cost solution for families, can be set up immediately, and is tax efficient as Gift Aid can be claimed on funds raised as appropriate.

Residual Client Balances

Where residual monies on client accounts cannot be traced and returned to the original owner, professional firms are required to give these unclaimed balances to charity. We can transform unclaimed balances into an asset for the community, holding the funds in our endowment. The capital is protected, and we can provide an indemnity in case the original owner should seek recompense. In the meantime, the annual income earned from interest and dividends can be distributed to local community groups.

Charitable Trust Transfers

Through its Revitalising Trusts programme, the Charity Commission has given advanced permissions to community foundations to transfer trust assets from dormant, ineffective and moribund trusts so that their funds can be better used. There are a number of reasons why clients who are trustees of existing charitable trusts may wish to consider a community foundation as an alternative way to manage the assets going forward. We provide a range of options, from assisting with grant-making to taking over the legal responsibilities for the trust completely, with clients retaining an interest and involvement should they wish.

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Next steps

Contactus todiscusshowyou can support your community across Berkshire to make a real difference to people's lives.

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Scan to explore our work with Professional Wealth Advisors

This guide is for information only and does not constitute financial, legal or tax advice. BCF is not authorised to provide financial advice. Tax rules, rates and reliefs are those understood to apply at the time of writing and may change; examples are illustrative.

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