



Community Foundation for Tumut Region Giving Guide Non Tax Deductible Fund

***To assist and support the aspirations and needs
of our community by attracting funds for a
focus on giving.***



Welcome from the Patron – Bruce Elder

Whenever I travel to Tumut I am reminded that this beautiful town, with its spectacular deciduous trees and its picture-postcard setting in a broad fertile valley on the edge of the Snowy Mountains, is a true rarity. At a time when most Australian rural communities are heading in only two directions – getting much bigger and therefore becoming increasingly like the outer suburbs of Sydney (Dubbo, Wagga, Albury) or quietly dying – Tumut still has the charm and character of a small country town with a healthy level of progress and prosperity.

If you look at this development statistically it is interesting. In 1960 Tumut had a population of around 3000 people. Today, over 40 years later, that population has increased to about 10,000. That is manageable growth. It means that the town, on average, only increases in size by around 150-200 people a year. That kind of growth can be sustained and, most importantly, it ensures that the sense of community, which is the lifeblood of the town, is retained.

In an age when there has been a growing sense of alienation and when, increasingly, people live in little boxes in suburbia and barely talk to their neighbours, there is a desperate need to re-establish community spirit and community values. It is not going to happen in the big cities. They are too impersonal and uncaring. It is not going to happen in the large rural centres where the anonymity of suburbia is starting to take hold. It can only really happen in country towns where people know each other, respect each other and where there is a genuine desire to help each other. Tumut is such a town.

It is for this reason that an organization like the Community Foundation for the Tumut Region is so important. It is a community initiative designed to help the local community and to sustain the sense of community which has made Tumut so special in the past and which, with careful nurturing, can make Tumut a model of what a worthwhile and caring country town community can become. The Community Foundation for the Tumut Region is a vital part of the future of Tumut and the surrounding region.



Giving Guide to the Community Foundation for Tumut Region (CFTR)

This guide contains important information that need to be fully read and understood in preparation for establishing a donation account.

The Community Foundation for Tumut Region (CFTR) encourages you to seek independent legal and financial advice in relation to the establishment of a donation account.

The word 'Donor' in this document is used to refer to the community, individual or entity wishing to establish a sub fund.

This kit contains the following documents:

- A. Terms for donation accounts
- B. Additional Information

The steps involved in establishing a sub fund can vary depending on the type of sub fund. Generally, it is important that you take the following steps:

- ✓ Promote and encourage community participation and input
- ✓ Think clearly and carefully about the changing needs of your community
- ✓ Seek and source some founding Donors
- ✓ Develop a donation account Advisory Committee
- ✓ Seek independent legal and financial counsel

If, at any time, you require any further information about matters relating to the CFTR, please do not hesitate to contact the Foundation Team on (02) 6947 3208 or visit www.tumutfoundation.org.au



TERMS FOR DONATIONS TO NON TAX DEDUCTIBLE DONATION ACCOUNTS

Please complete the following form, sign and return it with your donation to:

*Chief Executive Officer
Community Foundation for Tumut Region
PO Box 670
Tumut
NSW 2720*



TERMS OF OPERATION

To: Community Foundation for Tumut Region (the Trustee) as trustee of Community Foundation for Tumut Region Trust ABN 33 108 337 408

1. Contact Person/s

This is the person whom the CFTR can contact to discuss any details relating to the sub fund. You may provide more than one contact.

Contact 1

Name: _____

Mailing address: _____

Home telephone: _____ Work telephone: _____

Mobile: _____ Fax: _____

Email: _____

Contact 2

Name: _____

Mailing address: _____

Home telephone: _____ Work telephone: _____

Mobile: _____ Fax: _____

Email: _____

2. Name of Donation account

*For example 'Town X Donation account', 'Parks A Donation account'
"Company X Sub Fund"*



3. Nominated Advisory Committee Members

These are the names of the people who have been recommended to form an advisory committee whom the Trustee of the CFTR can consult with when necessary.

Name & Contact Number/s

4. General Comments

Please feel free to provide any explanation or attach further information and details that describe how the advisory committee was formed and how these people will be able to make a positive contribution.

If required, please attach additional information to this page.



5. Declaration of an initial donation

The Donor proposes to make unconditional gifts to CFTR, starting with a gift of:

\$ _____

The Donor requests a sub fund be maintained by the Trustee for the recording of gifts from the Donor and others, as requested by the Donor in writing, and money received from those gifts.

The Donor requests the sub fund, subject to the Trustee's discretion, to be named:

6. Maintaining the Donation account

Please select the appropriate box.

The Donor requests that the donation account be able to receive gifts at any time from other Donors.

The Donor wishes to make the following gift \$ _____ annually

The Donor wishes to make a total donation of \$ _____ over _____ years

The Donor wishes to use a bequest to establish a named sub fund

3. 'Donor' Interests

Here, the Donor can explain to the Trustee the Donor's interests.

(a) The Donor has the following areas of interest or specific charities of interest (if relevant) which the Trustee may take into consideration when grant-making:



(b) The Donor wishes to make a standing request to the Trustee that funds from the Donor's gifts be applied to:

Memorandum of Understanding

In completing this Donation account Form, I/We the undersigned, understand and declare that:

1. I/We have fully read all documents in this kit, understand them, and have been advised that we need to seek our own independent legal and financial advice if we so require.
2. I/We have fully read and understand the Disclosure Statement. In doing so, we acknowledge the application of the details contained in the Statement.

(Please sign)

Donor Representative: _____

Name of Signatory: _____

Address: _____

Representing Community Sub Fund:

Witnessed in the presence of:

Witness Signatory: _____

Witness Name: _____

Witness Address: _____



ADDITIONAL INFORMATION



ABOUT THE NON TAX DEDUCTIBLE FUND OF THE COMMUNITY FOUNDATION FOR TUMUT REGION

- The CFTR has established a non tax deductible fund for charitable purposes.
- The essential characteristic of a charitable purpose is that it is of recognised benefit to the community.
- The benefit need not be for the whole community - it may be for an appreciable section of the public.
- Limitation to large groups of the community (eg. residents of a particular geographic area, the adherents of a particular religion, those following a particular calling or profession, or sufferers of a particular disability or condition) are consistent with the public requirement, unless the limits are incompatible with the nature of the benefit.
- In particular, a purpose that benefits a city, town or district, for example, the beautification and advancement of a township has been accepted by the courts as charitable.
- However, a purpose that is essentially sporting, recreational or social in nature is not charitable.

Characteristics

- Donations made to this fund are not tax deductible
- Donation accounts can be established
- Individual Donation accounts can not be marketed as individual trusts
- Trustee has the responsibility of all making decisions in relation to grant making from this fund.
- The Trustee can appoint an Advisory Committee who can from time to time make requests for funding.

Donations that can be received

- Bequests
- Corporate donations
- Individual donations
- Shares, property and stock

Grants and Projects it can fund

- This fund can only make grants for charitable purposes.
- Recipients do not need to have deductible gift recipient status.
- Will fund projects that deliver a benefit and add value to a community as explained above.
- Can not fund sporting, recreational or projects that are social in nature
- Please refer to the Australian Tax Office website www.ato.org.au for additional information



EXAMPLES OF CHARITABLE PROJECTS INCLUDE:

- Celebrate diversity within a community and improve intergenerational or cross-cultural communication
- Relate to education and learning projects for different communities or groups within a community
- Promote skills development and skills transfer learning in a community through volunteering opportunities
- Projects that promote and improve community health services or outcomes
- Building of a frail aged home for the elderly in a community
- Programs that develop support networks and enhance connectedness for various sectors of the community – ie women, children, young men in country towns, elderly, families, the disabled or disadvantaged.
- Programs to support youth to remain in secondary and tertiary education, reduce youth unemployment and/or enhance youth leadership skills
- Support indigenous Australians to participate in community activities
- Programs to support indigenous Australians to participate in learning and skills-based activities, including community activities
- Programs to support various ethnic groups living in Australia to participate in community activities that promote community capacity building and encourage skills transfer learning
- Projects that support people in a community to access education and training which will lead to skills development and improved job prospects
- Projects that promote the role and education of women in rural community building and farm management
- Environmental projects
- Health or community services projects which address key issues in a community
- Rural capacity building projects for the advancement of a community, focused on leadership training, mentoring, networking, partnership building

Unsure?

Project Grants are always made at the discretion of the Trustee.

If you are unsure of whether or not a project is considered to be for a charitable purpose you can contact the Australian Tax Office on 13 28 61 or visit www.ato.gov.au

Alternatively feel free to contact the Community Foundation for Tumut Region Community Development Officer on 02 6947 3208.



DISCLOSURE STATEMENT

In establishing a sub fund with the Community Foundation for Tumut Region (CFTR), it is important that, as a Donor, you are aware of the practices and procedures applied by the CFTR Trustee when managing donations made to the Foundation. It is also important that you understand the obligations of the Foundation.

1. Once a donation is made to the Foundation, the Trustee have full legal responsibility for any decisions made in relation to the management or administration of the funds and related earnings.
2. Donors should understand that they are able to make requests to the Trustee from time to time, however, the Trustee are under no obligation to adhere to these requests.
3. The Trustee has a Finance and Investment Policy that will guide the handling of all donated income to the Foundation. This policy describes how donations are accounted for and investment practices of the Foundation.
4. The Trustee has the authority to seek advice and employ investment advisors to assist with the investing of donated funds where and when they see fit.
5. The Trustee has a Community Development Policy which includes details of grant-making procedures and practices.
6. The Trustee will oversee the publication and distribution of an annual financial Statement and report of the Community Foundation for Tumut Region.
7. The CFTR will always adhere to the national privacy principles and protect the personal information of Donors. As such, any Donor information will not be provided to a third party. Donor information will be used by the CFTR for direct communication purposes.
8. A management fee will be applied on annual basis by the Trustee. It is intended to keep this fee to 1% of the capital in each donation account. Upon receipt of the initial donation an administration fee of 10% will be applied and will cover costs in establishing the fund.
9. The Donor is responsible for providing details of a nominated Advisory Committee to the CFTR Trustee for approval within 2 months of establishing a sub fund.



10. The gifts form part of the trust fund of Community Foundation for Tumut Region and do not form a separate fund;
11. The Trustee may change the name of the sub fund if it is required under law or recommended by the ATO and will consider any request from the Donor as to a change in name.
12. The assets will not be invested separately from the trust fund
13. The Trustee may at any time cease to maintain a donation account and account for the money and investments in the general accounts for the trust fund.
14. The Donor understands, in relation making requests or indicating preferences for grant-making, that:
 - the Trustee is not obligated to respond to any request or indicated preference, or to make a grant in accordance with a request or preference;
 - the Trustee may invite the Donor to make any requests or indicate preferences at certain times but the Trustee is not obligated to invite the Donor;
 - the Trustee may make grants from the funds from the Donor's gifts, along with other money in the trust fund, without first advising the Donor or seeking a request.



INFORMATION SHEET ESTABLISHING AN ADVISORY COMMITTEE

When establishing a sub fund within the overall Trust of the Community Foundation for Tumut Region, it may be helpful to the Trustee if you are able to form an Advisory Committee.

Whilst all legal responsibilities and decision-making authority lies with the Community Foundation for Tumut Region Trustee, the Advisory Committee plays a critical role in ensuring the Trustee are kept abreast of relevant projects and potential beneficiaries who may benefit from income earned on the non tax deductible trust fund.

Role of the Advisory Committee

The Advisory Committee:

- Represents the community or interests of the sub fund
- Communicates with the community or interest group to potential beneficiaries
- Informs the Trustee of relevant projects
- When called upon by the Trustee, reviews applications for support that relate to the given donation account
- With the support of the Foundation, works to promote and attract more Donors to the donation account.

The Advisory Committee is not required to:

- Be incorporated
- Have a trust deed
- Act as a formal board

Composition of the Advisory Committee

It is important that the Advisory Committee be representative of the community that relates to the donation account being established.

For example, if the sub fund is for a particular region, a diverse group of people that represent the business and community activities of that community should be on the Advisory Committee. Where the sub fund relates to a cause or interest, the Advisory Committee should be comprised of key stakeholders that actively participate or benefit from activities of that cause/interest group.

In establishing your Advisory Committee, you might like to think about how you

- publicly invite and inform your community of its existence



- manage the time spent on the activities by its members.

Once you have established your Advisory Committee, the Trustee will review its membership and either approve or reject its members. The Trustee are also in place to help deal with any problems that may arise within an Advisory Committee. Once you have formed your Advisory Committee, you will need to nominate a person who can act as the coordinator and liaison with the CFTR.



COMMUNICATING WITH THE COMMUNITY FOUNDATION FOR TUMUT REGION

The Community Foundation for Tumut Region is keen to ensure that it communicates regularly with all its Donors, key stakeholders, beneficiaries and Advisory Committees. The Foundation will utilise print and electronic material to communicate with all those interested in its work.

As a Donor, beneficiary or member of an Advisory Committee, you can contact the Foundation on (02) 6947 3208 or visit www.tumutfoundation.org.au for any updates.

The Grant-Making Process

The Community Foundation for Tumut Region will advise Donors each year of the proposed grant-making procedures for that year.

The Community Foundation for Tumut Region will call for submissions from the community at least twice each year. These submissions are then evaluated and one or more programs identified as suitable for the Community Foundation for Tumut Region to support. An outline of these programs will be sent to those Donors who have requested an opportunity to indicate a preference for programs.

Donors may request distributions to other programs (demonstrating community development, support or enhancement) for consideration by the Trustee. The Trustee cannot be required to follow any requests or preferences from the Donors and retains sole discretion as to the grant-making.

Grant-making processes may vary from donation account to donation account, if you are in the process of establishing a fund, the Foundation will advise you of the grant cycle associated with the donation account.

Additional information about grant-making procedures can be made by contacting the Foundation on (02) 6947 3208 or visit www.tumutfoundation.org.au