



Guide to Giving

Donating to the Tax Deductible Fund of the Community Foundation for Tumut Region

***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.



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

This guide contains important information that needs to be fully read and understood in preparation for giving to the CFTR and making requests in relation to those gifts.

CFTR encourages you to seek independent legal and financial advice in relation to making the proposed gifts to CFTR.

The word 'Donor' in this document is used to refer to the community, individual or entity wishing to make gifts.

This guide contains the following documents:

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

We encourage you, in relation to making gifts and co-ordinating others in your community, group or entity to make gifts, to:

- ✓ Promote and encourage community participation and input
- ✓ Think clearly and carefully about the changing needs of your community or entity
- ✓ Seek and source some founding Donors
- ✓ Develop an Advisory Committee (if required)
- ✓ 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 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 Ltd (the Trustee)
as trustee of Community Foundation for Tumut Region (CFTR) ABN 43 587 076 446

DONOR DETAILS

1. Contact Person/s

This is the person whom the CFTR can contact to discuss any details relating to the donations. 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. REQUESTED NAME OF DONATION ACCOUNT

For example 'Town X Donation', 'Parks Y Gift ' 'Charity X Donation account'

3. Nominated Advisory Committee Members

These are the names the people who have formed an advisory committee and who may make recommendations in accordance with these terms to the Trustee.

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 Community Foundation for Tumut Region, starting with a gift of:

\$ _____

The Donor requests a management account be maintained by the Trustee for the recording of gifts and money received from those gifts.

The Donor requests the management account, subject to the Trustee’s discretion, to be named:

6. Terms of CFTR maintaining the Management Account

Please select the appropriate box.

The Donor requests CFTR records gifts at any time from other Donors into the management account where the other Donors have indicated the gift is to be recorded for this management account.

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 management account.

7. 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:

On the Donor's death, cessation of company/community, the Trustee may agree to continue the named management account and receive requests from a person nominated by the Donor, if that person signs an acknowledgement or form similar to this from as required by the Trustee. Complete the details of the person, if the Donor wishes to make that nomination in this form:

(Please provide complete name, address, phone number/s and/or email address)



MEMORANDUM OF UNDERSTANDING

In completing this form setting out the terms of a donation account, I/We the undersigned, understand and declare that:

1. I/We have fully read all documents in this guide, 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.
3. I/We understand that the operation of the donation accounts in accordance with the Disclosure Statement is necessary for CFTR to comply with laws relevant to being a trustee and to continue to be endorsed as a deductible gift recipient (under the Income Tax Assessment Acts 1936 & 1997 as amended,) and therefore for it to receive tax-deductible donations from us.

(Please sign)

Donor Representative: _____

Name of Signatory: _____

Address: _____

Representing Community / Interest Groups :

Witnessed in the presence of:

Witness Signatory: _____

Witness Name: _____

Witness Address: _____



ADDITIONAL INFORMATION



About the Tax Deductible Fund of the Community Foundation for Tumut Region

The Community Foundation for Tumut Region has a tax deductible fund to which donations can be made. This fund receives tax deductible donations and can make grants for charitable purposes to organisations who have deductible gift recipient status DGR's. It has been established to enable Donors across our State to make donations that will be used to fund a variety of charitable activities.

Characteristics

- All donations are tax deductible
- Donation accounts can be established
- Individual donation accounts can not be treated as individual funds
- Trustee has decision making power
- Advisory Groups can be appointed by Trustee
- Donors are able to 'express' to Trustee their wishes—however can not dictate or exercise any control over money

Donations that can be received

- Bequests
- Corporate donations
- Communities could establish donation accounts for eligible charitable purposes
- Individual donations
- Shares, property and stock

Grants and Projects it can fund

We can fund projects managed by other deductible gift recipients. DGRs fall in a number of broad areas: See www.ato.gov.au for more.

- health
- education
- research
- welfare and rights
- defence
- environment
- the family
- international affairs
- sports and recreation
- cultural organisations,
- ancillary funds.

What is a deductible gift recipient?

Certain organisations are entitled to receive income tax deductible gifts. They are called deductible gift recipients (DGRs).

Only organisations that fall within the general categories of DGRs set out in the income tax law can apply to the Tax Office to be endorsed. Examples of these general categories are public benevolent institutions, public universities, public hospitals, school building funds, public libraries, and registered cultural and environmental organisations. The Tax Office has endorsed more than 19,000 DGRs.



If your organisation is not a DGR and seeks to receive tax deductible gifts, you should consider firstly whether it falls within a general category. [GiftPack for deductible gift recipients & Donors](#) (NAT 3132) explains the general categories of DGRs and provides information for DGRs listed by name including prescribed private funds.

If you are a Donor, you can also find out whether a particular organisation is a DGR by searching the Australian Business Register at www.abr.business.gov.au or by phoning the Tax Office on **13 26 81**.



Disclosure Statement

In establishing a donation account 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 CFTR. It is also important that you understand the obligations of the CFTR.

1. Once a donation is made to the Foundation, the Trustee has 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 is 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 CFTR. This policy describes how donations are accounted for and investment practices of the CFTR.
4. The Trustee has the authority to seek advice and employ investment advisors to assist with the investing of donated funds where and when it sees 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 CFTR.
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 Donation account.
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 donation accounts 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.



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13. The Trustee may at any time cease to maintain a management 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; and
 - 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 on Establishing an Advisory Committee

When making gifts to the CFTR, it may be helpful to the Trustee if you form an Advisory Committee.

Whilst all legal responsibilities and decision-making authority lies with the Trustee, the Advisory Committee plays a critical role in ensuring the Trustee is kept abreast of relevant projects and potential beneficiaries who may benefit from income earned on the trust fund.

Role of the Advisory Committee

The Advisory Committee:

- represents the community or interests relevant to the gifts;
- 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 relevant gifts; and
- with the support of CFTR, works to promote and attract more Donors.

The Advisory Committee is not required to:

- be incorporated
- have a trust deed, or
- act as a formal board

Composition of the Advisory Committee

It is important that the Advisory Committee be representative of the community.

For example, if the donation account 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 donation account 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; and
- manage the time spent on the activities by its members.

Once you have established an Advisory Committee, the Trustee will review its membership and either approve or reject its members. The Trustee is also in a 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 CFTR.



COMMUNICATING WITH THE COMMUNITY FOUNDATION FOR TUMUT REGION

The CFTR is keen to ensure that it communicates regularly with all its Donors, key stakeholders, beneficiaries and Advisory Committees. The CFTR 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 CFTR 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.

The Foundation intends to advise Donors of the grant cycles.

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