



**Foundation
Scotland**

Setting up a Charitable Trust

Foundation Scotland works with over 250 individuals, companies and charitable foundations. We enable our clients to donate over £5M effectively and efficiently to good causes every year.

Many of our clients choose to set up a Foundation Scotland (FS) Trust, which is a simple and practical alternative to registering a stand-alone charitable trust independently with the Office of the Scottish Charity Regulator or Charity Commission.

An FS Trust is a low cost, tax-efficient and flexible way to give to charity. Legal responsibility lies with Foundation Scotland's trustees, however donors can retain full control over where charitable funds are distributed. You will need a minimum of £25K to open an FS Trust.

Comparing an FS Trust with an independently registered Charitable Trust

	FS Trust	Registered Charitable Trust
Set up costs	£250	Typically, from £1,000
Annual audit	Covered by FS Auditors	Auditors, typically from £750 p.a.
Tax advantages	Exact same	
Charity Regulator	Covered by FS annual report	Annual report required
Legal responsibility	With FS trustees	With appointed trustees
Constitution	Written agreement with FS	Trust deed
Flexibility	Changes possible by just writing to FS	Changes require charity regulator approval
Donations	Exact same: For any charitable purpose	
Choosing beneficiaries	Client, or named advisors	Appointed trustees

Setting up your FS Trust

An FS Trust can be set-up by donating cash, shares or other qualifying assets, and can be added to with further ad hoc or regular donations. You can choose the name of your FS Trust which gives you the option to be public or anonymous in your charitable giving.

A member of the Philanthropy Services team will work closely with you to distribute grants and make donations from your Trust according to your wishes. You can use the FS online charity account or payment card to make donations directly to your chosen charities, or arrange for us to make regular payments to your favourite causes. We can also recommend charities that match your interests and offer a fully tailored grant-making service. We will send you regular statements about your FS Trust and you can check your balance online at any time.

Investments

You can transfer shares into your FS Trust, and these can be held as investments or sold. We can also work with your appointed stockbroker or fund manager to continue to manage your investments, allowing them to pass on investment income or interest for charitable distribution. For funds of £250K and over, you may prefer to manage your investments on an advisory basis, which we would be happy to discuss with you.

Transferring an existing charitable trust

Foundation Scotland can help you transfer an existing independent charitable trust to an FS Trust. We can offer advice on the process, such as explaining how long it is likely to take and any legal charges you may incur. In most transfers, we liaise directly with the charity regulator and prepare and submit the paperwork on your behalf.

Contribution

We request a contribution to Foundation Scotland to reflect the cost of managing and administering your Trust and distributing funds from it. The level of annual contribution depends on the size and activity of your Trust.

For further information, please ask for our Contribution Levels leaflet or contact our Philanthropy Development Team on 0131 524 0300 or email development@foundationscotland.org.uk.