



# philanthropy matters

SUMMER 2007



*Pictured at the launch of the Philanthropist of the Year Awards scheme were: Caroline Casey, Aisling Foundation, John Gallagher, Chair CFI, Tina Roche, CEO CFI and Kieran McGowan, Chair Business in the Community Ireland.*

**“We want to shine a light on those special individuals who are deeply engaged in putting their energy, commitment and resources together to make a significant long term contribution, whether large or small, to enhancing society, both here in Ireland and throughout the world,”**

## Philanthropy Awards will Honour Top Donors

The Community Foundation for Ireland (CFI) recently announced the inauguration of **The Philanthropist of the Year Awards** scheme. The awards will be made to individuals in two categories: a national award for philanthropic work undertaken in Ireland and an international philanthropist award.

Tina Roche, Chief Executive of CFI, said that the purpose of the awards was to establish prestigious and high profile recognition for outstanding achievement by individuals whose giving best exemplified a dedication towards helping society and to encourage others with the means to do so to become donors.

John Gallagher, Chairman of CFI, commented “Outstanding philanthropists set an example for the rest of us with their professionalism, commitment and passion. They remind us that we can all make a difference in the lives of others. Many sectors of Irish society have their **heroes and champions** who inspire and enthuse people - in sport, business, entertainment, the arts and other areas. CFI, through this new awards scheme, aims to identify the current champions in Irish philanthropy and, in so doing, stimulate a culture of giving that will contribute powerfully to the community.”

“We want more successful people to think strategically about their wealth, to understand that they can make a really positive impact on their communities with that wealth,” said Ms Roche. “We can help them and their families to plan how to use their charitable money effectively now and how to establish a legacy for the future.”

Nominations will be invited from a range of sources including community and voluntary organisations, charities and others in the ‘third sector’. The closing date for nominations will be 12 October 2007. If you would like to make a nomination, contact Niall O’Sullivan at The Community Foundation for Ireland and we can forward you further information and nomination forms (email: nosullivan@foundation.ie). The awards will be presented in Dublin on November 15 - International Philanthropy Day.



## Philanthropy Made Easy

In business there are incubator units, BES schemes, mentors and much more to help early stage small businesses grow and prosper. For people who would like to engage in 'early stage philanthropy', The Community Foundation for Ireland is the one stop shop for making philanthropy as simple and straightforward as possible.

We help people to set up their own charitable funds and to engage in **strategic grant making**. You will get the support of our Donor Services team who will help you determine which fund type is right for you and what grant-making criteria you would like to apply. Once set up, we can handle all the paperwork and administration, identify and suggest projects that would be of interest to you, issue cheques on your behalf and undertake follow up reviews with grant recipients. You can be as involved as you wish e.g. helping to assess projects to fund. You will receive periodic reports and feedback and we can arrange visits to projects that are funded by you or that you have a particular interest in.

For early stage philanthropists this can provide a more **cost effective** option than establishing your own private foundation and a more strategic approach than giving ad-hoc (as most people currently do). It is also **great fun** and appeals to a range of people from business people with busy lives to retirees who want to do more with their time and money. It is also a great way to involve other family members such as children or grandchildren as it will help broaden their horizons. An endowed fund can be established at The Community Foundation for as little as €25,000.

The Community Foundation for Ireland is committed to promoting a culture of philanthropy in Ireland and in providing the mechanisms to do so simply and effectively. If you would like to find out more, or are interested in attending an upcoming **seminar** on this issue, please contact Niall O'Sullivan, Head of Fund Development on 01 874 3807 or email [nosullivan@foundation.ie](mailto:nosullivan@foundation.ie) Seminar details on Pg 5.

## LEAVE A LEGACY FOR IRELAND

You can include The Community Foundation for Ireland in your **will** and help us establish a permanent charitable fund for our community, our environment and the important causes we all care about.

The CFI - for good, for ever!  
[www.communityfoundation.ie/giving/](http://www.communityfoundation.ie/giving/)

## 8 SIMPLE STEPS TO SETTING UP A CHARITABLE FUND

You can set up your own family or company fund in just a few simple steps:

1. Discuss your goals with your family or directors and your professional advisors.
2. Decide what to give - eg. cash, shares, property.
3. Select issues and organisations that are close to your heart.
4. Meet with The Community Foundation for Ireland staff to discuss your vision.
5. Choose a fund type: Donor Advised, Field of Interest, Designated, or Unrestricted.
6. Complete the paperwork.
7. Select a name for your fund, e.g. recognising your family or the issues you support.
8. Send your gift to the Foundation for management and administration.

**For more information call our Donor Services staff on 01 874 7354.**

## What's money for...

This year's **Sunday Times Rich List** made, as ever, for interesting reading. Entry onto the Irish Top 250 now requires a personal wealth valuation of €48 million. The Top 250 listed have a combined wealth of €67 billion - €16 billion up in just 12 months. How times have changed.

The UK Rich List featured the Top 30 known givers and their combined giving in 2006 was £1.214 billion/ €1.77 billion. The 30 people gave away three and a half times as much as the estimated €500m donated in total in Ireland in 2006! The largest donation was by London based Indian businessman **Anil Argawal** who is giving £510m to build the Vedanta University in India.

*"What is money for if not to be made*

*and given back to society"* he said after making his gift last July.

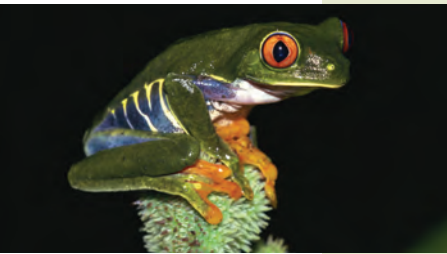
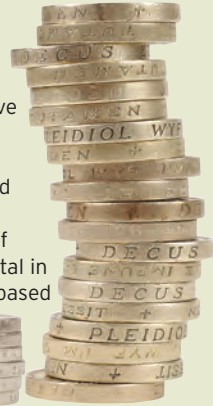
**David and Heather Stevens** have given away 87.2% of their wealth - £100.3m - to establish an endowment fund for their new Waterloo Foundation. Issues to be funded will range from climate change to adult mental health.

**Johan Eliasch**, a Swedish businessman, based in London, is the chairman and CEO of sporting goods manufacturer Head.

In 2006, Eliasch purchased 400,000 acres for £8m in the heart of the Amazon Rainforest. In 2006 he gave away £20m overall, mainly for environmental issues. An **environment fund for Ireland** would be an interesting project as there is currently no such independent fund here. The Community Foundation for Ireland would love to talk to anyone who would like to support this or other areas of interest to them.

From this environment of the Irish 'super rich' - and the many more below the Rich List radar - The Community Foundation for Ireland expects to see a major growth in giving. More people are setting up Donor Advised Funds at The Community Foundation for Ireland, often anonymously, while others are establishing their own foundations. Indeed Ernie Fisher and his family (Fisher Engineering) who appear in the wealth list established **The Fisher Foundation** as a permanent memorial to the lives of Bertie, Mark and Emma Fisher who died following an air accident in 2001. It seeks to commemorate Bertie and Mark's interest in rallying and Emma's commitment to Christian service overseas by supporting these areas today. The Fisher Foundation is now managed by The Fermanagh Trust, a community foundation in Northern Ireland.

Anil Argawal who is giving £510m to build the Vedanta University in India.



Frog friend ... Johan Eliasch purchased 400,000 acres for £8m in the heart of the Amazon Rainforest.

Bertie Fisher rallying in his BMW.



## Philantopics

**Record year for philanthropy in the US.** US philanthropy had a "blockbuster" year in 2006, with the 60 most generous Americans giving \$50.5 billion, dwarfing the \$4.3 billion donated in 2005. Topping the list was investment guru Warren Buffett, who pledged \$43.5 billion to charity, mainly to the Bill & Melinda Gates Foundation. Donors in 2006 broadened the scope of interests to include global warming, microfinance initiatives, stem-cell research and the advancement of human rights for gay people.

**UCD Donation.** In late 2006 prominent businessman and former Irish attorney general Peter Sutherland made a €4 million gift to University College Dublin's law school. UCD is involved in a €20 million campaign to develop a new law school at its Belfield campus. Sutherland, a former graduate of UCD law school, is chairman of BP and Goldman Sachs. UCD said the gift from Sutherland would be a significant factor in raising additional funds from government and other sources.

He previously supported the law school, endowing the Sutherland Chair of European Law.



# The Executive Chair

**Who?** BRIAN WILSON

**Occupation:** Company Director - Financial Services and Real Estate

**Personal/Family:** Married with three children - and three grandchildren!

**County:** Dubliner

**Education:** UCD and Trinity

**Career:** I was with the AIB group for many years and roles there included Group General Manager in Great Britain and Managing Director in Ireland. I subsequently worked as Vice-President and Head of Risk and Financial Policy at the World Bank in Washington.

**Other Roles:** I am currently Vice-Chairman of The Community Foundation for Ireland and Chairman of The Lord Taverners Republic of Ireland Region. I was previously Director, in Paris, of the Aga Khan Fund for Economic Development - a major philanthropic foundation.

**Q. Who do you think has been the greatest philanthropist in Ireland?**

**A.** The Atlantic Foundation and Chuck Feeney.

**Q. What 3 areas would you like to see philanthropists focus on in the next 10 years in Ireland?**

**A.** Homelessness; educational disadvantage and drug addiction.

**Q. Which of your pastimes gives you the greatest buzz?**

**A.** The very odd time I get a birdie at golf.

**Q. Who or what makes you laugh?**

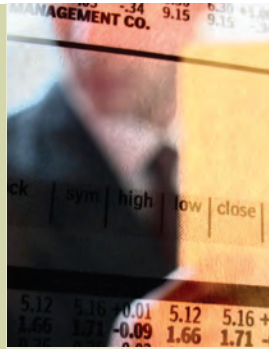
**A.** The tv programme "Have I Got News For You".

**Q. What is your favourite phrase?**

**A.** Carpe diem.

## Philantopics

**The Community Foundation for Ireland Receives Anonymous Donations.** In the first 4 months of 2007, The Community Foundation for Ireland received a number of significant donations, ranging from €250k to €1 million. The details are however to remain strictly confidential. A number of donors choose to use The Foundation as an 'honest broker third party' because they can be assured of anonymity in all their dealings with their chosen charity. In addition they can be assured that all the administration around the gift will be handled professionally and at arms length from them and their advisors.



## Share Your Shares

**Very few people are aware that tax relief is available on donations of publicly quoted shares. It was introduced in the 2005 Finance Act. This is how it works:**

You make a gift of shares to e.g. The Community Foundation for Ireland. In giving gifts of publicly quoted shares you choose between an income tax relief OR Capital Gains Tax (CGT) relief. If you choose income tax relief – you should receive a receipt (for the market value of the shares on the day the donation was made). You can use this to reduce your taxable income (if self-assessed). If 'taxed at source' (i.e. a PAYE worker), the charity will claim the tax back. These procedures are the same as for cash donations.

If you choose to claim CGT relief, the sale of shares will be treated as 'no profit, no loss' sale, i.e. it is treated as if you sold shares for exactly the same price as was paid for them. It is important to remember that there is no 'double tax relief' – you cannot claim both income tax and capital gains tax relief.

Gifts of shares are a great way to start a Fund. You could create a Fund in your name, in the name of your business, or in honour of any person or organisation you choose.



**Dr Gerard O'Hare Urges Donors to Do More.** In February 2007, Dr Gerard O'Hare spoke at the second CFI breakfast seminar on philanthropy. He enthralled the many present with the great work he has done for issues in his own local community,

homelessness in London and development projects in Honduras and Nigeria amongst others.

For a summary copy of his transcript, log on to [www.communityfoundation.ie/news](http://www.communityfoundation.ie/news)

**Seminar - I Want to be a Philanthropist - Where Do I Start?** Our next seminar will focus on the **journey** to becoming a philanthropist. Experts in the field will explain **how to set up your** own Family or Corporate Foundation or a Donor Advised Fund. Case studies will be used to help illustrate the options. The seminar will provide a comprehensive but jargon free insight into the range of options and the **most efficient tax opportunities** available. A range of materials will also

be provided on the day to help you establish which option is right for you. This important seminar will take place in early October (further details will be provided in the Autumn newsletter). If you would like to make an early booking, please email Niall: [nosullivan@foundation.ie](mailto:nosullivan@foundation.ie) or call 01-874 3807. Whether this is an area you are looking at for 2007 or in coming years it should be of interest.

**An Emerging Philanthropy Culture.** Irish charities can expect a big increase on the €500 million given last year, according to a leading research company. Amárach Consulting's findings are part of a report on future trends in Irish society. Amárach's report indicates that Irish people are getting used to their new found wealth and are increasingly philanthropic. "There is increasing evidence that we are becoming more mature about money and moving out of the 'nouveau riche' bracket," said Gerald O'Neill, chief executive of Amárach Consulting. He added that "this emerging philanthropy is different to just writing a cheque and people want more active involvement".



# A cap on giving...

## Foundation Calls for Major Tax Incentives Review

In the **Finance Bill 2006**, Minister Cowen introduced a new Section 485C which placed a restriction on the use of tax relief schemes by high income earners. Unfortunately he included the tax relief scheme on donations in the list of tax relief schemes covered by this section which effectively caps the amount of tax relief that high income taxpayers can claim. The Community Foundation for Ireland (CFI) and others in the charity, legal and financial sectors, have called for this new legislation limiting the tax relief on charitable donations to be reviewed. Individuals with **income in excess of €250,000** who have specified tax reliefs available to them are now restricted in the amount of tax relief they can claim each year.

The specified reliefs that a person can apply against their taxable income have been restricted to 50% of their gross income in any one tax year. The donation scheme is fundamentally different from other tax reliefs since there is no benefit to the donor other than the tax relief. Logically it should not be compared to a property based tax relief where the taxpayer owns the property and gets the tax relief. **This cap needs to be removed** as it is a retrograde step and will slow down the making of '7 figure + super gifts'. Single gifts of tens of millions of euros to charitable causes are common place in developed societies (See article on Page 3) and the possibility of this happening in Ireland is greatly impacted with this retrograde legislation.

There is also an **need to extend the tax concessions applying to cash donations to other types of assets** that can be valued by the market, such as buildings, lands or indeed any other asset that would benefit a

community. In CFI's opinion such gifts should be treated the same as cash from a tax relief perspective. In doing so, this will broaden the market for philanthropy to include the cash poor but asset rich individuals who otherwise may not be in a mindset or situation to give.

At the present time, **trust law** in Ireland is very penal. A trust set up for children, in effect, must be distributed once the child(ren) reach the age of 21 as any undistributed income attracts a 6% trust charge per annum. This forces disbursement whether the conditions are optimal or not. The government should look at how trust law could be reframed so that some tax concession around private trusts would encourage philanthropy. For example; if a charitable trust is set up for the same amount as a private trust and tax benefits accrued, this would encourage more charitable funds and foundations to be set up.

If legislation was introduced, CFI would have the ability to manage **charitable remainder trusts** - one of the biggest drivers of philanthropy in the USA. This would allow a person to give away e.g. their house, claim an immediate tax break and then continue to live in it until his/her death, then the remaining value of the asset goes to the designated charity/foundation.

With many property and other tax schemes coming to an end in 2007 and 2008 and with many people having become very wealthy in the last 15 years, the time is now ripe to focus the taxation issue on philanthropy.

This article is based in part on the pre-budget submission made by The Community Foundation for Ireland in November 2006.

## Philantopics

### Charity on the Brain

CHARITY begins ... in the posterior superior temporal sulcus, according to scientists who have traced the origins of altruism in the brain. A study found that this part of the brain is more active in people who often engage in helping behaviour. The region, which lies in the top and back portion of the brain, is linked to sorting out social relationships.

Scientists in the United States scanned the brains of 45 volunteers. They were also questioned about how often they put others before themselves - in other words, how altruistic they were.

The brain scans revealed the most charitable showed the most activity in the posterior superior temporal sulcus. **If you have an over active posterior superior temporal sulcus, we at The Foundation would love to hear from you!**



## Developments in Europe

**Question:** What do the second richest person in Europe, the Slovakian national gas company and the Polish American Freedom Foundation have in common?

**Answer:** They each discovered the benefits of partnering with their local community foundations to improve the delivery of their local grant-making service.

A few years ago, the Natural Gas Trade Division (SPP) through its SPP Foundation formed a partnership with community foundations there to support the development of youth-led activities in **Slovak** communities within the "Young Philanthropists Programme". This was modelled on the Youthbanks programme which is also run jointly in Ireland by The Community Foundation for Ireland, The Irish Youth Foundation and the Northern Ireland Community Foundation with significant support from Ulster Bank. The project is based on young people who manage modest pots of grantmaking resources to support youth-led projects in their communities. For SPP the partnership helped them address their target audience in numerous communities they would not have otherwise reached.

The "Act Locally" programme of the Polish American Freedom Foundation (PAFF) focuses on activating local communities across **Poland** to help them solve their problems by financially supporting initiatives from employment to the environment. PAFF, needing partners with a local knowledge and grant making capacity, chose 16 local community foundations as well as other groups. Since 2000 it has donated over \$2m to the "Act Locally" programme which has been matched by a further \$2.2m from other sources.

In **Russia**, a community foundation is currently being established to help bring together numerous resources in Ust'-Labinsk including those of Oleg Deripaska, the main shareholder of the world's largest aluminium company. His Vol'noe Delo Foundation spends millions of euros annually in various areas from social support and scholarships to construction and churches. To improve its delivery it was recommended by professional philanthropic advisors that the community foundation model would be the best delivery option and this will be up and running very soon.

1,200 Community foundations are now operating in 46 countries worldwide and arguably represent the greatest global advancement of philanthropy. For more information about community foundations, log on to [www.communityfoundation.ie/news](http://www.communityfoundation.ie/news)





# philanthropy matters

## Our Board

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*Chairperson:* John Gallagher.

*Directors:* Harry Byrne, Adrian Crawford, John Dunne, Brian Geoghegan, Eamonn Heffernan, John Hynes, Sr. Stan Kennedy, Anna Lee and Brian Wilson.

*Goodwill Ambassador:* Chris Horn.

## Contact Us

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Charity No. CHY 13967

If you would prefer not to receive further copies of "Philanthropy Matters", please contact us and we will amend our mailing list accordingly.

## CFI Grants Programme Supporting Communities

Funding was provided across the country to over 200 organisations throughout Ireland from Round 1 of The Community Foundation for Ireland's Small Grants Programme in April 2007. The following are some examples:

### Leinster/Dublin

**Depaul Trust:** To undertake personal development work for women leaving Dochas Prison entering the Tus Nua project.

Funding for the construction of wheelchair accessible raised beds for a horticultural project at **St Mary's Hospital**.

**CityArts:** Part funding of a three-month workshop process facilitated by musicians, Tower Songs will explore the wealth of stories and experiences of twenty participants drawn from active age groups across Ballymun.

**Belvedere College SJ:** to cover training costs in TEFL for Belvedere students to teach adult asylum seekers living in hostels in Gardiner Street.

**Migrant Rights Centre:** To help research the situation of migrant workers who become undocumented or are working irregularly in Ireland.

### Munster

CFI is part funding an 8 week course in creative writing/storytelling programme at **O'Connell Court, Cork** - a sheltered accommodation for older homeless adults with mental health disorders.

**Southill Domestic Abuse Project, Limerick** have set up a Monday club for senior citizens to combat isolation etc. but due to high crime rates and intimidation in the community it was necessary to provide transport. A grant is funding cost of driver and diesel for the community bus.

**One in Ten (LGBT), Waterford** to help run a programme of training seminars developed by One-in-Ten and Belong for youth and community groups on how to deal with LGBT youth issues.

### Connaught

Funding was provided to help **Fathers for Justice and Equality, Galway** for services to fathers, and their extended families, by providing counselling, friendship, advice and education after the break up of a family.

Funding for the **Club Vario Youth Project, Mayo** will help a group of young people, 15-18 years, with a project to help gain new skills in communication and to improve attitudes re. anti-social behaviour, alcohol/drugs, and to look at conflict resolution in a verbal and visual format.

### Ulster

**Alzheimer Society of Ireland, Monaghan** received funds to help increase day care services from two days per week to three days, thus providing more respite for the carers.