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

philanthropy matters

Examples of Grants



The Community Foundation can identify wonderful projects for donors. Here are some examples.

The Carers Association

The Carers Association received nine grants totalling €16,000 in 2007. These grants were awarded to branches of The Carers Association throughout the country to support the work of the carers who carry out vital work each day. Projects supported ranged from emergency respite initiatives and Care in the Home courses to measures to alleviate stress among carers. Carers are one of the key target areas of the Small Grants Scheme, and The Foundation sees this group as being one of the most vulnerable and isolated groups in society.



The Irish Seal Sanctuary

The Irish Seal Sanctuary received a grant of €127,000 from an anonymous client donor at The Foundation. This grant was to facilitate the provision of a full-time Education and Outreach Programme for the sanctuary. To date, the programme has

undertaken numerous outreach visits to schools throughout the country. The creation of a storybook for children has also been achieved, which has helped with children's understanding and appreciation of seals.

philanthropy matters

SUMMER/
AUTUMN
2008



Grant Gordon is co-founder and Director General of the Institute for Family Business (UK) and Chairman of the Thames Community Foundation. He will be speaking at the upcoming community foundation family philanthropy seminar on the motivations behind philanthropy.



Family Philanthropy Symposium
October 14, Merrion Hotel.
Phone 01 874 7354 or email
events@foundation.ie to register today.

Family Philanthropy Made Easy

Family philanthropy can be great fun, but what makes it different. Why engage in family philanthropy?

- Because you can
- To put 'something back' into society
- To involve your children or grandchildren, creating a reason to meet as a family. Time is precious these days and many families are living a distance from each other, families often just meet at weddings, funerals - put a date in the diary for the family philanthropy meeting
- To give your children responsibility around their inherited wealth
- To give your children experience of making decisions about assessing projects and giving - great training for a family business
- To enjoy the fruits of your wealth in a very real way
- To support projects or areas of interest to you, which will give you great satisfaction
- To leave a legacy as a family.

What are the next steps? There are basically four options:

1. Set aside an amount of money each year - your family charity budget - and simply give direct to charities of your choice. If the amounts are not huge, this is a good way to start
2. Set up a family foundation - this is a good option, but best suited to the wealthiest families of Ireland as there are set up and running costs involved
3. Set up a charitable trust - this can be a good option when transferring assets
4. Set up a Donor Advised Fund, for example at The Community Foundation for Ireland.

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continued from page 1.

As yet, there are probably less than 30 foundations in Ireland. There are a small, but unknown number of charitable trusts. An emerging option for donors, particularly those with money, but perhaps not so much time, is to establish a **Donor Advised Fund**, at for example The Community Foundation for Ireland.

A **€7 million family fund** was established earlier this year on a donor advised basis at The Community Foundation for Ireland. The family has outlined thematic areas to support and The Community Foundation for Ireland will help identify relevant applicants on their behalf. The family will then recommend the projects of most interest to them. Both the parents and children will be actively involved. Looking to the longer term, the fund has been structured to facilitate the next generations - if they so wish - to potentially take up the mantle. "The donors chose to use us as it alleviated many of the issues to be addressed when setting up a 'Family Foundation' and was achieved very quickly and at a **much lower cost**" said Tina Roche, Chief Executive at The Community Foundation. Permanently endowed funds can be established for as little as €25,000. One donor in 2007 used his year-end bonus to establish his family fund.

There are pros and cons to each of the philanthropic vehicles mentioned above, but a fundamental benefit in setting one up is that you then agree a budget and strategy. "This is the **mindset change** that will help donors get far more impact than their current charity budget" says Tina Roche. She continues, "If you, as an individual or through your family business, are currently giving out, say €20k or



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Tina Roche, Chief Executive at The Community Foundation



"Family business succession is increasingly relevant for our members. Introducing philanthropy into the mix is a natural development"
Avine McNally, Assistant Director at The Small Firms Association

€100k, what is the impact of this? Do you focus on key areas of need or give in a reactive manner, do you know if your donation brought any lasting benefits, have you ever looked for feedback reports from charities, have you ever worked in collaboration with other donors, have you enjoyed giving the money away or has it been stressful? These are key questions you should ask".

Family businesses are hugely important in Ireland, accounting for 46% of all firms according to 2005 CSO statistics. Says Avine McNally; Assistant Director at The Small Firms Association, "**family business succession** is increasingly relevant for our members. Introducing philanthropy into the mix is a natural development and can aid the process when handing over to the next generation or selling the business".

"Whatever the structure, and process, people often forget to mention the **fun from philanthropy**", adds Tina Roche. "There are some wonderful projects and people out there providing fantastic opportunities for those with money, expertise and the passion to make a difference".

The Community Foundation for Ireland 'Family Philanthropy Symposium' takes place on October 14th in The Merrion Hotel, Dublin. Details on page 3.

The Family Philanthropy Symposium

Tuesday, October 14th 2008

Where: Merrion Hotel,
Upper Merrion St, Dublin 2

When: Tuesday, October 14th at
7.30am for 8, finishing by 11.30am

RSVP: To Niall O'Sullivan 01 874 7354,
email: events@foundation.ie asap as
numbers are limited, early booking is
advised.



6 Great Reasons to Attend

- The Growth of Family Philanthropy Internationally and the Potential for Ireland: Tina Roche, Chief Executive, The Community Foundation
- Motivations for Family Philanthropy: Grant Gordon, Director General, The Institute for Family Business (UK) and Chairman, Thames Community Foundation
- Trends in Irish Philanthropy - An advisors perspective: Niall O'Sullivan
- Family Business Succession Issues: Avine McNally, Assistant Director, Small Firms Association
- Results of First Comprehensive Research on Irish Philanthropy: Jackie Harrison, Philanthropy Ireland
- The Impact of Philanthropy, The Carers Association - A Charity Case Study: Emma J. Murphy, National Fundraising Manager
- Q&A: All

Our main speaker is Grant Gordon, co-founder and Director General of The Institute for Family Business (UK) and Chairman, Thames Community Foundation in London. The Institute for Family Business (UK) is a chapter of the Family Business Network, the world's leading international association for family companies. He is also a non-Executive Director and fifth generation member of a Scottish family business.

"Family values and a strong sense of community help underpin prosperity both in terms of business activity and society as a whole. The contribution families can make through philanthropic endeavours should not be underestimated. The community will, obviously, benefit but so will the family and the individuals involved."

FedEx Express Ireland and The Community Foundation join forces

FedEx Express, a subsidiary of FedEx Corp, has partnered with the Community Foundation for Ireland to create the "FedEx Fund" allowing employees to contribute to local communities in and around the FedEx stations in Dublin, Shannon, Cork and Kilkenny.

The fund opened earlier this year, and already one fifth of employees have started contributing to the fund.

Employees from all areas of the business ranging from couriers, warehouse handlers, HR and management are given the opportunity to contribute as much or as little as they choose to the charity through payroll. Employees who contribute get to decide exactly how and where their money is spent by choosing local projects to support on a quarterly basis. The first round of contributions from the fund went out in August.

FedEx has a long history of corporate giving and always actively seeks out opportunities to make a difference in the communities in which it operates. This latest initiative was motivated by FedEx Ireland employees' desire to contribute to charitable causes in communities in which they live and work.



David Canavan, Managing Director Operations Northern Rim said, "This initiative firmly roots corporate giving in local communities and really empowers our employees in Ireland by giving them the opportunity to decide where and how their money will be spent in their communities. We've already been overwhelmed by the generosity of our employees."

THE GENEROSITY OF NUALA O'FAOLAIN

Writer Nuala O'Faolain gave her final public interview on Marian Finucane's radio show before dying of cancer and spoke movingly of her impending death. She left €800k in her will to an African Aids charity - The Friends in Ireland Charity. The organisation had been established by her friends Marian Finucane and John Clarke in 2002 after they visited South Africa. Nuala O'Faolain, a true inspiration.



Nuala O'Faolain



Marian Finucane

2007 Annual Report Launched

In July, The Community Foundation for Ireland launched its 2007 annual report. Among the highlights were:

- An increase in the permanent endowment fund to over €20million
 - Grants of over €2.6million made
 - 539 groups and charities supported - a 13.5% increase and
 - The inaugural Philanthropist of the Year awards took place.
- To download a full copy of the annual report, go to www.foundation.ie/news



Grants awarded by county from Small Grants Programme

	2006	2007
Carlow	3	4
Cavan	7	6
Clare	12	18
Cork	28	27
Donegal	28	33
Dublin	104	110
Galway	21	37
Kerry	42	31
Kildare	8	8
Kilkenny	9	8
Laois	4	2
Leitrim	5	3
Limerick	15	30
Longford	7	11
Louth	2	3
Mayo	18	21
Meath	4	6
Monaghan	10	3
Offaly	7	7
Roscommon	7	9
Sligo	6	18
Tipperary	17	22
Waterford	9	11
Westmeath	4	6
Wexford	11	11
Wicklow	13	13
TOTAL	392	459

Some Terminology

- **Philanthropy** is different to 'charity' because it tends to be planned giving, developed with the input of professional advisors, family members and with detailed consideration of long-term returns on the investment. 'Charity' in the typical sense of the word tends to be more reactive.
 - An **endowment fund** involves an initial capital sum that earns interest year-on-year. This income provides a continuing and growing resource that is disbursed to pre-selected targets, chosen according to any number of criteria.
 - **Flow-through funds** are funds into which the donor makes periodic donations - typically year on year - which are then disbursed on their behalf. These are usually donor-advised funds - meaning that the donor targets something specific, be it a particular cause, social group or geographic area.
- Donors have as much or as little involvement as they wish, for instance, in terms of who or what causes are targeted, anonymity, how they want to time their giving, and whether they choose to give to an endowment fund, a donor-advised fund or to a mixture of both.
 - Donors can be individuals, families, companies or other organisations.
 - The Foundation provides advice and assistance in identifying and assessing grantees.
 - There are no start-up costs.
 - Administrative requirements are greatly reduced. Administration is pooled and a minimal annual fee is charged.
 - The Foundation is a registered charity and tax effective.
 - For professional advisors - lawyers, stockbrokers, accountants, wealth managers - The Foundation provides an additional confidential dimension to financial planning on behalf of clients.

WHY DO DONORS USE THE COMMUNITY FOUNDATION?

Financial Statements 2007*

Balance Sheet as at 31st December 2007	2007 €	2006 €
Tangible Fixed Assets		
Endowments Fund	20,077,774	19,213,890
Current Assets		
Investment Funds and Bank	1,746,964	769,233
Sundry Debtors & Prepayments	205,205	146,165
	1,952,169	915,398
Creditors (amounts falling due within one year)		
Deferred Endowment/Private Funds Income	(1,272,226)	
Mott Foundation Grant	(20,871)	
Sundry Creditors & Accruals	(7,678)	(582,908)
	(1,300,775)	(582,908)
Net Current Assets	651,394	332,490
Net Assets	20,729,168	19,546,380
Financed By:		
Revenue Reserves	539,415	320,512
Private Grantmaking Funds	11,978	11,978
Endowment Reserve	19,613,219	17,940,949
Unrealised Gains	564,556	1,272,941
	20,729,168	19,546,380
Income & Expenditure for the Year Ended	2007 €	2006 €
Grantmaking Income		
Private Donations Received	2,321,154	648,913
Endowment Fund Income	371,011	207,966
	2,692,165	856,879
Grantmaking Expenditure	2,692,165	856,879
Operational Income		
Donations	115,256	31,005
Mott Grant for Operational Costs	99,980	140,897
Bank Interest Received	72,741	74,284
Management Charge Endowment Funds	196,822	89,569
	484,799	335,755
Operational Expenditure		
Fundraising Costs	155,758	123,411
Grant Administration Costs	43,616	37,520
Administration Overheads	54,543	54,312
	253,917	215,243
Excess income over expenditure	230,882	120,512

*Please note that these figures are draft and prior to audit.

Our audited financial statements will be prepared in accordance with the Statement of Recommended Practice - Accounting and Reporting by Charities (SORP 2005).

Professional Advisor Research Findings

Innovative philanthropy research by The Community Foundation has been undertaken with professional advisors. For the first time, we have insights into their role and thoughts on philanthropy. 75 advisors, whose firms represent tens of thousands of clients across Ireland completed the survey. Some of the key findings are:

- 27% of advisors have noticed an increase in the number of clients enquiring about philanthropy over the last 12 months
- 58.7% of advisors said that to date they had never had a discussion with a client about philanthropy and a further 22.2% said they would be uncomfortable doing so
- 23.9% of advisors said that 6% or more of their clients are engaging in philanthropy
- 83.6% of advisors who offered an opinion, believe that charitable giving could be doubled within five years to €1billion
- 85.1% believe that a change in the law removing the cap on tax relief on charitable donations for high earners would result in more clients considering philanthropy
- While overall levels of charitable bequests are low there are some very significant charitable bequests being included in wills, figures from €50,000 to €50million were mentioned by advisors.
- Only 20.5% of advisors believe their clients understand the difference between charity and philanthropy.

Overall, the findings provide evidence of an emergence of philanthropy in a way that is typical of any early stage cultural change. There is some confusion among both advisors and clients but also significant encouragement and strong potential for developing philanthropy in Ireland.

To download a full copy of the report, go to www.foundation.ie/news/

