BORDER TRUST

Your Community Foundation

BORDER TRUST
Named Sub-Funds

The BT Community Foundation Ltd is a company limited by guarantee and our corporate trustee.

The Border Trust Community Charity is a trust with a Deductible Gift Recipient (DGR 1) tax status.

The Trustee manages our Trusts and is operated by an independent Board of local Directors.

Both the trust and the corporate trustee, collectively referred to as Border Trust, are charitable organisations and share a common purpose to support and encourage philanthropy across the region. Under the trust deed and applicable laws, Border Trust operates named sub-funds to record donations and distributions.

Activating the power of giving.

BT Community Foundation Ltd (t/as Border Trust)

ABN 34 111 519 012 Trustee
ABN 92 249 847 924 Community Charity DGR 1 Trust
ABN 11 064 494 169 DGR 2 Trust

Trustee for Towong Community Bushfire Disaster Relief Fund
ABN 64 221 473 179

NAMED SUB-FUNDS

A Named Sub-Fund is a great way to involve family, friends, communities, or whole organisations in a meaningful and fulfilling giving experience.

Border Trust operates numerous Named Sub-Funds (NSF). These are internal management accounts that have a discrete name, intended purpose, and value. Funds are invested, with earnings attributed to the NSF.

Each NSF is established at the request of a donor/s to recommend funds or assets to be paid via grants to a local charitable purpose. They are a simple option for those who wish to give to a charitable cause without the time, cost, and legal requirements of setting up a Private Ancillary Fund, Trust or other entity.

Donations can be made to Named Sub-Funds at any time by the original donor, or by family members, friends, or others. All donations made into NSFs held by the Trust are fully tax-deductible, and we manage all governance for you.

Annual statements are provided for each NSF.

Border Trust establishes a Memorandum of Understanding (MoU) with each NSF donor/s to ensure there is a clear understanding of the charitable purpose for which funds or assets may be applied by the Trust, the responsibilities of donors and Border Trust, the grant-making process and indicative management fees.

Border Trust intentionally funds its administrative operations through grants, donations and pro bono services made by our Foundation Builders – those people and organisations who enable us to exist. This means minimal administrative and management fees are applied to NSFs to offset the costs of compliance, regulation, reporting, and grant-making, enabling Border Trust's NSFs to be very low cost.

Trust structures and their named sub-funds are subject to Australian trust law and regulations, including the rules outlined in the Income Tax Assessment Act 1997, the Trustee Act 1925, and other relevant legislation.

Why create a Named Sub-Fund?

There are many reasons and benefits to creating a Named Sub-Fund with Border Trust. A few of these include to:

- Leave a legacy that benefits your community for years to come
- Remember someone you love in perpetuity
- Contribute to a charitable cause that matters to you
- Help those who help others
- Unite friends, family, community members or colleagues around a charitable cause
- See first-hand where grants are directed and how they make a difference
- Watch the value of your NSF grow and hence the positive impact grant-making achieves
- Maximise tax benefits to the donor/s while doing good for the community
- Receive gifts during a donor's lifetime and a bequest for lasting benefit

A Named Sub-Fund allows you to recommend the preferred charities or causes that you wish to support. Creating a Named Sub-Fund gives you the chance to provide community assistance at a grassroots and personal level.

ESTABLISHING A NAMED SUB-FUND

An initial contribution of $2,000 will allow you to kickstart a Named Sub-Fund.

Establishing a Named Sub-Fund with Border Trust is simple. Starting from $2,000 your fund can be established and grant-making to eligible community organisations can commence once it builds to $20,000. It is preferred that the value of the NSF remains at or above $20,000 and that this value is achieved within one year of establishment.

Donations to NSFs form part of Border Trust's Public Ancillary Fund and are pooled for investment purposes with investments discussed when the fund is established. Donations and grant-making are reported in the NSF and earnings are attributed to each NSF on a pro-rata basis via internal management systems.

The Trustee retains full discretion as to the management and application of the funds following receipt of donations. The Donor/s cannot direct the Trustee as to the management and application of the funds following donation. An individual, family, group or organisation may request to establish a NSF and propose the fund's name.

We'll work with you along the way. It is important to us that you are sure that a Named Sub-Fund aligns with your needs and values and addresses issues that concern you within the community. We'll guide you through the process and prepare a Memorandum of Understanding that is fit for purpose.

Those who establish a NSF may be the only donor/s to the fund, or the fund may be promoted to others who wish to donate to the fund's purpose. Any fund-raising activities or campaigns must be authorized in advance by Border Trust. Donors may contribute to the NSF at any time. We recommend that donors nominate one or more representatives as a grant advisory committee to make recommendations to the Border Trust about the grant-making and advise Border Trust of any change to these representatives.

Grant-making may align with Border Trust's annual Community Grants program or be delivered at mutually agreeable times which may be more or less than once per year. Grant-making may be for a specific charitable cause, project, or area of impact.

Border Trust will recognise the contributions made by each NSF, though the NSF and/or donor/s may choose to remain anonymous.

BORDER TRUST'S ROLE

To provide an easy, impactful and tax-effective way for people to engage in philanthropy

The Border Trust will:

- Prepare the MoU and complete the legal and financial requirements to establish the fund
- Authorise the NSF's name and Advisory Committee membership or changes to same
- On receipt of the initial donation, establish an NSF to record contributions
- Invest the funds or assets in accordance with Border Trust's Investment Policy and the law
- Provide tax-deductible receipts to donor/s
- Undertake all compliance, regulatory, due diligence, acquittal, application, and reporting activities attributable to the NSF and grant-making programs
- Authorise any marketing, fund-raising or campaign materials to ensure these meet current legal and regulatory requirements
- Promote the NSF through our website, social media and newsletters (in consultation with fund representative/s)
- Provide informed, expert advice about local needs, opportunities and grant-making
- Assist and work with the donor or members of the grant advisory committee regarding the grant value, preferred grant recipients and assessment of the impact of grants
- Support grant applicants and recipients to achieve the best outcomes and impact
- Provide a statement of account at our annual review meeting outlining investment strategy, performance and grant-making
- Ensure transparent and accountable management of donations and grants
- Meet at 3 months, and then at least annually to review the relationship and understanding
- Maintain all records associated with the NSF and grant-making
- Invite the NSF representative/s to participate in Border Trust's annual grant presentation and showcase event, the Big Give and other events.

ADMINISTRATIVE EXPENSES

The following administrative expenses will be applied against funds attributed to the NSF and Border Trust will notify the Donor's representatives of any changes.

Establishment:

- A one-off expense will be applied by the Trustee for the establishment of a NSF depending on the legal and financial complexity entailed. The minimum amount is $1,000. Details of this fee will be discussed with the nominated representative.

Management:

- An expense of 3% of the accumulated value of the fund or gross turnover (whichever is greater) is calculated annually for the year to 30 June (with a minimum expense of $600). This contributes to the legal, financial, administrative and public accountability expenses of the Trustee to enable the funds to be registered, managed and invested appropriately.

Grant-making:

- Expenses associated with grant-making will be discussed at the annual review. Generally, expenses associated with grant-making will apply.
- Where a grant is made through or in association with one of Border Trust's regular grant programs, this expense will be 5% of the amount to be disbursed (with a minimum charge of $600).
- For a unique grant-making process the expense will be in the range of 5% to 10% of the disbursed funds, with a minimum expense of $1,500, depending on the structure and complexity of the process, and the administrative and publicity costs involved.

Out-of-pocket Costs:

- In exceptional circumstances, if it is agreed that another party is engaged, there will be a 10% administration fee added to the third party's fee.



Helping Your Clients Give with Purpose

A Named Sub-Fund offers your clients a flexible and meaningful way to support the causes and communities they care about, while creating a lasting philanthropic legacy.

Whether your clients are considering structured giving during their lifetime, planning their estate or exploring ways to involve future generations in philanthropy, Border Trust can help.

Let's work together

We welcome the opportunity to work alongside legal, financial and tax advisers to explore giving options that align with their clients' personal, financial and philanthropic goals.

Contact us for a confidential, no-obligation conversation about how a Named Sub-Fund could complement your client's broader financial or estate planning strategy.

BORDER TRUST

Your Community Foundation, Activating the power of giving.

CONTACT US: Border Trust, 486 Olive Street, Albury NSW 2640.
02 6081 7201 or 0485 858 185 I admin@bordertrust.org.au I bordertrust.org.au
Follow us on social media.