



DORMANT FUNDS

Charitable Trust Transfers

With thousands of small charitable trusts across the UK there is no wonder that many can and have become dormant, inactive or ineffective. They've often been in existence for many years but their original purposes may be outdated and irrelevant to current needs. Often the purposes may have been fulfilled or ceased to exist or the beneficiaries may no longer exist. Managing the fund can be place undue pressure on Trustees or the fund may be too small to make a significant difference.

Community Foundation in Wales can work with these charitable trusts to make them relevant and become effective again. With our local knowledge and experience of grant-making and community development in Wales, the Foundation is uniquely placed to offer other Charitable Trusts and Foundations a comprehensive and tailor-made grant making service. We can offer service such assisting with grant-making to taking over a trust completely. The client can choose to retain an involvement without having the burden of the financial and legal responsibility.

Benefits of using Community Foundation in Wales:

- Vast experience in grant making
- Can be flexible to the Trusts and Trustees' needs
- Help support the Trustees in dissolving the charity and transferring fund into an CFIW endowment
- Can honour the objects of the Trust, or
- Change the specific objects of the trust and distribute grants in the spirit of the original founders
- Take over the management of active trusts

Dormant or Unclaimed Client Funds

Solicitors are required to return balances on client accounts as soon as there is no longer a reason to retain them. Perhaps the rightful owner cannot be traced, the rightful owner will not provide instructions on how the funds should be dealt with, or maybe monies returned to the client have not been cashed.

Transferring these unclaimed accounts to the Community Foundation in Wales can transform the balances into assets

for Welsh communities. Any funds transferred in this way can be used to directly fund charity, community groups and worthwhile causes across Wales. The type of cause or geographical area can be selected by you and your team according to your firm's charitable objectives. Alternatively the funds could be transferred to the Fund for Wales, awarding grants to Welsh community organisations and projects across five themes: young people; community; health; culture; and environment.



The Charity Commission acknowledges that community foundations have a reputation for the effective management of charitable funds in order to maximise their impact at local level.

The Charity Commission and community foundations have worked closely in recent years to ensure that trustees seeking to revitalise moribund (dormant) or ineffective trust funds (and who are looking for an effective way of carrying on their good work in future years) can release their funds to a community foundation as part of their appraisal of options. The Charity Commission welcomes and supports this initiative and encourages all charities to ask themselves whether they should work with community foundations as an alternative to continuing, particularly if they agree with one or more of the following statements:

- We find it difficult to identify beneficiaries
- We cannot spend the income of the charity
- We find ourselves providing money to the same people or groups every year
- We find it difficult to attract trustees
- We would like to be involved in how the money is spent but we do not want the legal responsibility of being a trustee
- The work of administering the charity and its investment is becoming onerous or disproportionate to the level of funding
- We wish that we knew more about local issues and opportunities and who else was funding what

