



LEGACY FUNDRAISING

With thanks to Porter Dodson Solicitors

In the UK, 74% of the population support charities and when asked, 35% of people said that they would leave money to charity in their will. So how easy is it to do?

Writing a will is relatively straightforward, although it is wise to seek professional help.

There are two main types of legacy:

Residuary bequests. This means that a proportion or remainder of an estate is pledged to one or more charities after family and loved ones are provided for.

Pecuniary bequests. This means that a specific sum of money is pledged to a particular charity.

These notes are the result of discussing with clients their feelings about leaving legacies

to charities and the sort of factors that encourage them to do so. Whilst obviously most individuals are prompted by a particular interest in the objects of the charity (animals, children) their choice of beneficiary may well be influenced by many factors.

- (a) It is important to make clear to people that gifts to charity are free of tax and, therefore, can lower an Inheritance Tax bill.
- (b) It is of course the case that a Testator might leave the charity a specific legacy in the form of a sum of money or their assets or alternatively leave him a share of the residuary estate. If the Testator leaves his residuary estate between charitable and non charitable beneficiaries he will be asked to consider which of two formats he wishes to follow in his Will. Either tax can be directed to be deducted before the division of the residuary estate (with the effect that if, for example, the estate was divided equally, both the exempt and the non exempt beneficiaries would receive the same amount of money) or tax could be deducted afterwards meaning that the charitable beneficiaries would receive a larger sum than the non exempt beneficiaries.
- (c) There can be a perception by the general public that charities are difficult and demanding beneficiaries. Whilst Solicitors are aware that this is because of the restrictions imposed upon them by the Charity Commission and their audit trail, it is desirable to make this clear to the general public in your publicity.
- (d) Providing sample clauses that can be used in Wills is helpful to the Will drafter and more importantly helps to crystallize the Testator's intentions.





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A sample clause would be as follows:

"I GIVE to * of * registered charity number * the sum of * (£*) **AND I DIRECT** that the receipt of the person who professes to be the Treasurer or other proper officer for the time being of the said charity shall be a full and sufficient discharge to my Trustees who not need be concerned as to the application thereof"

So who should you talk to about leaving a legacy to your charity?

The best advice is to emphasise how effectively the legacy will be used and build a good relationship with your supporters. Let them know how they can mention your charity in their will. This should be particularly directed at anybody making a will, or thinking about managing their estates that has strong connections with your charity – historical, family or service users.

It may be possible to ask the individual for an explicit pledge of support which is an immediate but non-binding commitment. The expectation is that the pledge will be formalised in the will when the next opportunity arises. This can help charities budget their legacy income and stay in contact with their supporters.

One final note: This is a long game. Ensure your trustees and CEO are aware that it can take 7 years to see the effects of a legacy campaign



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