

## Fundraising foundations and charitable trusts

If you want to start a fundraising entity or grant making foundation to support a particular cause or charity, you may be considering setting up a charitable trust or Public or Private Ancillary Fund (PPAF). This may be because you have been left funds to distribute by an estate for charitable purposes, or you may yourself have (or wish to raise) funds that you would like to distribute for charitable purposes.

### What is a charitable trust or grant making foundation?

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Charitable trusts and grant making foundations are legal structures set up to hold funds and distribute those funds in line with the rules of the trust or foundation. They are managed by trustees. There are complex laws that apply to trusts and foundations in Australia.

### How do I set up a foundation?

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While setting up your own trust or foundation may be appealing, the process is very complex. If you want a general overview of what is involved, go to [Philanthropy Australia](#) (who publish information about PPAFs and other charitable trusts, and also run workshops and seminars). The [ATO](#) also publishes general information on PPAFs and other charitable trusts.

### A simpler alternative to setting up a foundation

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A simpler alternative to setting up your own structure is to find an existing foundation that you could contribute to in support of your cause. Some existing foundations will allow you to establish named sub-funds or special accounts, and will manage the administration for you. Through an existing foundation you can set up a fund in memory of a loved one, or in support of a particular charity or cause, without the cost and administrative difficulty of setting up your own PPAF.

### Where can I find an existing foundation to contribute my funds to?

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Most trustee companies have Public Ancillary Funds, for example the [Trust Company Foundation](#). The Financial Services Council provides contact details for all of the Public Trustees and most of the private trustee companies [here](#). Many of them will allow you to set up a named or unnamed sub-fund or management accounts to distribute your funds.

The [Australian Communities Foundation](#) and [Lord Mayor's Charitable Foundation](#) also have a variety of giving options, including setting up named sub-funds. There can be minimum requirements for setting up a named sub-fund (for example the Australian Communities Foundation requires a minimum contribution of \$20,000). There may also be another local community foundations near where you live that offer you the same possibilities.

PilchConnect generally can't assist individuals or organisations looking to establish a PPAF or other form of charitable trust. If you think this might be a good option for you, then you should seek legal advice.

## Resources

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### Philanthropy Australia

- ▶ [Trustee Handbook](#)
- ▶ [Public Ancillary Funds Trustee Handbook](#)
- ▶ [Private Ancillary Funds Trustee Handbook](#)

### ATO

- ▶ [Public Ancillary Fund](#)
- ▶ [Private ancillary funds](#)