

## NOTES FOR CHARITIES

**ShareGift** was launched in 1996 to act as a charitable solution to the problem of unwanted small shareholdings. Millions of pounds are tied up in these tiny lots of shares, which are of no value to their owners because they cost more to sell than they are worth. These 'odd lots' are worth little or nothing individually, but have a meaningful value when collected together.

ShareGift re-registers donated shares into its own name and collects them until there are enough to sell. Shares are sold regularly and the proceeds used to make donations to a wide range of other UK-registered charities. Since its inception, ShareGift has generated over £12m for 1,500 charities, from major household names to tiny local initiatives, covering a vast area of national and international work. This is an entirely new funding stream for charities. Without ShareGift, this money would remain locked up in unwanted shares and never reach these beneficiaries.

Each year ShareGift makes donations to new and existing beneficiaries across the entire spectrum of UK charitable work. Donations are made at our Trustees' discretion and reflect an ongoing policy, when distributing funds, to take into account the charitable interests of the people who help to create our income. This policy means that direct applications for funding from charities are not accepted.

The more shares that are donated to ShareGift, the more money we will be able to give away. Charities can help us raise awareness of ShareGift by encouraging their supporters to send unwanted shares to us. We can also help charities with larger share donations. In addition to our charitable donations, we use our extensive experience of share giving to provide assistance and mentoring for charities seeking to design their own appeals for share donation. This serves to increase the professional expertise of charities in dealing with share donations from their supporters, and to educate them about the promotion of share donation as a fundraising technique. We use the information that we gather from this contact with charities to help other fundraisers and the fundraising sector overall to promote and benefit from share donations.

**We are aware that ShareGift does not fit easily into "normal" fundraising areas; we do not operate as a typical trust, nor are we a corporate or individual donor. Therefore we have worked hard to cover any questions you may have in the FAQs below. These are intended to help you understand how we work, how we develop partnerships with charities and how you may benefit from working with ShareGift. Please do contact us if you have any further queries after reading these notes.**

ShareGift: 17 Carlton House Terrace London SW1Y 5AH 020 7930 3737

The Orr Mackintosh Foundation, Registered charity number 1052686.

A company limited by guarantee. Registered in England 3150478.

Trustees: Viscount Mackintosh of Halifax, Matthew Orr, Stephen Scott, Baroness Goudie.

## **IMPORTANT INFORMATION FOR FUNDRAISERS**

### **Why do people give shares?**

People donate their very small shareholdings mainly to get rid of a nuisance. Companies are obliged to provide annual reports and other documentation to the owners of just one or two shares, often viewed as little more than junk mail by their recipients. Unless shareholders sell these shares - which might cost more than they are worth - giving them to ShareGift is really the only way to get rid of them. Charities often receive small numbers of shares, for example through legacies, but there is little that they can do with these because of the costs of selling them. Therefore, many charities give these to ShareGift to add to shares from other donors and to sell where possible, thereby unlocking the value of these dead assets. Donors can also use shares to make a major gift. A key reason for this is that it is extremely tax-efficient for some donors.

### **How does ShareGift choose charities to receive donations?**

Donations to charities are made at the discretion of our Trustees, informed by suggestions from share donors and other supporters who help us create our income. This policy means that applications for funding are not accepted. ShareGift is cause-neutral and there are no restrictions on the kind of charitable work we may support, or where in the world it takes place, so long as the charity receiving the donation is UK-registered. Donations are made as unrestricted funding and charities may choose to put donations received toward their core costs if they wish. We believe this to be the most effective way in which we can support the work of the charities to which we donate.

### **How can charities introduce ShareGift to their donors?**

A simple and inexpensive way to introduce ShareGift to your donors is to photocopy our information leaflet and add your logo/details to the bottom left hand corner of the donation coupon. You can download our information leaflet from our website or do contact us and we will send this to you. Please do not alter any of the text on the leaflet. If you want to use your own text or you have a specific appeal to launch, please put together the information which you wish to use to promote ShareGift, and show it to us so that we can make any necessary changes before you send it out. It is most important that ShareGift signs off your wording because of the complexities involved in share giving. It is also possible that we may be able to help you improve your appeal. We are always happy to give our comments if you can give us reasonable notice.

It is essential that you understand that if your charity promotes ShareGift to your donors, they will actually be donating shares to the *independent charity* ShareGift, for us to aggregate and sell where possible. The ultimate funds will be distributed by our Trustees in line with the policy described above. Please note that if a donor specifically wants to give a quantity of shares to your charity, they should transfer them into your name for you to handle the donation yourselves.

### **My charity is not promoting share giving at all – can you help us get started?**

Yes. We often help charities in this way because we aim to promote share giving as widely as possible. Please do contact us, but think first about how share giving will fit into your organisation and what you plan to do.

**Can donors specify that the exact proceeds of their shares are for a particular charity?**

No, this is not the way we operate. We usually have to collect lots of shares in the same company from many different donors, before we have enough to sell. This is because we are mainly dealing with very small holdings of shares which have a low value. We work with donors' preferences for particular charities through our donation policy above, which enables donors to suggest that we add their favourite charities to our list of beneficiaries. We work hard to include their suggestions; as a result, charities are, in fact, likely to receive far more from us than the value of any shares donated by their supporters.

**Can ShareGift handle large donations of shares for charities?**

ShareGift is happy to assist charities with large donations of shares and we do not make a charge for helping in this way. However, as we are a registered charity, we cannot act as an agent or direct conduit for any donation. ShareGift's Trustees must be in a position to decide our charitable beneficiaries and cannot accept specific instructions. However, as our donations are based on suggestions of charities by share donors, our Trustees have the discretion to take note of a specific wish and to choose to carry it out. In practical terms, this means that once we realise the value of shares donated by a charity or its supporters, we can make an appropriately-sized donation to the charity or charities you have suggested to us. This may often form part of a larger donation to the same charity, which may have been suggested to us by others. Do contact us if you would like to discuss a proposed donation in more detail and we will be happy to help.

**What information do you give charities about donations from ShareGift?**

Charities simply receive a donation from our Trustees. We do not give out the names of our own donors; however, a donor may choose to let you know that they have given shares to ShareGift, and suggested you, if they wish. Our policy is to make round-figure donations that are appropriate to the value of shares donated and the work we are doing with the charity.

**What is ShareGift's share sale policy?**

Our policy is to sell donated and aggregated shares as soon as practicable. We do not carry out instructions on when to sell and we do not take an investment view on our holdings, as the value of shares can change rapidly, both up and down. If, therefore, you are aware of a share donation to ShareGift, where you have been suggested by a donor, it is important that you and your trustees do not have fixed expectations about its value when sold.

**How does ShareGift meet its costs?**

Like all charities, ShareGift meets its core costs from unrestricted donations. Thanks to Killik & Co and other partners, we benefit from many donated facilities including free broking services. We endeavour to keep our costs to a minimum so that we can pass on as much of our income as possible to charity.

**May 2008**