

The Be BlueRock Foundation Philanthropy Toolkit

Inspiring Philanthropy to Build Strong
Communities





At BlueRock, we believe that effective philanthropy requires innovative thinking, research and consultation, and a philosophy driven by compassion, entrepreneurial insights and creative opportunities.

Table of Contents

- 4 What is Philanthropy?
- 6 Who is BlueRock?
- 8 About the Be BlueRock Foundation
- 9 How Does the Be BlueRock Foundation Work?
- 10 What is the Difference Between a Private Ancillary Fund and a Public Ancillary Fund?
- 12 Benefits of Establishing a Named Giving Fund (subfund) Through the Be BlueRock Foundation
- 14 How Can Philanthropy Advisory Help You?
- 15 Fees



What is Philanthropy?

Philanthropy is defined as the “desire to promote the welfare of others, expressed especially by the generous donation of money to good causes” (London School of Economics). But what’s behind this desire? People have all types of reasons for giving; from family tradition, a sense of obligation or expression of faith, to a desire to act on strong beliefs, or the desire to respond to good fortune by ‘paying it forward’.

Whatever the reason, the experience of creating a ‘Giving Plan’ can be an enjoyable exploration of personal values and issues in the community, as well as a way to involve family and friends or colleagues.

At BlueRock, we believe that philanthropy is an activity that can be enjoyed by the whole family or business network; particularly by involving the younger generations in decisions about what to support into the future. There’s a sense that sometimes we teach our children to share their toys but that those lessons of cooperation, empathy and compassion can drop away as children become teenagers and young adults.

If you’re interested in giving back or supporting causes important to you and your family, our BlueRock Philanthropy team is available to help you shape your legacy.

We can assist you to achieve your philanthropy goals and aspirations, ensuring they are captured in a Giving Plan that is updated as your giving practice evolves.

Our team will lead you through the steps to align your giving with your dreams of a better, fairer, more compassionate world. Creating and using your Giving Plan will give you a sense of control, purpose and direction; and will inspire you to share your journey with others and keep track of where your philanthropic hours and dollars are going.

“Desire to promote the welfare of others, expressed especially by the generous donation of money to good causes.”

— (London School of Economics)



Who is BlueRock?

BlueRock is an entrepreneurial advisory firm with a multidisciplinary approach to growing a business and private wealth. We work primarily with business owners to help them achieve their business goals, while also aligning efforts and strategies with their personal needs and risks.



Our collaborative professional services span accounting, strategic wealth advice, bookkeeping, law, finance, SMSF, insurance, digital, grants and philanthropy, all to protect, grow and give meaning to your life.

While we place a strong commercial lens on everything we do, at our heart we're a B Corp that defines success through the positive impact we have across our team, clients, suppliers, community, and the environment.

Being a BlueRocker means helping, educating and caring for our community. This was the driving force behind the establishment of our Be BlueRock Foundation.



About the Be BlueRock Foundation



The Be BlueRock Foundation is a Public Ancillary Fund; a type of charity in which an individual, family, organisation or business can establish a sub-fund, also known as a 'Named Giving Fund', to put aside money for charity giving over the long term. You can do this for as little as \$54,000!

The Be BlueRock Foundation gives individuals and organisations a simple, cost-effective way of making a gift that will benefit multiple generations. It allows people to enjoy the benefits of a public foundation without the responsibilities of being a trustee.

BlueRock is responsible for the administration, investment, legal, taxation, audit, reporting and compliance requirements of being a trustee, which leaves you, our client, free to think about the charities and causes you would like to support.

The Be BlueRock Foundation is endorsed by the Australian Taxation Office (ATO) as a charity and deductible gift recipient, which means all donations are tax-deductible and income earned is exempt from income tax and capital gains tax.

How Does the Be BlueRock Foundation Work?



What is the Difference Between a Private Ancillary Fund and a Public Ancillary Fund?

A PAF has more say about their investments, however there are more establishment and ongoing costs. Whereas, a PUF subfund of the Be BlueRock Foundation can focus on the giving, while we take care of the admin, investment and regulatory requirements.



Private Ancillary Funds

A Private Ancillary Fund (PAF) enables the founders of the PAF to receive a tax deduction for the funds invested into the foundation and allows them to have a say in the foundation's investments and grants program.

You cannot publicly fundraise or accept public donations into the PAF.

In return for receiving a tax deduction for any donations made into the foundation, the PAF is restricted to funding organisations with charitable purposes that have been endorsed by the Australian Taxation Office (ATO) as deductible gift recipients (DGR) covered by item 1 of the table in section 30-15 of the Income Tax Assessment Act (1997).

This is not an onerous restriction as there are more than 27,000 charities in Australia that are currently endorsed by the ATO as Item 1 DGRs, which provide services and programs to the community. The minimum distribution requirement is 5%.

From an administrative and regulatory perspective, a PAF must be externally audited and file an Information Return annually, which usually costs upwards of \$5,000 depending on the complexity of the PAF's investments and distributions.

Public Ancillary Funds

The alternative to establishing a Private Ancillary Fund is to create a Named Giving Fund (subfund) through a Public Ancillary Fund (PUF) such as the Be BlueRock Foundation - your own named Sub-fund. This means you don't have to manage the administrative responsibilities like an external audit or ATO reporting and investment management decisions of the fund yourself.

Here's how it works in practice:

Your seed donation and additional donations to the Be BlueRock Foundation are tax-deductible. You can also fundraise from the public. This capital is invested in an ESG Fund by Schroders. The fund invests in companies that have a positive social & environmental impact, as well as a positive investment return and is underpinned by a robust investment strategy and ESG model. The aim of the investment strategy is to generate a healthy income return to meet the Subfund account's minimum distribution requirements (4%) and capital growth to stay ahead of inflation.

BlueRock, as trustee of the Be BlueRock Foundation, fulfils the trustee duties and administration. This lessens the administrative burden, allowing our clients to concentrate on the interesting part - the giving!





A Named Giving Fund provides a strategic and cost-effective way to support the issues you care about.



You can claim a tax deduction for any donations made to your Named Giving Fund and spread the deduction over a period of 5 years to maximise the tax benefit to your taxable income.



You can embark on your philanthropic journey secure in the knowledge that BlueRock will manage the investment, administration, compliance and governance of your Named Giving Fund while you focus on your giving.



Your family, friends or employees can make tax-deductible donations to your Named Giving Fund and be involved in your charitable giving.



You will have the opportunity to meet with other like-minded donors through our philanthropy education seminars and events.



You can choose the charities and causes you wish to support and access our Philanthropy Team's knowledge and research of the needs and issues affecting our community.

Benefits of Establishing a Named Giving Fund (subfund) through the Be BlueRock Foundation



How Can Philanthropy Advisory Help You?

BlueRock's Philanthropy Advisory Service is suitable for both beginner and experienced donors and we can help you create a personalised plan for you, your family or your business. It's suitable for people who are keen to develop a tailored giving strategy that directly addresses their passions and drivers for charitable donations.

BlueRock's philanthropy team will explore, research and complete due diligence on potential charities and present you with a wide variety of charities of interest to choose from that aligns to your giving purpose.

Your giving strategy is not static and will evolve over time.

Meet with BlueRock to Discuss Your Goals and Interests

Develop your own giving strategy

- ✓ Discuss your reason for giving
- ✓ Develop a giving purpose statement
- ✓ Time, Talent and Treasure - discuss what you would like to give

- ✓ Provide Grants to Worthy Organisations
We conduct due diligence of charities you would like to support and manage the grants, payments and reporting process.
- ✓ Get Involved in Volunteering
BlueRock also helps to identify options for involvement in the Be BlueRock Foundation through volunteer activity or serving on boards and committees.
- ✓ Attend Events and Learn From Experts
We also arrange site visits and hold events to meet experts in the field, thought leaders, other philanthropists, as well as representatives from the community and government sectors.

Get in Touch!

The advisory process generally starts with a meeting to discuss your philanthropic goals and initiatives. We then map these fields of interest and conduct a review of potential organisations and projects to support, including opportunities for effective giving.

Email us at foundation@thebluerock.com.au



Ishara Fernando
Philanthropy & Impact Manager



Wayne Green
Philanthropy Specialist

Establishment

Donation to Be BlueRock Foundation	No Fee
Minimum Donation to Commence Named Giving Fund (tax-deductible)	\$50,000
Named Giving Fund Establishment Fee (basic set up)	\$4,000
Philanthropy Advisory Consultation on a Tailored Giving Strategy (bespoke set up includes Establishment Fee)	\$8,000

Description of Fees

Foundation governance fee

This fee is for the running of the foundation including administration, legal, taxation, audit, reporting and compliance. This fee is variable (0.6% - 1%) depending on the size of your Named Giving Fund.

Investment management fee

There are two investment options in our Investment Strategy:

1. The default is an ESG-screened portfolio by Schroders (0% BlueRock Investments fee; 0.85% Schroders fee);
2. The alternate option is a non-ESG portfolio by BlueRock (0.275% BlueRock Investment Committee).

Investment platform fee

Mason Stevens is the investment platform we use to invest your Named Giving Fund account balance. They charge a small administration fee to service your account, including an annual Accounting Keeping \$165 fee, annual Custody \$300 fee and variable administration fee as the fund balance scales up, starting at 0.275% p.a. (balance up to \$250k) down to 0.04% p.a. (between \$1mill and \$2mill) to 0% p.a. (balance over \$2mill).

Ongoing

Account balance	TOTAL BlueRock FEE p.a. excl. GST (charged monthly) depends on fund selection
\$50k up to \$2million	1% or 1.275%
\$2million to \$5million	0.8% or 1.075%
\$5million and above	0.6% or 0.875%

Did You Know?

BlueRock established the Be BlueRock Foundation to support both clients and BlueRock staff to structure their giving in a cost efficient manner. The fees charged by the BlueRock Foundation to establish your Named Giving Fund are kept within the Be BlueRock Foundation, meaning once the cost of establishing your Fund is covered, the remainder of your fees are donated to the Be BlueRock Foundation to go towards the charities and causes the Foundation supports each year.



Want to Know More About the Be BlueRock Foundation?

We would love to welcome you to the Be BlueRock Foundation and to help you plan your philanthropic strategy, so that you may have an impact in a purposeful and impactful way for generations to come.

<https://www.bluerock.com.au/be-bluerock-foundation/>

foundation@thebluerock.com.au

Registered PuAF | Deductible gift recipient (DGR)
ABN: 70 725 156 722 | ACN: 642 215 076

