

# Private Ancillary Funds

A Private Ancillary Fund allows you to establish and manage your own charitable fund in the way that best matches your philanthropic goals.

Contributing to a community or cause you are passionate about is a rewarding experience. With a Private Ancillary Fund through ANZ Trustees, you are able to have full involvement in the operation of your philanthropic fund.

A Private Ancillary Fund (PAF) allows donors to be involved in the operation, investment and direction of the fund's charitable giving. The exact nature of your involvement will depend on the time, resources and knowledge you have at your disposal.

You can nominate ANZ Trustees as the trustee or co-trustee with a corporate trustee controlled by you. In either case, you can draw on our full range of expertise; governance, investment and granting services.

## Private Ancillary Funds – taking responsibility for your fund

**Legal structure:** A PAF is a form of charitable trust. It requires its own trust deed and Australian Taxation Office approval for tax concessions.

**Trustees:** Each trustee must be a corporate trustee. ANZ Trustees can be appointed as the sole trustee or co-trustee. If you select a co-trustee relationship a corporate trustee controlled by you will share responsibility for all the decisions of the trust.

**Establishing your trust:** The minimum amount to establish a PAF with ANZ Trustees is \$1,000,000.

**Choosing beneficiaries:** All beneficiaries must be eligible Australian charities with Deductible Gift Recipient status.

**Making grants:** A PAF must distribute a minimum of 5% of its gross asset value (including undistributed income) as at 30 June each year. This distribution is made in the following financial year. The trust deed will specify whether or not the fund can distribute from capital or from income only. Grants can be made in the PAF's name or be anonymous.

**Managing your trust:** Your PAF has a dedicated ANZ Trustees client manager who will organize the required trustee meetings and oversee the governance of the fund with you.

**Involving family members:** In a co-trustee arrangement with ANZ Trustees, family members or associates of the donor can be nominated as directors of the corporate trustee. Alternatively, you can involve family as grant-making advisors, making recommendations to the trustee. In this role they have no legal responsibility or liability.

**Growing your trust:** You can donate to your PAF at any time. You can also direct a bequest to your PAF in your will if it is established in perpetuity. Public donations are capped at 20% of a PAF's gross asset value as at 30 June the previous year.



**Investment strategies:** The trustees must have a documented investment strategy which takes into account the 'prudent person' principle. This is lodged on behalf of the trustees as part of the annual return to the Australian Taxation Office.

**Tax advantages:** You can claim a tax deduction for your initial and subsequent donations. You can choose to allocate each deduction over five years.

**A legacy of giving:** You can establish a PAF in perpetuity, creating a legacy of giving.

## ANZ Trustees

### – experts in philanthropy

As a specialist in end-to-end services for charitable foundations, ANZ Trustees takes the effort out of creating, administering and operating a charitable foundation, offering expert investment and granting advice and maximising the community and social benefits of your philanthropic donation.

We have over 130 years' experience in managing charitable trusts on behalf of individuals, families, businesses and not-for-profit organisations.

## Knowledge and networks

Our experienced team has a unique knowledge and understanding of the not-for-profit sector, overseeing millions of dollars in charitable distributions every year.

## In-house investment expertise

Our investment strategy seeks to maximise the income generated for distribution, while at the same time growing capital over the long term.

## We listen to you

We work closely with you to understand your motivations for giving and to identify the most appropriate charitable structure to achieve your goals.

## Your opportunity to make a difference

We welcome the opportunity to further discuss how ANZ Trustees can help you realise your philanthropic goals. To arrange an introductory conversation, please contact ANZ Trustees on 1800 011 047 or email [trustees@anz.com](mailto:trustees@anz.com). We look forward to helping you realise your vision.