

## True or false?

Talk to anyone in the share registration or share plans industry and chances are they'll have heard of ShareGift, at the least. That's a reassuring and wonderful testament to the support that ShareGift has enjoyed since it was founded by Claire Mackintosh in 1996. We recently reached an amazing milestone of having made distributions totalling £35 million to more than 3,000 charities – this was only possible because of the individuals, providers and companies who've supported and championed our work over the years.

Some myths and misunderstandings about the nature of what we do and how we do it do prevail though, so allow me to take the opportunity to tackle these head-on:

- We only take in 'odd-lot' shares;
- We only work with big corporates;
- We're something to do with Gift Aid;
- We only operate in the UK; and
- We only handle shares, not cash.

Now, there's a grain of truth in \*almost\* all of these points but the scope of our work is actually far broader than they would suggest.

### ***We only take in odd-lot shares - FALSE***

This was very much our starting point when we launched in 1996 and it remains a key part of what we do. We specialise in accepting donations of shares regardless of value – unlike other charities we will accept shares even if they have no listed value at the time of donation. We exist first to solve the problem of nuisance shareholdings for individuals and companies, the by-product of that is the charitable funds we create. We take in tiny and/or unsaleable shareholdings, as well as larger donations, aggregate them and sell them commission-free via our brokerage partners. The resulting cash is then distributed to a broad range of charities. These sales and distributions take place throughout the course of the year.

These shares come to us through a range of channels, including directly from individual shareholders, executors of wills, stockbrokers, share plan providers, and of course from corporate programmes and mailings too. Which brings us neatly to the next point...

### ***We only work with big corporates - FALSE***

Whilst it's true that we do work with big corporates, and have done for many years, we love to work with smaller companies too! The share register challenges that occur at scale with the largest corporates also impact smaller companies too: the cost of 'goneaway' shareholders, the sheer waste of mailings either to shareholders who've moved on or who hold tiny shareholdings e.g. through reinvested dividend programmes, or small dividend cheques (perhaps in foreign currencies) that are too costly to bank due to charges or FX erosion.

There's no doubt that big share dealing programmes, share plans and corporate transactions generate a sizeable income stream, and that shareholders and employees alike really love having a charitable option to take. But the principles that apply to registers and share plans with hundreds of thousands of holders also hold true for those with just a handful of holders. Including a ShareGift choice in a pre-planned mailing or communication has absolutely no additional cost to the company

or registrar/plan administrator and sends an important signal to shareholders regarding the company's support for charitable causes, and demonstrates active commitment to the ESG agenda. A surprising number of our share donations come in directly from shareholders themselves, most of whom have supported ShareGift over many years and who make sizeable donations. The thoughtful, philanthropic nature of our individual supporters could merit an article on its own.

***We're something to do with Gift Aid – TRUE...***

Well, yes – like most UK charities we have \*something\* to do with Gift Aid as it's a Government-backed facility allowing donors who meet certain criteria to pass on money that would otherwise have been received in tax by The Exchequer to their chosen charity instead. It does entail the recipient charity completing an annual Gift Aid return to actually claim the value, and for that, certain information has to be passed from/on behalf of the donor to the charity at the time of the donation.

However Gift Aid only applies to gifts of cash, not to gifts of shares, so it is a relatively small fraction of the funds we generate each year. For the most part our Gift Aid claim consists of donations via company dealing services, where shareholders have elected to sell their shares and donate the resulting proceeds to ShareGift.

***We only operate in the UK - FALSE***

Our core operations in terms of generating income are mainly UK focussed, but when we work with shareholders and corporates who are based in or with operations in the Republic of Ireland, we distribute the resultant funds through a wonderful organisation called The Community Foundation for Ireland. This means that funds generated from Irish shareholders and companies and/or subsidiaries directly benefit Irish charities and community organisations. Find out more about the Foundation's valuable work here: [www.communityfoundation.ie](http://www.communityfoundation.ie)

We can take in shares, stock and Crest Depositary Interests (CDIs) in almost any company, wherever in the world they are listed – with a few technical exceptions. This makes ShareGift a very handy choice for shareholders with stocks in foreign-listed companies, especially if they're receiving dividend cheques in foreign currencies.

***We only handle shares, not cash - FALSE***

We can take in cash donations. Most often this will be in the form of reissued dividend or capital payments where the shareholder has sold or donated their underlying shareholding but a small cash balance remains in respect of their shareholding. This may also take the form of a dividend mandate where the shareholder may wish to hold on to their shares, and simply pass on their modest dividend income to charity.

Increasingly we are seeing donations from regulated products under CASS rules, where companies are able to efficiently charitably donate small cash balances, providing certain requirements have been met.

Similarly, cash residuals or fractional entitlements from corporate transactions (such as consolidations) or from share plans transactions (Sharesave maturities are a great example here) are very welcome and will be distributed to charities along with funds raised from share donations.

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The final thing to cover is our donation philosophy. ShareGift is cause neutral – this means we don't take a view on the value of the work undertaken by charities and we don't favour one charity or cause over another. We welcome suggestions of charities from the companies we work with and from donating shareholders and employees. We seek to reflect these suggested charities in our distributions, and we are keen to ensure that smaller, less well-known charities operating at a community level receive our support as well as the largest charities with much greater scope and profile at national or global level.

All our operations, including our charitable distributions, are continuing during the Covid-19 pandemic, thanks in no small part to the hard work and agility of the team in adapting to working fully from home. Charities large and small are scrambling to re-plumb their operations at speed and maintain the safety of their staff whilst facing a cliff-edge drop in their fundraising income. Charities desperately need support if they are to continue to meet the needs of those who depend on them. For more information on how we are currently operating, click [here](#).

So, if this has prompted a 'lightbulb' moment then do get in touch with us – we are always looking out for new initiatives and ideas alongside the tried and tested ones.

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