Helping Good People Do Good
MCF Mission

Madison Community Foundation uses its local knowledge and assets to inspire giving, support meaningful initiatives and connect people for the common good.
MCF Core Values

- **Generosity:** We inspire giving to improve our world
- **Permanence:** We steward community assets to ensure permanent, multi-generational philanthropy
- **Connectivity:** We listen to fundholders, learn about community initiatives and foster connections
- **Effectiveness:** We identify opportunities, align actions and produce results
- **Integrity:** We create trust by acting with transparency and accountability
MCF Vision

The Greater Madison Area will be a vibrant and generous place where people help each other thrive.
By the numbers...

- Legal trust (1942)
- $160 million in assets
- 980 funds
- 30% outside Madison
In 2013

- 11 staff
- $9.2 MM contributions
- $8.0 MM distributions
- 15.1% investment return
Inspire

Marie Graber: Power of an Endowment

1991: $15 million bequest
$21.8 million distributed

2013: $15.6 million balance

Hundreds of grants
- Monona Terrace  - Vilas Zoo
- Overture Center  - YMCA
- Olbrich Gardens  - APT
- Bike trails      - Parks
- Food pantries   - Libraries

Leveraged millions more
Inspire

Beth Miller Memorial Fund

2001:  $6,800 initial gifts
       $7,000 distributed

2013:  $19,000 balance

Dozens of grants
- Public libraries
- Community centers
- Gilda’s Club
- Golden Retriever Rescue Society
- Food pantries
- Tenney Park Shelter
- Doctors Without Borders

Honoring a donor’s legacy
SUPPORT

Arts
Children / Youth
Community Development
Environment
Learning
Organizational Capacity
Seniors
Support: Central Park
Madison Opera
New Building
Simpson Street Free Press
After School Academic Academy

AN ACHIEVEMENT-GAP SOLUTION
Simpson Street Free Press shows the way with rigorous after-school academic instruction
Wolf Run Association
Black Earth Creek Trail in Mazomanie
CONNECT
Great Performance Campaign
Clean Lakes Alliance
Beyond the Page Endowment

$1.4 million
How We Work with Donors

Our Funds

Tools for Giving

Ways to Give
What We Do

Permanent Charitable Funds
  – collect, manage, distribute

“Endowment”
  – Permanent fund
  – Preserve principal
  – Distribution policy, currently 4.75% per year
2013 Financial Results

Total Assets: $153,190,047
Contributions Received: $9,212,371
Number of Funds: 983
Gifts Received: 3,465
Number of Donors: 1,763
Distributions: $7,996,802
Number of grants: 1,378
Fund Types

Community Impact
   – Grants awarded by MCF board

Field of Interest
   – Area specified by donor; awarded by MCF

Donor Advised
   – Recommendations by Donor(s)

Designated Agency
   – Distributions to specific Non-profit
Assets by Fund Type

- Community Impact: 18%
- Field of Interest: 9%
- Donor Advised: 22%
- Agencies: 51%
How Grants Are Made

- **Fundholder Grants**: 84%
- **Community Impact Grants**: 16%
Fundholders – Areas of Focus
Donor Advised Funds

Endowment

- Permanent
- 4.75% spending policy
- Invested for long-term
- Individuals, Families, Groups
- May appoint 2\textsuperscript{nd} generation advisor(s) or direct to Agency/FOI/Community Impact
- Minimum initial gift = $15,000
Donor Advised Funds

Maximum Giving

- Distribute up to 20% each year
- 10 year minimum life; then may convert to Passthrough
- Invested for intermediate term
- Individuals, Families
- Minimum initial gift = $100,000
Donor Advised Funds

**Passthrough**

- Distribute entire balance at any time
- Held in money market, not investment return
- Useful for tax planning:
  - One gift of stock, many distributions
  - Tax deduction in one year, distributions the next
  - “Bunch” deductions in year when itemizing
- Minimum initial gift = $1,000
Legacy Example

Continue Lifetime Giving

- Add to Maximum Giving Fund
- Support ~30 annual charities
- Adjust list as interests have changed
- Payout over 10 years
- Report back to family
One Bequest, Many Uses

- College scholarship fund
- High school scholarship fund
- Donor advised fund for children
- Immediate grants to 20 favorite charities
Neighborhoods Fund

- Donor made annual passthrough gifts for grantmaking
- Bequest established permanent endowment for neighborhood and community centers
## Donate Appreciated Assets

<table>
<thead>
<tr>
<th></th>
<th>Sell stock/ Gift Cash</th>
<th>Gift Stock</th>
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<tbody>
<tr>
<td>Stock Value</td>
<td>$50,000</td>
<td>$50,000</td>
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<tr>
<td>Basis</td>
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<tr>
<td>Capital Gain</td>
<td>$30,000</td>
<td>$30,000</td>
</tr>
<tr>
<td>Gift to charity</td>
<td>$50,000</td>
<td>$50,000</td>
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<tr>
<td>Tax on gain</td>
<td>6,000</td>
<td>0</td>
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<tr>
<td>Tax savings of deduction</td>
<td>(15,000)</td>
<td>(15,000)</td>
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<tr>
<td>Net cost of gift</td>
<td>$41,000</td>
<td>$35,000</td>
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</table>
IRA Gifts

Current Law
– Report distribution as taxable income
– Take itemized deduction for contribution

May not be a “wash”:
– Must itemize
– Additional AGI may trigger additional income, loss of deductions, higher rates
– Consult your tax advisor!
IRA Gifts

**IRA Charitable Distribution**
- No taxable income/no deduction
- Counts toward RMD
- Provision expired at end of 2013, may be renewed
- Stay tuned!

**Requirements**
- Age 70 1/2
- Distribution directly to charity
- No donor advised fund
Charitable Gift Annuity

- Donor(s) receives lifetime income in return for charitable gift
- Immediate tax deduction
- Annuity rate based on age
- Annuity payments partially tax-free
- Remainder of gift/fund stays with charity
# CGA Sample Rates

## One Life

<table>
<thead>
<tr>
<th>AGE</th>
<th>RATE</th>
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<tbody>
<tr>
<td>60</td>
<td>4.4%</td>
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<tr>
<td>65</td>
<td>4.7%</td>
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<tr>
<td>70</td>
<td>5.1%</td>
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<tr>
<td>75</td>
<td>5.8%</td>
</tr>
<tr>
<td>80</td>
<td>6.8%</td>
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<tr>
<td>85</td>
<td>7.8%</td>
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<tr>
<td>90+</td>
<td>9.0%</td>
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</tbody>
</table>

## Two Lives

<table>
<thead>
<tr>
<th>AGE</th>
<th>RATE</th>
</tr>
</thead>
<tbody>
<tr>
<td>60/65</td>
<td>4.0%</td>
</tr>
<tr>
<td>65/70</td>
<td>4.4%</td>
</tr>
<tr>
<td>70/75</td>
<td>4.8%</td>
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<tr>
<td>75/80</td>
<td>5.3%</td>
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<tr>
<td>80/85</td>
<td>6.1%</td>
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<tr>
<td>85/90</td>
<td>7.3%</td>
</tr>
<tr>
<td>90/95</td>
<td>8.8%</td>
</tr>
</tbody>
</table>
CGA Details

• Remainder creates or adds to endowment fund at MCF
• Minimum CGA amount:
  – $30,000 for new fund
  – $10,000 for existing fund
• Payment via ACH at interval of choice
• Deferred CGA available also
Questions?

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