



MADISON  
COMMUNITY  
FOUNDATION<sup>SM</sup>

*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.



# 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

# Power of an Endowment

## Marie Graber



1991: \$15 million bequest  
**\$21.8 million distributed**

2013: \$15.6 million balance

Hundreds of grants

- Monona Terrace
- SAIL
- Community Centers
- Bike trails
- Food pantries
- Vilas Zoo
- YMCA
- Community Gardens
- Parks
- Libraries

*Leveraged millions more*

# Permanent Fund

## Beth Miller Memorial Fund



2001: \$10,800 initial gifts  
+ continuing 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*

# **Charitable Gift Planning**

**Leaving a Legacy**

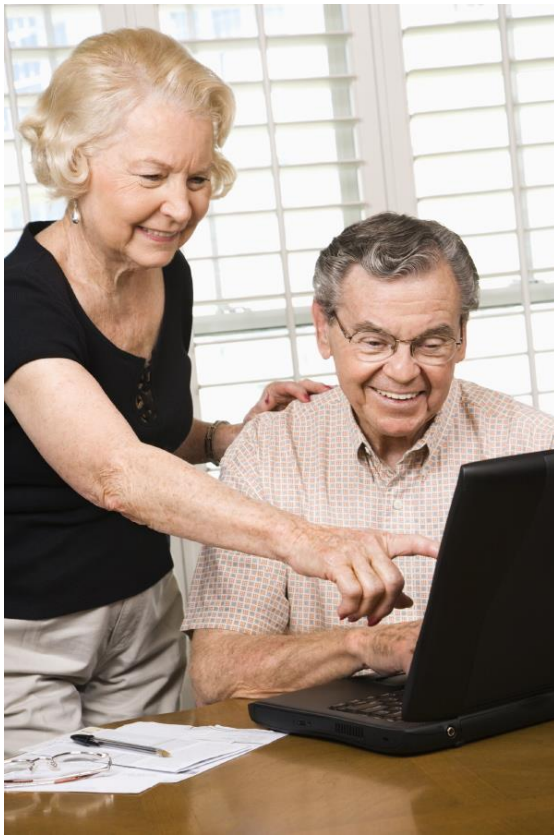
**Planned Gifts**

**Lifetime Giving Tools**



# 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

# Fund for Neighborhoods

- ❖ Donor made annual passthrough gifts for grantmaking
- ❖ Bequest established permanent endowment for neighborhood and community centers



# Bequests

Gift of property or money promised to a person or organization upon your death.

90% of Planned Gifts

- ✓ Defined amount
- ✓ % of estate
- ✓ Specific asset
- ✓ Beneficiary
  - Bank account
  - Life Insurance
  - Retirement Funds!

# Bequests

I/we give and bequeath (*describe bequest*) to Madison Community Foundation, Madison, Wisconsin, for its charitable purposes as defined in and subject to the provisions of the Madison Community Foundation Trust Agreement as it exists on this date or as they may be amended in the future. This gift shall be added to or used to create, the “*SAIL Program Fund*,” which is to be administered according to the terms of a legacy letter of understanding that I/we executed on (*date*), including any subsequent amendments.

# Life Interest Gifts

## ✓ Charitable Remainder Trust

- Income to individual/remainder to charity

## ✓ Charitable Lead Trust

- Income to charity/remainder to individual

## ✓ Retained Life Interest in Property

- Gift home to charity, donor may live in home for life

## ✓ Charitable Gift Annuity

# 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

AGE	RATE
60	4.4%
65	4.7%
70	5.1%
75	5.8%
80	6.8%
85	7.8%
90+	9.0%

## Two Lives

AGE	RATE
60/65	4.0%
65/70	4.4%
70/75	4.8%
75/80	5.3%
80/85	6.1%
85/90	7.3%
90/95	8.8%



# 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

# Donate Appreciated Assets

	Sell stock/ Gift Cash	Gift Stock
Stock Value	\$50,000	\$50,000
Basis	<u>20,000</u>	<u>20,000</u>
Capital Gain	\$30,000	\$30,000
Gift to charity	\$50,000	\$50,000
Tax on gain	6,000	0
Tax savings of deduction	<u>(15,000)</u>	<u>(15,000)</u>
<b>Net cost of gift</b>	<b>\$41,000</b>	<b>\$35,000</b>

# 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

# Questions?

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