

Choosing the Best Vehicle to Accomplish Your Charitable Goals

You have a wide range on charitable giving options to choose among. Each offers different advantages, which can making choosing the right option seem overwhelming. Our side-by-side comparison of three of the most common ways to structure giving can help you evaluate which is best for you.

	MCF Advised Endowment Fund	MCF Advised Maximum Giving Fund	Private Foundation
Minimum Initial Contribution	\$15,000	\$100,000	Typically at least \$5 million*
Donor Involvement	Donors can recommend grants** of at least \$200 to nonprofits anywhere in the United States.	Donors can recommend grants** of at least \$200 to nonprofits anywhere in the United States.	Donor and family may have controlling voting interest on the private foundation's board.
Deductibility of Contributions			
<i>Cash</i>	60% of adjusted gross income (AGI)	60% of AGI	30% of AGI
<i>Publicly traded stock</i>	Fair market value, up to 30% of AGI	Fair market value, up to 30% of AGI	Fair market value, up to 20% of AGI
<i>Real estate & closely held stock</i>	Fair market value, up to 30% of AGI	Fair market value, up to 30% of AGI	Cost basis, up to 20% of AGI
Excise Taxes	None	None	On investment income
Continuity	May appoint second-generation advisor(s)	May appoint second-generation advisor(s)	Succession plan must be established
Grantmaking Support	MCF staff can help identify and assess grantees, provide input on community opportunities and verify charitable status	MCF staff can help identify and assess grantees, provide input on community opportunities and verify charitable status	Donors must arrange and support their own grantmaking, monitoring of grants and evaluation of outcomes
Cost to Establish	None	None	Several thousand dollars for legal and accounting expenses and filing fees. Private foundations also face annual tax filing fees.

* Generally considered cost prohibitive with assets less than \$5 million.

	MCF Advised Endowment Fund	MCF Advised Maximum Giving Fund	Private Foundation
Administrative	<i>MCF support:</i> First \$1 million: 1.0% Second \$1 million: 0.8% Third \$1 million: 0.6% Fourth \$1 million: 0.4% \$4 million+: 0.2%	<i>MCF support:</i> First \$1 million: 1.0% Second \$1 million: 0.8% Third \$1 million: 0.6% Fourth \$1 million: 0.4% \$4 million+: 0.2%	Accounting, tax return preparation and ongoing legal expenses, in addition to investment management fees
Reporting	No separate tax returns to file	No separate tax returns to file	Must file an annual Form 990PF
Anonymity	Complete, if desired	Complete, if desired	Contributions and donor names appear on Form 990PF, a list of all grants is required, all available online
Minimum Payout Requirement	No	No	Yes, 5%
Maximum Annual Distributions	Subject to MCF spending policy	Subject to MCF spending policy	No

MCF support covers the costs of operating the fund and supports MCF's work in the community.

Investment returns on MCF funds are quoted as net of investment management fees.

Learn More

If you would like to learn more about MCF's fund options and how they might help you achieve your philanthropic goals, or to discuss establishing a fund at MCF, please contact our Donor Engagement team at (608) 232-1763 or by e-mail at legacy@madisongives.org.