

## Continue Managing Your Clients' Charitable Assets at MCF

Whether you have a client who is planning to make a significant charitable gift or transition their private foundation to a donor advised fund, Madison Community Foundation's Third-Party Asset Management program allows you to continue managing their charitable assets on behalf of MCF after they are gifted to our organization.

### What is MCF's Third-Party Asset Management program?

This program allows a donor to establish a donor advised fund at MCF that their existing investment advisor will manage. MCF will oversee the fund's charitable distributions, compliance and administration; the donor will recommend grants from the fund in accordance with MCF's existing grantmaking policies and procedures; and the donor's advisor will continue to manage the fund's investments within MCF's guidelines.

### Which clients would be a good fit for this program?

The Third Party Asset Management program is best for clients who want to make a charitable gift of at least \$2 million to establish a donor advised fund supporting one or more organizations over time, and who would like you to manage those assets for MCF.

### What are the benefits to me as an advisor?

MCF's Third-Party Asset Management program allows you to continue managing a donor's assets after they have gifted them to MCF. Once you become an approved advisor for the fund established by your client, MCF will open an investment account at your firm to receive the donor's irrevocable contribution. The assets remain in your portfolio, but are transferred from the donor's account to MCF's account.

As an approved advisor, you will continue to manage the portfolio assets with discretionary authority following MCF policies and the strategy outlined in the Investment Policy Statement, and subject to the terms of the Investment Management Agreement.

### How do I join the program?

If your client is planning to open a new fund at MCF with at least a \$2 million initial contribution, they can ask to participate in the Third-Party Asset Management program. They will need to complete an Investment Adviser Recommendation Form naming you as the recommended investment advisor for their donor advised fund at MCF. You will then complete an application so that MCF can confirm eligibility via its due diligence process.

A sample application form can be found at [madisongives.org/advisorapp](https://madisongives.org/advisorapp).

## What requirements must investment advisors meet to participate?

1. All approved advisors must be:
  - Registered as an investment advisor with the SEC and operated by one or more investment advisor representatives registered as such with applicable state regulators,
  - A bank or trust company regulated under federal or state law, or
  - Another type of organization authorized under applicable law or regulation to manage investment assets.
2. Your client base must include clients who reside or operate a business in Dane County.
3. You must have been in business for at least 10 years and have at least \$100 million in assets under management, and your key employees must have an average of at least 15 years of experience managing investments.
4. You must be able to construct an investment portfolio that is aligned with one of MCF's third-party asset management investment strategies (Growth, Balanced or Capital Preservation). You can learn more in the Investment Strategies for Eligible Funds fact sheet, which can be found at [madisongives.org/investstrategies](https://madisongives.org/investstrategies).
5. You must agree to the terms and conditions of participation as outlined in the Investment Management Agreement between your firm and MCF.

MCF will review these qualifications each year to ensure you remain eligible for the program.

## Do I have to reapply if I have additional clients who want to establish a fund at MCF?

While each of your clients will have to request participation in the Third-Party Asset Management program, once you have been approved as a participating fund manager, you may not need to apply again as long as you remain in compliance with the program requirements.

## What happens if I change firms?

Because approval of your participation in the program is based on your firm's eligibility, you would need to reapply to be part of the program. While MCF may choose to move the fund's assets to your new firm, we may decide to leave the fund's assets with their current custodian. Each decision will be evaluated individually by MCF's Investment Committee.

## How can I learn more?

If you have qualifying clients who are interested in establishing a donor advised fund or who would like to transition their private or family foundation to a donor advised fund at MCF, we would be happy to speak with you about the Third-Party Asset Management program. You can also learn more about the program on our website at [madisongives.org/advisors/working-with-MCF](https://madisongives.org/advisors/working-with-MCF), or contact us at 608-232-1763 or by email at [legacy@madisongives.org](mailto:legacy@madisongives.org).