

“Commercial” Funds vs. The Community Foundation

The Montgomery County Community Foundation (MCCF) offers your clients a comparable donor advised fund product to what the commercial funds offer, but with considerable added value. We offer “high touch” personalized customer service to every individual, family and business that opens an MCCF donor advised fund. A fund with us “feels” like a staffed foundation!

One former Fidelity Charitable Gift Fund client who recently transferred his entire account to an MCCF fund remarked: *“The only call I ever got from Fidelity was when I was closing my fund; at the Community Foundation, I know I have a competent, knowledgeable staff team working with me to assure that my wife and I are satisfied donors.”*

Updated 10/2007	Montgomery County Community Foundation	Fidelity Charitable Gift Fund	Schwab Fund for Charitable Giving	Vanguard Charitable Endowment Program
Minimum to open a fund	\$10,000	\$5,000	\$10,000	\$25,000
Minimum Balance	\$0	\$2,500	\$0	\$5,000
Advised fund investment options, including ability to recommend outside money managers	Unlimited While MCCF offers 3 in-house investment vehicles, many clients prefer to recommend a money manager to MCCF to manage their donor advised fund.	11 Fidelity Funds At \$1 million, investors can access Fidelity’s Charitable Investment Advisor Program – where the investor can choose from Fidelity’s approved universe of funds.	8 Schwab Funds Unlimited investment options only for accounts over \$250,000, provided investments are custodied at Schwab.	6 Vanguard Funds Currently no ability to access outside managers – program’s offerings to be expanded in 2008.
Total fees for fund up to \$1 million	1.1% - 1.60% (1.1% admin plus investment fees based on donor’s selection of investment vehicle)	0.52% - 1.74% (0.6 % admin on first \$500K, 0.3% on next \$500K, plus investment fees)	0.55% - 1.85% (0.6 % admin on first \$500K, 0.3% on next \$500K, plus investment fees)	0.76% - 0.83% (0.57 % admin plus investment fees)
Total fees for \$500K fund with comparable investment portfolios	1.60%	1.40%	1.35%	0.85%
Investment Fee Range	50 bp (flat) if invested in Combined Investment Fund; Funds invested with money managers recommended by clients	7 bp - 114 bp (Total Market to International)	10 bp –125 bp (Equity Index to International)	19 bp – 26 bp (Growth; Total Bond to Gift Preservation)
Minimum Annual Fees	\$500	\$100	\$100	\$100 (maintenance fee for accounts < \$15K).
Grantmaking limitations	None—Local, national, international grants and scholarships allowed.	Yes. Scholarships and international grants not allowed.	Yes. Scholarships and international grants not allowed.	Yes. Scholarships and international grants not allowed.
Customized client services to ensure donor satisfaction; professional staff for grantmaking counsel if desired.	Yes	No	No	No

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