



BACKGROUND

Mitch and Susan have been actively engaged in supporting their community through philanthropy for more than a decade. As long-standing donors with MCF, they have used philanthropy to underscore their belief in the importance of education and the power it gives people to overcome obstacles and inequities and achieve life-long health and success. Over the years, they've directed significant time and financial support to Canal Alliance, a nonprofit dedicated to empowering the Latino community in Marin County through education programs, vocational training, and immigration support services.

Mitch and Susan have been making sizeable yearly grants to Canal Alliance from their donor-advised fund at MCF. They've built a strong relationship with the leadership at Canal Alliance and regularly consulted with Omar, the organization's chief executive officer, as he grew the organization's reach and impact.

STORY

In 2022, Canal Alliance had the opportunity to purchase property for a new headquarters that would dramatically enhance the organization's operations, accessibility, and visibility in the community. While Canal Alliance had secured a \$5M gift to fund a large part of the building purchase, the market and the need for renovations meant that Canal Alliance needed to act quickly to raise the rest.

As Canal Alliance explored funding options for its new headquarters, Omar approached Mitch and Susan for added support. Mitch had been involved in Canal Alliance's long-term strategic planning, so he understood the importance of the request. After brainstorming with their MCF philanthropic advisor, Mitch and Susan presented two options to Canal Alliance: a sizable grant to support the project, or a significantly larger investment in the form of a low-interest rate loan. Canal Alliance opted for the loan, which enabled the organization to close the gap in securing the necessary funds needed to purchase its new property.

OUTCOME

For Canal Alliance, the loan helped to facilitate the acquisition of their new headquarters, setting them on a path to greater stability and programmatic impact. The terms of the loan allowed the organization to manage cash flow effectively without depleting its reserves, enabling continued support for Canal Alliance's critical community services. More notably, the loan allowed Canal Alliance to leverage new market tax credits, which further benefited the nonprofit by providing additional funds based on the property's acquisition and subsequent improvements.

For Mitch and Susan, the loan offered a way to support Canal Alliance and create even greater impact with their philanthropy than if they had kept that portion of their funds in traditional investment vehicles. They gained the satisfaction of seeing their funds generate both financial and social returns. And the loan offered them yet another way to maintain active engagement in the strategic direction of Canal Alliance.

This story highlights the strategic use of financial tools in nonprofit funding and underscores the importance of donor flexibility and engagement in achieving community impact. It illustrates a successful model of partnership in philanthropy where a donor's contributions transcend traditional or transactional donations.



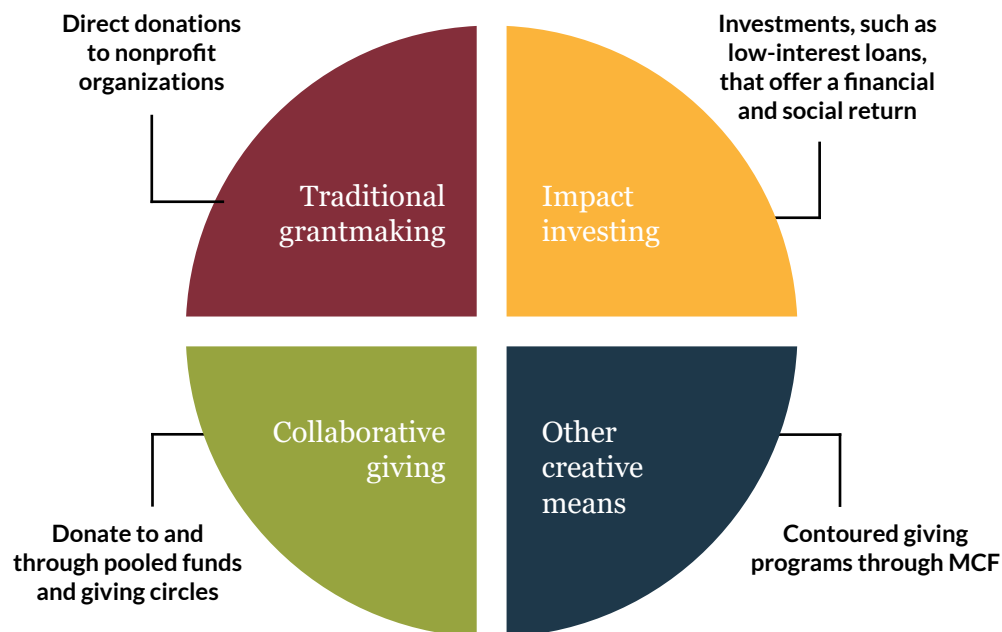
Being Creative with Your Philanthropic Assets

There's no one way to do philanthropy. At MCF, you have a myriad of options and strategies you can use to support the organizations and issues you're passionate about.

Mitch and Susan used their donor-advised fund to make a loan to Canal Alliance to address an immediate and timely need and in a way that aligned with the couple's grantmaking and investment priorities.

As a past chairperson of MCF's investment committee, Mitch knew that MCF would steward and invest the assets in his family's DAF to yield the best possible financial return on that investment no matter what. Still, the loan provided a means of investment that could yield a financial return and a powerful social return, ensuring that Canal Alliance could continue to grow its services. This is just one example of the many creative ways you can use your assets to drive profound impact.

Ways to Use Your Donor-Advised Fund at MCF



"I would like donors to see that there are creative ways they can use their existing donor-advised funds that can allow organizations to benefit right now."

~ Mitch, MCF Donor-Advised Fund Holder

"The loan was the right tool at the right time to help us close the deal on the property and get access to the new market tax credits. When donors partner closely with the organizations they seek to benefit, as Mitch and Susan did, it can be transformative."

~ Omar, Canal Alliance CEO