

Questions You May Have About Bethany's Permanent Endowment Fund

What is the primary purpose of the Endowment Fund (EF)?

- A. The primary purpose of the Endowment Fund is to meet Bethany's emerging opportunities and needs that are not funded through the annual operating budget.

Imagine if, every year, two to three Bethany members and/or staff with a passion for a new ministry could count on start-up financial support from the EF. What might those future passions be? Only God knows, but maybe they'll include:

- Feeding the hungry
- Providing funding for small/micro lending for less fortunate entrepreneurs in central Maryland
- Disaster relief
- Support for special needs children while at church and/or for families (e.g. care for the caregiver)

Imagine if your designated gift could support your favorite program/ministry that already exists, such as music, children's ministries, missions, etc. thereby decreasing the chance that your favorite program/ministry will be reduced due to lack of funding.

Why did Bethany establish a Permanent Endowment Fund?

- A. For many years Bethany's members and friends have made gifts above and beyond their contributions to the annual budget for expenses with a short term impact (e.g. flowers) or a long term impact (e.g. buildings). The establishment of the Permanent Endowment Fund allows members and friends to make gifts that directly affect Bethany's programs for generations to come. That is because all gifts are invested and the principal preserved while the income generated by the combined investment of the gifts is being used to support Bethany's ministries. As stated in the charter for Bethany's Permanent Endowment Fund, the principal of the Endowment Fund will be preserved except "in extreme and overwhelming circumstances bordering on the survival of the Church." In addition, the income generated from the Endowment Fund cannot be spent on ordinary budget items like electricity or apportionments unless so directed by the person making the gift (the "donor").

How is the Endowment Fund invested?

- A. The assets of the EF are currently invested with the Mid Atlantic United Methodist Foundation (MAUMF), which uses socially responsible investments that are screened to ensure they are in keeping with United Methodist values and principles. You may find more information about the MAUMF at <https://midatlanticfoundation.org/>

Are there reasons why my gift might not be accepted?

- A. As stated in Bethany's Gift Acceptance Policy, the reasons why a gift may not be accepted include, but are not limited to, the following:
- Belief that abiding by the restrictions placed on the gift is not in the best interests of the Church
 - The cost to maintain the gift or meet the restrictions on it are excessive
 - The gift is inappropriate or unrelated to the tax-exempt purposes of the Church
 - The gift is designated to benefit or to be channeled to a specific individual.

Can I restrict my gift to a use other than the nine listed in the "Tips on Making a Gift to Bethany UMC" document on the Endowment portion of Bethany's website?

- A. Potentially. Please notify the Endowment Committee of the restrictions you want to make. That way, we can determine if we can abide by those restrictions. If we only learn about the restrictions after your death and cannot follow them, your gift would be declined.

Why is there optional wording in the "recommended language" section of the "Tips on Making a Gift to Bethany UMC" document on the Endowment portion of Bethany's website about moving my gift from designated to the General Undesignated Fund after five years of distributions?

- A. Forever is a long time. The Endowment Committee believes that Bethany's future leadership will have a better view of Bethany's ongoing needs and opportunities than anyone can have today. If you want your gift to remain designated forever, you don't need to use that wording. If you want your gift to remain designated for a period other than five years, please let the Endowment Committee know. That choice is likely to be approved.

Why is there a \$10,000 requirement for a designated gift?

- A. One reason is that the Mid Atlantic United Methodist Foundation allows us to establish a separate account with \$10,000 or more. In other words they will do the accounting. Another reason is that small designated gifts may be very hard and costly to administer and will not achieve the intended purpose of the gift. A year's worth of investment income on \$500 cannot buy much. If you would like to designate a current gift, but don't want to give \$10,000, maybe you can find other donors to bring the total donation with the same designation to \$10,000 or more.

How do I know my gift won't be used for routine expenses such as salaries and utility bills?

- A. Using the gift in place of budget expenses would violate the primary purpose of the Endowment Fund as stated in its charter, so you can rest assured that the Endowment Committee will not use your gift in that manner unless that is what you specifically direct us to do. It is our intention to follow written directions provided by all donors to the extent doing so is possible. That is the main reason the Endowment Committee would prefer to review any directions/restrictions as soon as you decide to make the gift.

Who decides how General Undesignated gift money will be spent?

- A. The Endowment Committee will recommend uses and the Focus Team will make the final decision. The Focus Team is composed of the volunteer church committee chairs along with a chairperson and member-at-large. The team makes most decisions for the church with advice from the pastors and staff.

In what way(s) will my donation be recognized?

- A. Donors become members of Bethany UMC's Legacy Society. The Endowment Committee hopes to have periodic luncheons to recognize Legacy Society members and to keep them updated on developments regarding the Endowment Fund. We are also working on a banner displaying names of Legacy Society members who have given their written permission for that disclosure, which will be on display at the Church.

What if I prefer my bequest to have a bigger impact over a shorter period of time than the EF provides?

- A. You may give to Bethany without designating the gift/bequest to the Endowment Fund. The Focus Team will decide the use of current gifts and bequests that are not for the Endowment Fund. If you want to restrict gifts/bequests to certain uses, letting the Endowment Committee or Focus Team know in advance would increase the chances of your gift being used as you prefer. The Focus Team is composed of the volunteer church committee chairs along with a chairperson and member-at-large. The team makes most decisions for the church with advice from the pastors and staff.