

ENDOWMENTS

Giving to an endowment can be a great option when you care deeply about an organization and want to see it succeed long into the future. Endowed gifts don't just make a one-time impact; they keep working year after year to provide ministry funds until Jesus returns. In short, an endowed gift is invested to keep the principal intact while paying out a designated portion of the income to ministry each year. Churches and ministries supported by a healthy endowment are blessed to know they have a recurring funding resource to contribute to their annual ministry needs. Endowments are also a wonderful way to honor or memorialize a loved one.

KEY INFORMATION





The minimum to establish a named endowment through FM Financial is \$50,000. When an endowment is established, a declaration is drafted to state the ministry (or ministries) that will benefit as well as give meaningful information about the original donors, or those they wish to honor or memorialize. Endowments can be funded with cash, appreciated assets, and/or estate gifts from a will or trust. Family and friends are welcome to contribute to established endowments to help grow the principal and thus provide larger annual distributions.

Historically, endowments at FM Financial have paid 3-5% of the average fair market value of the endowment account annually. That value is determined by a three-year rolling average of the November 30th fair market value. This payout percentage is reviewed annually. Any undistributed income earned by the endowment is added permanently to the fund principal for growth.

If your intended gift is less than \$50,000, you may give to a previously established endowment that distributes to the ministry(ies) you wish to benefit from your gift. A list of current endowments is available upon request.

ENDOWMENT PAYOUT EXAMPLES

* range represents 3-5% payout

-  A \$50,000 endowment would provide approximately \$1500 - \$2500 annually
-  A \$100,000 endowment would provide approximately \$3000 - \$5000 annually
-  A \$500,000 endowment would provide approximately \$15,000 - \$25,000 annually
-  A \$1,000,000 endowment would provide approximately \$30,000 - \$50,000 annually

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FREQUENTLY ASKED QUESTIONS



Can I name more than one ministry to benefit from an endowment?

Yes! We can split the annual payout between one or more ministries in the percentages designated when the endowment is established.



Do gifts to an endowment receive a charitable deduction?

Yes! Donors will receive a receipt for tax purposes. Gifts from estates can be receipted to reduce estate taxes, if needed.



Who chooses the name of an endowment?

The original donors give input into the name of the endowment. The name of a loved one the donor wishes to honor or memorialize, or the benefitting ministry, is often included.

Example: *The John and Mary Doe Endowment for Christian Higher Education*



How are endowment funds invested?

FM Financial's investment committee reviews the investment strategy for endowments annually, or more often as needed. Overall, knowing we cannot control the market, endowments are invested to preserve principal, earn enough income to make the payout each year, and provide additional income to put toward fund principal to provide ongoing growth.

\$32M

VARIOUS ENDOWMENT FUNDS
AT FM FINANCIAL CURRENTLY
TOTAL OVER \$32M.



FM Financial is the financial services ministry of FMCUSA. We offer professional planning, investing, and giving services for individuals and organizations from a biblical perspective.