

# Frequently Asked Questions



## 1. Why did we form the Generations Campaign?

It is the challenge of our generation to preserve and strengthen what we have built at Kehillat Ma'arav. Together we can ensure that our children and grandchildren will have the same firm commitment to Judaism and its ethical values as did our ancestors before us. Our obligation is to leave tomorrow's legacy strong and financially sound.

## 2. What is our financial goal?

Our financial goal is to build a \$4M endowment fund to provide an on-going source of financial resources above and beyond annual synagogue dues and fees. We project that it will require approximately 5 years to achieve our goal. Since investing in our future will always be a priority, our endowment fund will be an on-going endeavor.

## 3. How can I support the Generations Fund and is my gift tax-deductible?

### *Current Gifts*

**Cash:** You may support the campaign with a gift or pledge of cash; pledges are payable over a period of up to five years.

**Gifts of Securities:** Giving publicly traded appreciated securities offer donors tax advantages. Not only can you deduct the full fair market value of the security; you can also avoid capital gains tax on the appreciation.

### *Legacy Giving*

**Bequests:** You may name KM as a beneficiary of your will or living trust; either with a designated amount, a percentage, or a recipient of funds after other beneficiaries has received their bequests.

**Gifts of Life Insurance:** Donors may support KM through a gift of life insurance. You may either purchase a policy or give a policy you already own. If you make KM the owner and beneficiary of the policy, your gift is deductible.

**Gifts from retirement plans:** Donors of any age can make a deferred gift of an IRA or other retirement account by naming KM as a beneficiary of the account at their death.

**Charitable Trusts:** A variety of trust arrangements are available that offer income and/or estate tax benefits to the donor.

Gifts to Kehillat Ma'arav are tax deductible as allowed by law. All donors should consult with their tax and/or legal advisors when considering a planned gift.

## 4. How will I be recognized?

We are happy to welcome all donors to KM's Generation Society. All that's required is that you provide written documentation of your cash pledge or planned gift by returning a signed form provided to you by KM. Donors of \$10K and above will be inscribed on a new Generations Wall currently being designed. If you wish to remain anonymous, please let us know.

## 5. How will the funds be invested and who will manage the fund?

Several years ago, our Board adopted standards for the oversight and investment of our various investment funds. Those standards created an Investment Committee that has the obligation to invest those funds in accordance with the purpose of each fund. In so doing, the Investment Committee presented an "investment policy statement" to the Board for approval.

In broad terms, the plan is to invest 70% of the fund in equities and 30% in fixed income securities, with a mix of US and non-US securities in both cases. The full investment policy statement for the endowment fund is available for review on our website.

## 6. How will our money be spent and who decides?

The purpose of the Fund is to contribute annually towards covering our operating expenses. The amount to be contributed each year is determined by the Board and is based on the fair market value of the fund.

## 7. How can we be assured of realizing the anticipated investment earnings on the fund?

We can't. Interest rates (and thus bond values), and stock prices, will go up and down over time. However, over long periods of time, most endowment funds have been able to sustain a withdrawal rate of 4% to 5% without jeopardizing the inflation-adjusted value of the fund. This assumes that the portfolio is invested in a diversified manner designed for moderate growth. Since only a percentage is being withdrawn, if the value of the portfolio goes up, KM can withdraw more money; and if the value declines, KM will withdraw less money.

## 8. Can I restrict my gift within the Endowment Fund?

No. The purpose of the Endowment Fund is to help support the basic operating expenses of KM, including clergy, staff and teaching salaries, utilities, and maintenance expenses. If you want your gift to support a more limited purpose (such as the library) then KM offers other restricted funds that will meet your wishes. However, we really need the Endowment Fund to cover KM's annual recurring deficit and to allow KM to continue to flourish for many years in the future. If you would like to make a gift to another KM fund, we will be happy to discuss that option with you. If you have questions or concerns about the Generations Endowment Fund or inquiries about other KM funds, feel free to contact Elliot Goldberg, Treasurer 310.829.0566.