

ST. MARK'S ENDOWMENT FUNDS

WHAT IS AN ENDOWMENT FUND? An endowment fund is a separate account made up of special donations to that account and earnings on those donations. An endowment fund may serve general purposes or may be designated for specific purposes. Disbursements from an endowment fund typically follow a set formula such as amounts that represent earnings on the account or a small percentage of the total account each year.

WHAT IS THE ROLE OF ENDOWMENT FUNDS? St. Mark's, like other churches, typically receives funds three ways: pledges, special campaigns, and contributions to endowments. Recently the number and amount of endowment funds held by St. Mark's has grown, raising questions about when and how we will use these funds.

Research indicates that most healthy churches rely on annual pledges (and not endowment funds) for their regular operating revenue, otherwise members of the church will feel less invested and less needed and energy will decrease. Occasional special campaigns and endowment fund expenditures, however, can infuse the church community with additional energy. The philosophy adopted at St. Mark's is to use our endowments to expand our mission and not to expend those monies on the regular operating expenses of the church budget. Expenditures from an endowment can allow us to try new ventures or make other changes that will enhance our ability to support our members and to reach out into the world.

WHAT FUNDS DO WE HAVE? St. Mark's has chartered eleven funds, seven of which currently have money in them and six of which have money available for distribution.

- **Hoitsma Fund:** Our oldest fund was set up in 1981 through a gift from the Hoitsma family. The fund provides for long-term maintenance and improvement to facilities not covered by the operating budget. Fund disbursements can be requested by the Junior Warden. Among other projects, the Hoitsma Fund has been used to replace the kitchen floor, install air conditioning in Baxter House, paint the exterior of the church, and underwrite a five year survey of building needs.

- **Dance Fund:** Set up in 1984 through a gift from Mary and Bowdie Craghill to support of the dance programs of St. Mark's Church, the fund also includes the Beryl Martin Memorial Scholarship Fund, which has been used in the past to provide scholarships to promising dancers at the St. Mark's Dance Studio. In 2003 management of the fund was transferred to the Endowment Board.

- **Building Preservation Fund:** Set up in 1998 from the sale of the Rectory on 12th Street, the fund provides for improvements of facilities. Fund disbursements can be requested by the Junior Warden. \$150,000 was used soon after the fund was established to replace the floor in the Nave and to make other facilities improvements. The Vestry voted in 1999 to require the fund to grow to the original amount, adjusted for inflation, before disbursements could be made.

- **Holtcamp Organ Gift:** Set up in 1998 through a gift from Ken Lee, this fund provides for ongoing maintenance to the Holtcamp Organ. Fund disbursements can be requested by the Music Director.

- **Dozier Family Fund:** Set up in 2000 from funds donated but not needed for the Dozier window in the

clerestory of the nave, the fund provides college scholarships for Dunbar High School students who aspire to be teachers. Additional contributions have been made to the fund since 2000. One scholarship was provided to a Dunbar High School student in 2002, two in 2004, and three in 2005.

- **General Fund:** Set up in 2002 to receive general bequests and donations, the fund was launched in mid-2003 through an initial donation from Wes and Betty Foster. Fund disbursements can be requested by the Vestry.
- **Arts Fund:** Set up in 2002 to receive bequests and donations to benefit the arts at St. Mark's, the fund was launched in mid-2003 through an initial donation from Wes and Betty Foster. Fund disbursements can be requested by the Arts Council.
- **Special Purpose Funds:** Education, Outreach, Worship, and Building funds were set up in 2002 but have not yet been funded.

WHAT RULES APPLY AND WHERE IS THE MONEY? For a disbursement to occur, the St. Mark's Endowment Charter requires funds to be in excess of the original *real* value of the fund, as calculated by the Federal Government's CPI at the end of each year. Disbursements can be made only from monies above the calculated real value and in accordance with the fund charter. Available funds are not always disbursed. It is often prudent to allow the available funds to build up over time so that larger projects can be pursued.

The St. Mark's endowment funds currently are invested in the Vanguard STAR Fund (VGSTX), which invests in a diversified group of other Vanguard mutual funds and follows a balanced investment approach by placing 60-70% of its assets in common stocks, 23-30% in bonds, and 10-20% in short-term investments.

WHO MANAGES THE FUNDS? The St. Mark's Endowment Board manages the funds. If you have questions, contact either of the current Board co-chairs: Don Ellison and Janice Gregory.

CAN I CONTRIBUTE TO AN ENDOWMENT FUND? Of course. If you want to consider making a contribution, contact either of the current co-chairs of the Planned Giving Committee: George Meng and Katharine Redmond.