

GYMEA BAPTIST CHURCH

ENDOWMENT FUND

To see lives changed by Jesus

Explanatory Notes

*Become a changemaker and an influencer of
future generations*

March 2025

V4.0

Why have an Endowment Fund?

An endowment is a funding method that many charities and not for profits use to manage their assets for the long-term future. The gifts from Donors are invested with a time frame in mind that will outlast us all and so will be there for future generations, while also making a positive difference in our current lifetime as well.

Consistent with the mission of Gymea Baptist Church (GBC) it is hoped that the Gymea Baptist Church Endowment Fund (GBC Endowment Fund) will achieve the following:

Financial Stability

- **Consistent Income:** Provides a steady stream of income to support ongoing church ministries and programs.
- **Future Security:** Ensures financial health for future generations.

Long-term Impact

- **Sustainable Growth:** Supports long-term projects like building maintenance and community outreach.
- **Legacy Building:** Allows donors to leave a lasting legacy for ministry.

Specific Causes

- **Enhanced Programs:** Funds can enhance youth programs, ministry training and music ministries, and more.

Community Benefits

- **Outreach Programs:** Able to help fund community services and charitable activities.
- **Stronger Community:** Builds a stronger, more resilient church community.

Creating Endowment Funds.

Not-for-profit organizations often create endowment funds when they receive one or more sizeable charitable donation or gift. An endowment fund might also commence with a program of long-term giving. Donors also may continue to add to the endowment fund's capital over time. There is no minimum amount required to create an endowment. In most cases an endowment fund will provide clear instructions as to how the not-for-profit organisation can use the donated funds.

The GBC Endowment Fund commenced in late 2024 with the proceeds of GBC's 70th Anniversary thank offering. It is intended that the GBC Endowment Fund be for the general purposes of the church from time to time, that is currently "*to see lives changed by Jesus*".

Governance, internal controls and audit.

An endowment usually remains somewhat separate from the not-for-profit organisation's business-as-usual accounting and operations. It may be subject to the Trustee Act applies). Generally, any large gift to an endowment funds results in a written document that acknowledges receipt of the donation.

Separate bank accounts have been opened with Baptist Financial Services (BFS) for the GBC Endowment Fund money. Oversight of the GBC Endowment Fund will be similar to that which applies to any other monies received or paid out under GBC's Constitution. Those responsible for governance are the Church Council, internal controls will be identical to those implemented in relation to other Church monies and the same independent auditor appointed by the Church members will carry out an audit of all Church monies and report thereon to the members of the Church at each AGM 2.

Donors and Estates will normally receive a formal receipt for significant monies contributed to the GBC Endowment Fund.

Investment.

State law may place some investment restrictions on how endowment funds can invest their capital. Generally, those charged with governance of an endowment fund must manage all investments in good faith and with the care that an ordinarily prudent person would exercise under the circumstances. The following factors are to be taken into account in making investment decisions:

- Current economic market conditions
- Any Tax consequences
- Expected total returns
- Long-term goals of the endowment and its beneficiaries
- General ethical investment criteria
- The role of any individual investment in the endowment fund's overall capital
- The other resources available

Currently, the capital invested by the GBC Endowment is held in high interest earning accounts with BFS. This arrangement will be reviewed regularly.

Spending.

Any spending must be in direct alignment with the instructions given by an endowment fund. In many cases, endowment funds may spend only the income earned from their invested capital, but not the capital itself. In other cases, organisations may spend a certain amount of the capital annually or periodically as needed.

GBC Endowment Fund intends that, expenditure will be aligned with the ministry aims set out above. For the time being, only income earned from its investments will be expended.

Use Restrictions on Sub-Funds.

Within an endowment fund structure, there may be separate amounts of money that have their own specific restrictions on how money can be used. These are called sub-funds. For instance, they may reserve those funds for specific capital expenditures, such as structural work on existing buildings – for major foreseeable repairs or to fund expansions. However, when specific use restrictions exist, the not-for-profit organisation may only use the funds for those stated purposes. Over the long life of an endowment fund, such restrictions often become problematic.

Without complex procedures for donor (or their successors) consent to modify use restrictions on a restricted endowment, a not-for-profit organisation could have to seek a court order approving a change of use of the capital if it accepts restricted use endowments.

The GBC Endowment Fund at this time prefers not to have specific use restrictions concerning its income and capital and so should be able to avoid these issues.

Naming Practices

Very large gifts and bequests to an endowment fund, which usually create a sub-fund, may be recognised publicly by following agreed naming processes.

If such a circumstance was to arise, the GBC Endowment Fund could decide, led by the Church Council and a request by the person making the gift, that this gift will be separately identified in future church records and reports with an agreed name.

Is an endowment gift tax deductible?

Gifts to the GBC Endowment Fund are not tax deductible as the majority of the income of the GBC Endowment Fund will be spent on activities which do not fit the Deductible Gift Recipient tax concessions.

How do I make an endowment gift?

Endowment gifts can be made during a person's lifetime and/or as part of their Estate. The sooner a gift is made the earlier it can start making a long-term impact.

Make a gift now.

A gift of any size or frequency can be made at any time by arranging a transfer to the bank account of the GBC Endowment Fund. Bank account details are:

Name: Gymea Baptist Church Endowment Savings

BSB: 704922

Account: 100020875

If you have any questions, you can contact the Treasurer of GBC at treasurer@gymeabaptist.org.au.

Give via your Will.

A gift through a donor's Estate, often referred to as a bequest, requires certain wording to be included in the donor's Will. This is legal work so a lawyer should generally advise you regarding wording of your Will and how to add a Codicil if you already have a Will. Relevant information required by the Solicitor for this to happen is set out below.

Possible wording for bequests.

You would normally seek advice for the wording for a bequest from a lawyer, such as:

"I GIVE DEVISE AND BEQUEATH (\$xx or xx%) of my estate/the rest and residue of my estate/other to GYMEA BAPTIST CHURCH (ABN 15 146 145 320) for the general charitable, religious and educational purposes of the said Church without direction for a bequest to be applied to a specific part of Gymea Baptist Church activities. I DIRECT that the receipt of the Treasurer (or other appropriate officer) for the time being of the said Church shall constitute a sufficient discharge to my trustee.

AND I DECLARE that a receipt issued on the authority of the aforementioned shall be sufficient discharge to my Executor in respect of this bequest."

Information for Solicitors and those executing a Will

Name of bequest recipient	Gymea Baptist Church
ABN	15 146 145 320
Address for Notices	2-10 Tea Gardens Avenue KIRRAWEE NSW 2232
Church Secretary	Refer Church website: https://www.gymeabaptist.org.au/pages/our-team
Church Public Officer	Refer Church website: https://www.gymeabaptist.org.au/pages/our-team
Church Operations Officer	Refer Church website: https://www.gymeabaptist.org.au/pages/our-team
Legal Status	Unincorporated Association registered with the Australian Charities and Not-for-Profits Commission as a Charity under the Heads of Charity "Advancement of Religion" and with the Australian Taxation Office as an Income Tax Exempt Charity.

For further Information please contact:

Gymea Baptist Church Endowment Fund
2-10 Tea Gardens Avenue
Kirrawee NSW 2232
Tel: +61 2 9521 4611
Em: treasurer@gymeabaptist.org.au