



Abolish Mortgage to Fund Ministry (AM2FM) Campaign

Frequently Asked Questions

- 1. How much money are we trying to raise?** Our target is \$200,000. We want to **retire our mortgage** and we want to **start a reserve for future capital improvements**. Our mortgage balance changes monthly but the latest balance was \$137,327.
- 2. What capital improvements are needed?** Planning for future improvements is just a prudent way to avoid future money problems when a furnace dies or the roof starts leaking. We have 4 furnaces that are each 16 years old. It would cost approximately \$40,000 (\$10,000 each) to replace them. The carpeting is also looking dated and would cost about \$43,000 to replace it all. We have also had recurring leaks in our sprinkler system for fire protection. As that gets worse we might need to replace that as well. Replacing or repairing these items is inevitable and we need to start planning for it.
- 3. Why do we want to pay our mortgage off early?** Our monthly mortgage payment is \$3,143. Over a 12 month period \$37,700 of our cash flow is used for mortgage payments. If we can abolish the mortgage we can use the \$37,700 to fund ministry and connect more people to life in Jesus.

4. **If we abolish the mortgage, what will the annual cash savings be used for? Are there specific plans?** We see some different possible uses for these extra funds.

We would love to...

- a. Explore meeting some staff needs, (which may include some or all of the following):
 - i. continuing to fill our Youth Intern Position
 - ii. *life*Group Leadership
 - iii. digital/ technology/ communication support (*i.e...screen development, video production, website oversight, blog oversight, social media distribution, SEO strategy, distribution of resources already developed*).
 - b. Give our staff some much-needed compensation increases. Our staff has been doing yeoman's work over the past number of years with little to no increase in compensation and absorbing repeated cuts in health care coverage.
 - c. Invest in Preschool Improvements including 1) shaded areas in the playground, and 2) increasing the Scholarship Fund so we can continue offering help to families who might need it.
 - d. Budget an amount each year in a Facility Improvement Fund so that the initial capital improvement fund created through the AM2FM campaign will not run dry as we tap into it for improvements.
5. **How do I participate in this campaign?** Every household will be given the opportunity to help. A few special offering envelopes with the AM2FM designation will be mailed to everyone on or around Sept 30, 2019. Those wishing to help can use these envelopes to help us reach the \$200,000 goal. Envelopes can be turned in at any worship service or mailed to the Church. We intend to make this a 12-month campaign so those wishing to give gradually (e.g. monthly) can do so. The campaign will end on Sept 30, 2020. Extra envelopes are available to those requesting them.

6. What does a \$200,000 fundraiser look like for a church of our size?

AM2FM GIVING CHART
Oct 1, 2019 - Sept 30, 2020

# of Givers	Annual	Total	Monthly
1	\$ 12,000	\$ 12,000	\$ 1,000.00
3	\$ 9,000	\$ 27,000	\$ 750.00
5	\$ 6,000	\$ 30,000	\$ 500.00
8	\$ 4,000	\$ 32,000	\$ 333.33
8	\$ 3,000	\$ 24,000	\$ 250.00
15	\$ 2,000	\$ 30,000	\$ 166.67
25	\$ 1,100	\$ 27,500	\$ 91.67
25	\$ 700	\$ 17,500	\$ 58.33
Total Gift Goal (90)	\$ 200,000	\$ 200,000	\$ 16,667

7. **So, when does this all start?** The public phase of the campaign will be announced at our 9am service on Sept 29, 2019. Several families chosen at random have already made a commitment toward this campaign and that commitment will be disclosed on Sept 29, 2019. We will then have the special offering envelopes available for other gifts over the next 12 months. Pledge cards will not be used in the public phase of this campaign.
8. **How do I know how the campaign is doing?** On the last Sunday of each month we expect to announce the progress of the campaign during the Family Minute and have an update in the bulletin.
9. **So explain exactly how the cash is used.** Any money raised by the campaign will be placed in a separate bank account. The church will continue to pay the monthly mortgage payments as we have in the past until the mortgage is paid in full. In addition, we will pay off principle, as we are able, with the funds raised from the AM2FM Campaign. Once the mortgage is paid off in full, additional funds raised will be set aside for facility improvements in a separate account to be used as needed.

10. What if we fall short of our \$200,000 target, or even raise more than \$200,000? If we collect more than \$200,000 we will pay off the mortgage and keep all excess funds in the separate bank account for future building improvements. If we collect less than \$200,000 we will first use whatever we raise to pay off the mortgage and the remainder will be retained in the separate bank account for future building improvements. For example, if we only collect \$120,000 and fall short of our \$200,000 goal we will pay off the \$105,000 mortgage and retain \$15,000 for building improvements. On the other hand if we collect \$150,000 we will pay off the entire debt and have \$45,000 reserved for future building improvements. So the debt is paid first and the remainder is reserved for building improvements.

11. Who decides which building improvements are made and when? Normally any building improvement expenditure is initiated by staff, budgeted, and approved by the Leadership Board. Of course there are times when something unexpected happens and something needs immediate repair and was not in a budget. For example when a furnace stops working all of a sudden, it needs to be fixed or replaced. Staff is authorized to do so. We don't intend to spend the building improvements reserve anytime soon, but only as there is need.

12. If I want to make a tax-favored gift of appreciated stock, how do I accomplish that? We recognize that there are certain income tax advantages to donating financial assets that have appreciated in value. Individual stock holdings or mutual funds can be donated to the church and the donor avoids paying the capital gains tax. You should consult with your tax advisor before making such gifts. However if you are interested in moving forward with this technique, we can help facilitate the transaction. Please call Pastor Jeff if you are interested.