

The Future of AFA: Now a "General Endowment Fund"

YOU TOO CAN HELP

Mountain Lakes, New Jersey—The American Ferret Association, a nonprofit, tax-exempt 501(c)(3) educational organization, is pleased to announce the initiation of an AFA General Endowment Fund (GEF). The AFA GEF is an income-generating fund that finances the routine daily management, services and facilities of the American Ferret Association. Since the early 1990s when the AFA was founded, the organization has relied on membership fees, ad hoc sponsorships for individual events, and public donations to fund all activities and programs. While AFA will continue to pursue these revenue avenues, this approach has resulted in swings in funding that significantly change from year to year. The unpredictable nature of AFA's budget makes it difficult to carry out long-term plans or to develop a growth strategy.

For these reasons, the GEF was created to obtain capital to be used in perpetuity to support AFA and its educational programs.

The GEF was started in 2001 with original contributions from the following individuals and institutions: Dr. Freddie Ann Hoffman, AFA co-founder and former AFA vice president; Pfizer, Inc., which has an Animal Care division; and Lorali Barber, past managing editor of the *American Ferret Report* and former editor of the *American Journal of Clinical Nutrition*. The endowment is being professionally managed by the nonprofit division of the Washington, DC office of Morgan-Stanley Dean-Witter.

INVESTING IN THE FUTURE

What does the AFA General Endowment Fund do?

The GEF is collecting a financial pool of invested capital, the earnings of which will be used in support of the AFA and its educational programs. The fund finances the AFA office and projects that are in the best interest of ferrets across the United States. The AFA plans to expand its activities to a new level using today's technology to offer new opportunities compatible with today's information dissemination methods. AFA is financing educational projects, research grants through the Pamela Slack, DVM Memorial Fund, and plans to improve AFA services and facilities.

Where does the money for the AFA General Endowment Fund come from?

The major source of contributions to GEF is from you—the members—and corporate sponsors. Donations can be made by anyone through the AFA office, directly by members on the AFA membership form, by additional contributions during AFA GEF "drives," and through contributions of commercial and corporate sponsorship. AFA is currently re-invests 100 percent of its annual profits in the GEF.

At the same time, donors will be able to obtain tax benefits because the American Ferret Association is 501(c)(3) charitable nonprofit educational organization recognized by the Internal Revenue Service.

Why does AFA need an Endowment Fund?

The AFA General Endowment Fund will assist us in meeting future needs because:

- It is a permanent fund, which cannot be spent but provides income for addressing future needs.
- It assures that the AFA can provide its members the services even in the event of a campaign shortfall.
- The GEF is administered by a professional team.

AFA needs a stable source of income in order to continue its work toward educating the public on ferrets. Historically, ferrets have not been a species that is addressed in mainstream veterinary education. Information regarding the ferret is learned as part of courses on laboratory animals or "exotics." Often given as an elective and not part of the mainstream curricula, the ferret is often a species that many professionals only learn about on their own, through post-graduation coursework. The AFA wants to provide learning tools and programs for veterinary professionals and for the public. For the general public, there is more information now than there was when AFA was started, back in the early 1990s. However, many ferrets still experience abuse and neglect or are simply given up when the novelty ends due to lack of knowledge on the part of the owner. The AFA Education Committee wants to address these problems by aggressively teaching and preparing educational materials for both AFA members and the public at large.

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Who decides how the money is spent?

The principle of the AFA General Endowment Fund is not to be spent. It is invested or re-invested to produce growth of the principal and to produce income for the AFA.

What is the goal for the GEF?

The endowment operates very much like a mutual fund. The funds donors give to the endowment are invested in cash instruments, bonds, and common stocks. The relative mix changes with market conditions, but the investment objective is unchanging: to achieve income and growth coupled with security.

The current amount in AFA's GEF is \$60,000. The long-term goal for the AFA GEF is to reach \$1 million, but the immediate goal is to reach \$100,000. By collecting \$5 per membership, the AFA should be able to raise the current fund by several thousand dollars a year. The fund is carefully invested to preserve the principal and to maximize the yearly income. The AFA GEF is charged with investing the fund for maximum earnings within the limit of safety. Endowment earnings are distributed each year along with campaign dollars to address critical needs in the AFA community.

YOUR GIFT TOWARD THE FUTURE**How can I help the AFA Endowment fund?**

There are many ways to contribute to the AFA GEF. The easiest method is to continue contributing money each time you renew your membership. You may contribute to the AFA General Endowment Fund in the following ways:

Gifts of cash, securities, real estate, or other property are always welcome and will be invested in the Fund upon receipt. Gifts may be made incrementally to build the principal to the desired level. You will receive acknowledgement of your gift for tax purposes.

- A gift to perpetuate the memory of a beloved family member, ferret, or friend
- A bequest in your will or living trust
- A life income gift

Individual Retirement Accounts (IRAs) are excellent deferred gifts that can help our future education program. This is a convenient way to help the program and at the same time reduce your tax bill.

Make AFA your life insurance beneficiary. A member's insurance needs may change when he/she retires. AFA can be named a beneficiary of your life insurance policy. Also, a paid-up policy could be transferred to the Fund. Younger members can make a significant contribution to the Fund by taking advantage of lower premium costs.

Gifts of Appreciated Property. You may wish to donate long-term appreciated securities, such as stocks or mutual funds, instead of cash. In this way, you can avoid paying capital gains tax while obtaining an income tax deduction based upon the market value when given.

Make a donation and have your employer match your funds. Many times, people become frustrated because they do not know what they can do to help. The most obvious thing you can do is to give a donation. Equally important as your donation is for you to see if your

employer has a matching funds program, which essentially doubles your gift. Your one-time gift of \$1,000 will actually yield the AFA \$2,000 extra income over 20 years. Many businesses and corporations are interested in "causes" in which their employees are involved and are willing to make substantial donations in honor of their employees. Contacting the human resources department or your supervisor is a good place to start.

Your gift, coupled with a matching gift from your employer, would yield approximately \$4,000 of income in 20 years (based on 10% interest). The wonderful thing about a GEF gift is, since the principal cannot be spent, your gift will still be giving for the next 50, 100, and 200 years. What a great way to make a lasting mark!

HOW TO PROCEED

Please see the AFA Web site (www.ferret.org) or contact the AFA Headquarters (1-888-FERRET-1) to learn more about the various options available. AFA staff will provide background information and talk to you about the nature of your intended gift, and how to proceed with making your donation. (To donate to the Pamela Slack DVM Memorial Ferret Medical Research Grant Fund, you should designate your gift as "For the Pam Slack Memorial Fund.")

Most donations are tax deductible in accordance with IRS regulations, but tax laws continually change so always consult your tax advisor for the application of the laws to your planned giving.