

# THE RESIDENT FUND: Compassion in Action

## What is the fund?

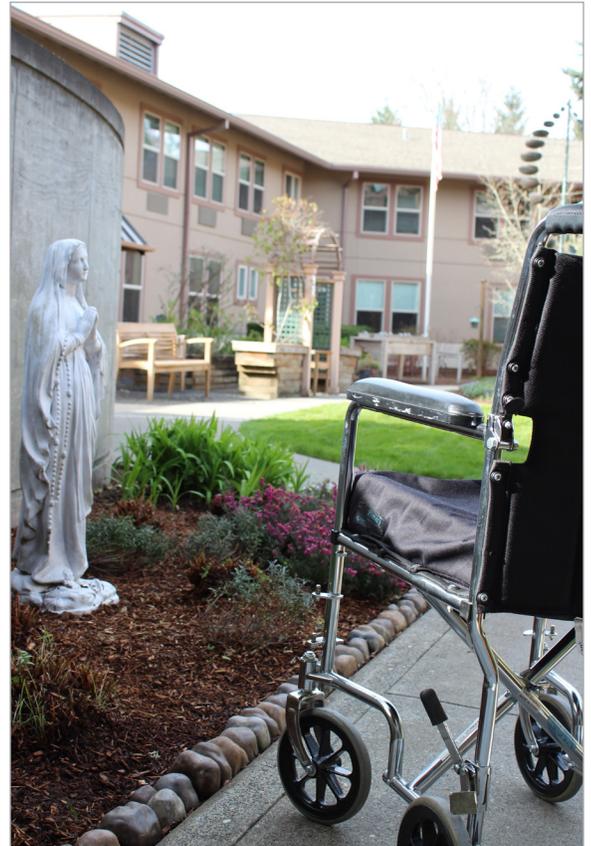
The Resident Fund provides a grant subsidy to help with basic monthly fees for residents who have exhausted their assets.

## Why does the fund exist?

The Resident Fund is foundational to our work as a mission-driven non-profit\* and Mary's Woods is not alone in making benevolent care a priority. Retirement communities across the country, particularly those that are faith-based, are joining with us in making financial assistance a priority as the rapidly growing needs of elder populations have exhausted available resources.

Despite a community's best practice of evaluating a resident's financial ability to fund their care for the rest of their lifetime, multiple factors have combined to create the difficult circumstance of inadequate funding. These include:

- Increased life expectancy
- Need for different levels of service as one or one's spouse ages
- Increasing healthcare costs because the more medically demanding the service, the more expensive the services are to provide
- Fixed or limited incomes



## How are grant subsidies distributed?

The Mary's Woods Board of Directors administers the fund as a whole, and retains the ultimate discretion to make determinations about whether and under what circumstances assistance can be provided. While it is the Board's objective to use the Resident Fund as described, disbursement of grants from the fund is dependent upon the resources available, the then-current circumstances at Mary's Woods and an individual resident's situation.

## How are donations to the Resident Fund invested and managed?

*The Board of Mary's Woods has determined that the funds received for the purpose of charity care to residents will be treated as a board-designated endowment, and funds will be allocated for expenditure in a manner that protects the purchasing power of the donated funds.*

*Mary's Woods at Marylhurst, Inc. Financial Statements  
June 30, 2018, audited by KPMG*

\*The basis of long-term care facility federal tax-exemption is found in IRS Revenue Ruling 72-124, which calls for the organization to satisfy three primary needs of older people: the need for housing, the need for health care and the need for financial assistance.

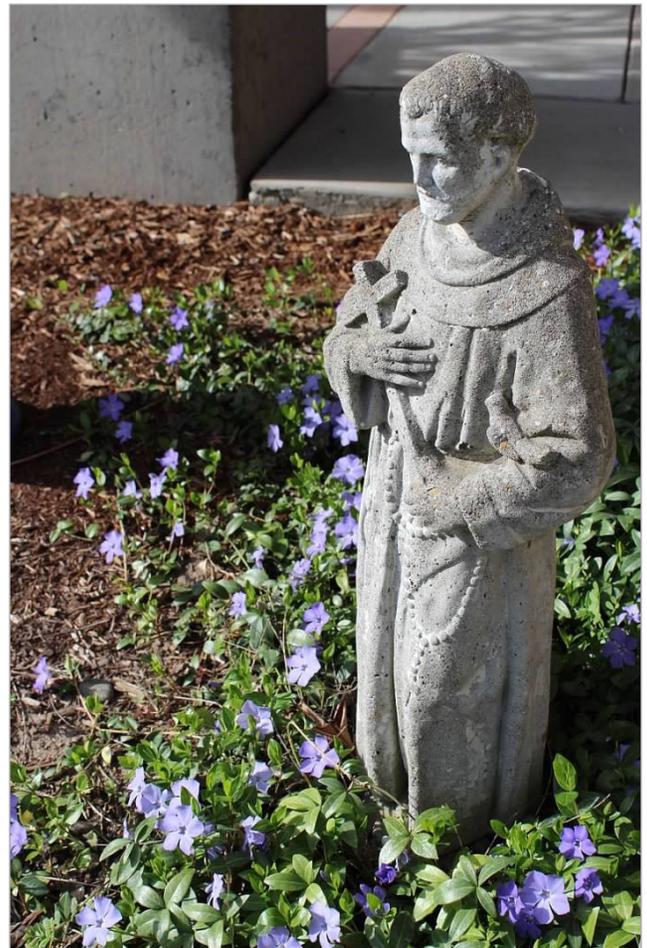


- Part of a pooled investment with the Sisters of the Holy Names, the Resident Fund is invested by a team of professional managers at the Bank of New York.
- The Board of Directors monitors, adjusts, and approves the policy and the spending distribution on a regular basis. By maintaining the spending distribution rate within the prescribed policy, Mary's Woods meets current program support needs and ensures the long-term, perpetual support of the Resident Fund.
- Over time, the Board may adjust the inputs to best suit the needs of Mary's Woods, but the expectation is that the adjustments are infrequent to allow for thoughtful budgetary planning.
- ***It is important for donors to know that Mary's Woods only distributes and spends to need.*** If the fund, sometime in the future, generates earnings in a given year that are greater than the need in a given year, the excess will not be withdrawn and will remain in the fund to generate continued growth.

### **Who is eligible to receive grants from The Resident Fund?**

*All current residents are eligible to apply for monthly grants from The Resident Fund. The process is confidential.*

- Residents who have depleted their assets in order to qualify for assistance, including those who have transferred assets to family or others, are not eligible.
- Residents will be eligible for assistance after the refundable portion of their entrance fee has been fully used to pay for their monthly fees.
- Applicants are expected to preserve and manage their assets prudently and to substantially apply all of their resources to the basic costs of residency at Mary's Woods and to the costs of their basic healthcare and related insurance. Management of assets includes maintaining adequate medical and prescription coverage, limiting personal expenses, recreational expenditures, charitable contributions and gifts to friends and relatives.
- In order to be eligible for a monthly grant subsidy, an applicant may need to downsize.



## I think I may need assistance, or I think my neighbor could use help. What are the first steps?

1. A resident, or their appointed representative may request a meeting with the CFO of Mary's Woods for a financial assessment. It is important to reach out before the need for assistance arises, preferably at the first sign that assets may not cover future costs. Often, the assessment provides reassurance and no further action needs to be taken.
2. If the assessment indicates a need, the resident will be encouraged to begin the application process. The application will be reviewed by the CFO and the President and CEO of Mary's Woods. They will move the application forward and make recommendations to the Mary's Woods Board of Directors. The Board reviews the application and makes decisions on a case-by-case basis. Funds are allocated as monies are available.

## Yes, I believe in the cause! How can I help?

Thank you for considering a gift to the Resident Fund. The need is very real.

*At a time when a person is faced with the most financially challenging time of their life amid what is probably the most physically challenging time of their life, donors make assistance possible. I would like supporters to know that I have seen first-hand how their gifts allay fears and bring peace.*

*- Kimberly Scott, Mary's Woods  
Chief Financial Officer and Vice President  
Finance and Administration*



The ability to provide monthly grants to residents in need is dependent upon voluntary contributions, events and fundraisers. In order to increase the principal of this endowed fund, a number of opportunities are available.

**OUTRIGHT GIFTS:** These may include cash, securities (stocks and bonds), required minimum distributions from a qualified retirement account or other assets such as stock, personal property, and matching gifts. Donors contributing \$500 or more in a calendar year are recognized as **Silver Medallion** partners.

**PLANNED GIFTS:** Planned giving is the process of making a significant charitable gift during your lifetime or upon death that is part of your overall financial or estate plan. Planned giving makes use of legal and tax strategies and/or financial products that require assistance from your tax and estate planning professional. Donors who arrange for a planned gift are recognized as **Gold Medallion** partners.





Medallion donors are invited to special events, get early insider information and are provided with an early access opportunity to secure their spot at the always sold-out annual fundraising Holiday Gala.

- **Mary's Woods Resident Assignment Forms/Give 10 program:** This is the simplest form of gift planning. It costs you nothing during your lifetime and does not require you to change your will or living trust documents. You may leave Mary's Woods a portion or all of your refundable entrance fee. Mary's Woods supplies you with a form that is easy to complete and need only be notarized and added to your official estate documents. You may modify or revoke your addendum at any time.
- **Bequests:** This too, is a simple form of gift planning that costs you nothing during your lifetime. You can name Mary's Woods in your will or living trust by designating a specific amount or a share of the residue of your estate.
- **Life Estate Agreements:** This allows you to make a significant gift that doesn't affect your current lifestyle, plus it removes taxable assets from your estate. This contract is established when you deed a personal residence, a vacation home, a farm or property to Mary's Woods. You may live in or use the deeded property for as long you choose.
- **Life Income Gifts/Annuities:** You make an irrevocable gift of cash or securities and Mary's Woods pays you a fixed income for life. This gift may provide you with some tax advantages and an income supplement.
- **Life Insurance Gifts:** For very little cost, you name Mary's Woods as a beneficiary of a fully funded policy that you no longer need.
- **Bargain Sales, Artwork and Collectibles, Charitable Lead Trusts, Charitable Remainder Trusts (Unitrust or Annuity Trust):** Connect with your advisors, then let's collaborate on how these types of planned gifts will work for you and support the Mary's Woods philanthropy initiatives that are important to you.

*Mary's Woods is a 501(c)3 tax-exempt organization, permitting charitable deductibility of gifts in accordance with federal and state income tax laws, and **within the current gift acceptance policies set up by the Mary's Woods Board of Directors.** While we have suggested a variety of ways in which you can contribute to Mary's Woods, always consult with your own financial advisor or legal counsel before implementing a planned gift. Mary's Woods cannot provide financial, legal, accounting or tax advice to individuals.*

### **Questions? We are here to help!**

Colette Rees, Director of Philanthropy

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**MARY'S WOODS**  
*Celebrate Age! Celebrate Life!*

