

Fund Spending Policy

Endowment Funds

The endowment spending rate is based upon a total return approach, which utilizes both income and capital appreciation to be withdrawn for spending.

The current allowable spending amount (over and above investment and administrative fees) shall be 4.5% of the previous twenty-quarter average of the fund's market value. The formula shall be applied to the 20 quarters ending the fourth quarter of fiscal year, to provide the spending amount for the next fiscal year. The Finance and Investment Committee and the Board of Directors must approve the distribution rate each year.*

What becomes spendable each year remains spendable. It remains invested with the rest of the fund, and if not distributed, it continues to be considered as part of the fund's total market value for purposes of the calculation of spendable in future years.

Additionally, new contributions to the fund may be designated as either spendable or non-spendable, as long as less than 50% of the total market value is spendable. In other words, the fund must always be more than 50% non-spendable dollars.

Non-endowed Funds

For non-endowed funds, the fund balance is 100% spendable with the following caveat: the required fund minimums (subject to change as the "Fund Minimums and Annual Fee Schedule" policy changes), along with a sufficient amount to cover administrative fees, must remain in the fund at all times to keep it viable.

A letter from the fund advisor indicating an intention to close the fund must accompany any distribution request that would drop the fund balance below the required minimum.

<p>*The Community Foundation policies are subject to change, though some, like the spending policy, do not change often.</p>
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