



## **CFCC Spending Policy**

The Investment Committee recognizes that its objective is to balance the Fund's shorter-term obligations with its goal to provide support into perpetuity. To reduce the likelihood of underperformance of the investments the Fund must require a "moderate" investment strategy.

The spending rate is based upon a modified total return approach that authorizes both income and net capital appreciation to be withdrawn for spending. The maximum allowable spending amount for the Foundation each year shall be 4% of the funds Fair Market Value, based on the previous three years rolling average. The formula shall be applied to the three calendar years ending December 31. Withdrawals shall be made no earlier than March 1, and prior to December 31, the following calendar year. Distributions would be allowed in the event a distribution would cause the fund to drop below the Historic Value of that fund, following a discussion with the endowment Donor, Advisor or the Board, and if this in within the guidelines of the Internal Revenue Service regulations and with Community Foundation of Crawford County board approval.

Historic Value is defined as the aggregate fair market value of the original gift amount at the time the endowment fund was established and each subsequent donation to the fund at the time it was made.

The Investment Committee policy permits an endowment Donor, Advisor or the Board to elect annually in writing to add an unspent distributable amount from a prior year to the current year's available distribution, so long as this option is consistent with the terms of the applicable gift instrument for that account. Otherwise, unspent distributable amount will remain in the principal of the endowment fund but will not be added to the historic value.

Revised, reviewed by legal counsel, and Board Approved August 24, 2019.