



Policy:	SPENDING POLICY FOR ENDOWMENT FUNDS
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SPENDING POLICY FOR ENDOWMENT FUNDS

The Board of Directors of the Community Foundation Serving Greeley and Weld County may appropriate for expenditure, for the uses and purposes for which an endowment fund is established, so much of the net appreciation, realized and unrealized, in the fair market value of the assets of the fund over the historic dollar value of the fund as is prudent.

In determining the amount of appropriation, the members of the Board of Directors shall exercise ordinary care and prudence under the facts and circumstances prevailing at the time of the action or decision, and in so doing, they shall consider long-term and short-term needs of the Foundation in carrying out its charitable purposes, its present and anticipated financial requirements, expected total return on investments, price level trends and general economic conditions.

An endowment fund is a fund, or any part thereof, which is not wholly expendable by the Foundation on a current basis under the terms of the applicable gift instrument (e.g., will, deed, grant, conveyance, agreement, memorandum or other governing document, including the terms of any Foundation solicitation from which a fund resulted) under which property is transferred to or held by the Foundation. Preserving the historic value best serves the long term objectives of endowments. "Historic value" includes the value of the original gift, plus each subsequent donation to the fund.

The maximum allowable spending amount each year shall be five percent (5%) of the trailing average of the fair market value of the fund for the twelve (12) quarters, or if less, the number of quarters the fund has been in existence, prior to the end of the foundation's fiscal year preceding the year in which the grant will be made. Absent an agreement to the contrary, if the fair market value of an endowment fund on the last day of any fiscal year is less than that fund's historic dollar value, there will be no appropriation. The amount of any appropriation cannot reduce the fund balance below its historic value.

All new endowment funds must be invested for four (4) full quarters before any spending is permitted. The Foundation will permit a donor to make a contribution as a pass-through contribution to an established fund for grant-making purposes.

If a multi-year funding commitment is approved, the maximum allowable spending amount will be determined anew in each year based upon this policy

Exclusions to this policy include, but are not limited to funds which are not endowment funds as defined herein, pass-through funds, non-endowed donor funds and endowed funds which are required to reach a certain asset level before grants can be made which have not reached such a level or if there is an agreement to the contrary.

The Board of Directors shall review this policy annually, and it has the express authority to amend the policy at any time.