

ENDOWMENT SPENDING POLICY

Summary:

The goal of a spending policy is to apply a disciplined and reasoned approach to moving money from the Endowment Funds to the beneficiaries, making sure that it is done on a predictable, consistent basis. .

The Spending Policy determines the current payout rate that is determined by multiplying the average market value of the Fund over the previous 12- quarters. A 5% spending cap and a 3% floor will be in place to help moderate spending during particularly volatile periods

The cap limitation does not apply to endowments less than two years old that may be allocated proportional amounts for the first two years.

Changes to the Endowment Spending Policy:

Any changes to the spending policy require ultimate approval by the board of directors.

UPMIFA guidelines to Prudent Spending Appropriation:

The following specific UPMIFA guidelines are followed when approving grants:

- 1 The duration and preservation of the endowment fund,
- 2 The purposes of the institution and the endowment fund,
- 3 General economic conditions,
- 4 The possible effect of inflation or deflation,
- 5 The expected total return from income and the appreciation of investments,
- 6 Other resources of the institution, and,
- 7 The investment policy of the institution.