



FOUNDATION POLICIES

No. 7: SPENDING POLICY

Approved by Board Action Feb. 7, 2020

In an effort to allow or a greater probability of the Foundation Endowment Funds to continue in perpetuity, the Foundation Board is adopting the following spending policy. It is being adopted as a guideline to provide consistency over time as the Board determines the amount of funds available for distribution.

The Foundation Endowed Fund's spending policy and investment policy are designed to work together to preserve the inflation-adjusted value of the portfolio over time. The Foundation may distribute from the Endowed Funds no more than 5% of the 3-year moving average of the Endowment market value as of the fiscal year-end, September 30. In determining the percentage of funds available for distribution in any particular year, the Foundation Board will consider the investment portfolio's total return over recent years and any unusual current economic circumstances. If the current fiscal year-end value includes funds that have been committed for a particular use, but have not been distributed, the year-end value will be adjusted to reflect that amount in calculating the 3-year moving average.

Excerpt from the CREATE Foundation, Inc. agreement: Total distributions in any calendar year will not exceed the realized net appreciation of the Fund principal except with the written approval of the Donor. (The Donor is the Louisiana-Mississippi-West Tennessee Kiwanis District Foundation.)