Spending Policy

This spending policy provides at least four percent (4%) of the endowment value with adjustments to be made according to inflation, but not more than seven percent (7%) for expenditure. The base for calculating the percentage available shall be subject to the following provisions:

1. The value will be computed as of the close of domestic markets on December 31 each year.
2. The BlackRock 30-Year Period Withdrawal Rates Model, or other similar model which incorporates an inflation/deflation indicator, will be used for determining the percentage for expenditure.
3. The Investment & Finance Committee in its discretion will determine the amount of income available in excess of the minimum four percent (4%) in consultation with the Executive Committee.
4. Disbursements will occur in the third and fourth quarters of that fiscal year and in the immediately following first quarter of the following fiscal year (January-September).
5. No distribution will be made from funds that have not reached permanently endowed status. Donors have five (5) years in which to permanently endow a fund. Newly endowed funds will be included at the first such distribution occurring 12 calendar months or more after they have reached permanent status. A fund may be awarded in the academic year it is established, only if the donor(s) augments the account by an additional amount that is specified for the award.
6. If minimum funding for an endowment is not accomplished within five (5) years after the initial contribution, all accumulated contributions will be placed in a pooled endowed fund.
7. Some portion of income from all funds may be used to pay commissions, investment fees, and administration costs of the Foundation's funds as determined necessary from year to year by the Foundation Board of Directors, to the extent permitted by law.

UPMIFA (Uniform Prudent Management of Institutional Funds Act) sets forth rules regulating how an endowment fund is spent. In making a determination to appropriate or accumulate, the board must act in good faith, apply the prudent person standard, and must consider, if relevant:

- The duration and preservation of the endowment fund
- The purpose of the institution and the endowment fund
- General economic conditions
- The possible effect of inflation or deflation
- The expected total return from income and the appreciation of investments
- Other resources of the institution
- The investment policy of the institution

Approved by the Investment & Finance Committee 2/14/2012