

NORWIN SCHOOL DISTRICT COMMUNITY FOUNDATION SPENDING POLICY

The Norwin School District Community Foundation is the steward of endowed funds that were created by gifts from a number of donors. The earnings on the endowed funds are a source of income for scholarships, grant making, and the administration of the Foundation. The Board of Directors recognizes that the capital in the funds should be protected against the effects of inflation to preserve as much as possible the purchasing power of the funds (i.e. maintain value of the funds on an inflation-adjusted basis).

The amount to be spent will be calculated each December 31st for the coming year. This amount is subject to review and approval of the Board at its annual January meeting. The calculation is as follows:

1. The average market value of the fund over the prior twelve (12) quarters multiplied by 5% will determine the amount each fund can distribute annually. Exceptions to the spending policy may be made by the approval of a majority of the Board of Directors in unusual circumstances.
2. Any undistributed spending policy amounts from a previous year(s) may be added to the current year spending policy calculation.
3. Non-investment administrative fees will be allocated on a prorated basis, based on the value of the fund in relation to the total value of all endowed funds at the beginning of the quarter.

For practical reasons, this spending policy will not apply to funds which are considered non-permanent. Short-term gifts will be distributed according to the provisions of their respective gift instruments.