



THE GREATER PINEBELT COMMUNITY FOUNDATION
SPENDING POLICY

Approved by Board of Directors February 25, 2011

The Greater PineBelt Community Foundation (Foundation) adopted this Endowment Spending Policy on February 25, 2011.

This Policy covers all unrestricted, field of interest, Designated, Agency, Donor Advised, and Endowed Scholarship funds. The Policy is designed to ensure a stable and predictable flow of funds for grant-making and operating expenses, despite market and yield volatility.

Each year the Investment Committee will recommend to the Board of Directors the amount, expressed as a percentage of assets that the Foundation may spend from Endowments for current year for grant-making. If no recommendation is made, the Current Spending Rate will continue to apply.

The Spending Rate establishes the distributable amount from any Fund (“the Current Spending Rate”), which is based upon on a percentage of the Fund’s yearend net asset value as of the end of the fiscal previous year. For purposes of determining the value of each Fund, the total value of gifts received and available for grant making during each quarter shall be treated as having been donated at the end of that quarter. Distributions in accordance with the Current Spending Rate will be applied first to cover administrative costs, with the balance available for grant making.

The Spending Rate shall continue in effect unless and until modified by the Board of Directors.

The Foundation’s Current Spending Rate is 4% of net asset value. For example, if the net asset value of a Fund stood at \$12,000 at the end of the last fiscal year, the Spending Rate for the current year would be \$480.00, being 4% of \$12,000.

Unless otherwise stated in the Fund Agreement, the Foundation’s Current Management Fee is 1% on the first \$2 million; .80% on the next \$4 million; .60% on next \$20 million.

Distributions. The PineBelt Foundation may, in its sole discretion, make distributions from any Fund in addition to or including its distributions in accordance with its Current Spending Rate, even if such distributions cause the fair market value of any fund to fall below its “historic dollar value.” “Historic dollar value” means the fair market value of a Fund at the time the fair market value of each donation to a Fund at the time such donations are made, plus the fair market value of each accumulation in a Fund, made pursuant to a gift instrument, at the time the accumulation is added to the fund.