

Spending Policy

Purpose:

The purpose of this Spending Policy is to establish guidelines for the annual rate that the Jamestown Presbyterian Foundation, Inc. (Foundation) will transfer spendable endowment funds to Jamestown Presbyterian Church in support of its mission.

1. Core Principles

The following principles guide all activities and decisions:

Honor donor intent

Support the mission of the Foundation and Jamestown Presbyterian Church

Stability and predictability

The spending power remains consistent over time

2. Applicability

This policy applies to:

Donations the Foundation receives that are endowments

Quasi endowments – those funds set aside by the Board of Directors from unrestricted funds. Future Board of Directors can change quasi endowments funds.

Term endowments – Restricted endowments where the restrictions expire based on directions from the donor.

This spending policy does not apply to donations meant to be for the operations of Jamestown Presbyterian Church or one time donations not meant to be endowments.

Pass through gifts would be those gifts given to the Foundation as one-time gifts not meant to be endowments. These gifts would transfer immediately from the Foundation to Jamestown Presbyterian Church.

Restricted Grants – restricted grants received from donors that are meant for a ministry of Jamestown Presbyterian Church.

3. Roles and Responsibilities

Board of Directors:

Sets the spendable rate.

Oversees the implementation of the Spending Policy.

Investment Committee:

Suggest changes to the spending policy.

Calculates the spendable amount annually.

Reports to the Board of Directors annually.

4. Spending Rate

The spending rate will be set at a rate to preserve capital, not violate the corpus, and changed infrequently to promote predictability.

The Foundation will adhere to a spending rate of **4%** of the average market value of the endowment over the prior three years with a snapshot of the market value taken on June 30 each year.

Averaging the spendable amount over three years will smooth out the highs and lows that the funds might have annually. Any funds over the spendable amount will remain as part of the corpus and subject to all the restrictions of the original gift.

Unspent funds at the end of the calendar year above \$1,000 will be used to reduce the amount given in the current year, unless the committee/ministry responsible for the spending requests an exception from the Board of Directors in writing prior to the beginning of the fiscal year.

Investments that have not been held for at least three years by Jamestown Presbyterian Church or the Foundation, but the investment has been held for at least one year and the market value at June 30 is at least the original gift plus the spending rate may contribute to the spending rate.

Investments held less than one year will not contribute to the spendable amount, unless the donor specifies a specific amount from the original donation that can be spent immediately.

Investments that are “underwater” on June 30 will not contribute to the distribution to Jamestown Presbyterian Church until the fund exceeds the original donation by at least the spending rate.

“Underwater” means the current market value plus the current distribution is less than the original gift.

Extraordinary withdrawals require approval by a supermajority (two-thirds) of the Board of Directors.

Extraordinary means the withdrawal is greater than the current spending rate.

Withdrawals that are greater than the spending rate but comply with the donor’s written guidance will not constitute an extraordinary withdrawal.

5. Reporting and Review

The Spending Policy will be reviewed annually and updated as necessary to reflect changing economic conditions, organizational priorities, or legal requirements.

6. Amendments

Changes to this policy require approval by the Board of Directors upon recommendation from the Investment Committee.

Approved by: _____

[President, The Jamestown Presbyterian Church Foundation, Inc.]

Date: _____

[Approval Date]

