

Sandusky County Communities Foundation, Inc.

Spending Policy For Non Donor Directed Funds

This Spending Policy specifies the method for determining the dollar amounts allowable for distributions to charities each year. The goal of this policy is to: 1) establish a guide to determine annual giving limits, and 2) establish guidelines to protect the principal value of the funds. This policy is established under the assumption that the investment of the fund balances will achieve a 3-year average rate of return in excess of the established distribution percentage. The board reserves the right to review and amend this policy and the established distribution guidelines should there be a decrease of more than 10% in the value of the funds in any one year.

The Sandusky County Communities Foundation, Inc. ("SCCF") establishes that the amounts available annually for distribution shall be 4% of the "Distribution Value" of the funds. The "Distribution Value" of each fund is defined as the average market value of each fund as of the last day of each calendar year that ended subsequent to the establishment of the fund. If more than three (3) calendar years have ended since the establishment of the fund, only the values of the fund as of the end of the most recent three (3) calendar years will be used. In an effort to assist in the preservation of the principal value of the funds, the amount available annual for distribution: 1) shall not exceed 5% of the fund balance as of the end of the most recent calendar year and 2) Board reserves the right to suspend grants depending on market conditions of the original value of the fund.

In addition, there may be extenuating circumstances whereby distributions may be considered and approved by the Board that are in excess of this policy as stated above. Possible examples of these situations are as follows: If a Designated Fund, Donor Advised Fund, Field of Interest Fund or the Unrestricted Fund of SCCF increase in value by 100% or more during the twelve (12) month period ending December 31 in any year, the SCCF Board of Directors may consider and determine whether special distributions in excess of the distributions required by this spending policy shall be made from such fund during one or more of the following three years. –or- If a scholarship fund, receives additional contributions in a preceding twelve (12) month period, then 50% of those additional contributions may be made available for scholarship distributions above and beyond the above stated policy. Any remaining donated amounts in the current calendar year, will merged with the principal balance of the fund and be subject to the standard spending policy limits. **A minimum of \$25,000.00 must be in the scholarship fund before scholarships can be awarded.**

In the first quarter of each calendar year, the SCCF Board will provide component fund donors with the applicable spending policy amount available for the current calendar year.

Changes to this spending policy will require approval by a three-fourths (3/4) vote of the SCCF Board of Directors.