

**BLUE GRASS COMMUNITY FOUNDATION  
ENDOWMENT SPENDING POLICY**

The spending percentage shall be set annually by the Board of Blue Grass Community Foundation (BGCF) and shall be no less than 3% and no more than 6%. In certain extreme or unusual circumstances, the spending policy limits may be changed by a 75% vote of the Board of BGCF. The spending percentage sets the total amount that can be distributed from an endowed fund each year, including community support fees. The community support fees will be deducted from the total distribution amount before any grants are awarded.

Based upon the spending percentage, the Community Foundation shall calculate the amount available for annual distribution from each endowed fund by multiplying the average market value of the fund over the last 12 quarters. The calculation to determine the available annual distribution will be made as of December 31<sup>st</sup> each year.

In the case of donor advised funds, a donor may recommend a grant in excess of the spending percentage, provided, however, that the total distribution does not exceed the upper limit of the policy range (6%).

There will be no payout from any agency endowment fund with a balance less than \$10,000. Agency endowment funds with balances below \$10,000 may receive a payout once the fund balance exceeds \$10,000, but only to the extent that the fund maintains a balance of \$10,000 or greater. If the asset balance is below the levels outlined above, all income generated from the fund will be reinvested in order to help the fund grow to the minimum level.

*Approved by the Executive Committee October 26, 2010*