Spending Policy

The Board of Directors (the "Board") of the Catholic Community Foundation of the Diocese of Richmond (the "Foundation") shall appropriate for distribution for this fiscal year, i.e., the year ending June 30, 2018, an amount equal to 4% of its endowment fund's average invested fair market value, over a three year period, as of December 31st of the year preceding the June 30 fiscal year end in which distribution is planned.[1]

In establishing this spending rate, the Board considered the long-term expected return on the Foundation's invested assets. The Board established the current spending policy to allow its endowment funds to grow at a nominal average rate of between 2% and 3% annually. This is consistent with the Foundation's objective to maintain the economic purchasing power of the endowment assets as well as to provide additional real growth through investment returns that exceed the distributions.

If an amount is approved for distribution but is not spent, the amount will be reinvested as temporarily restricted funds and may be available for distribution in the future.

This spending policy applies to Foundation endowments and all permanent endowments, including parish, school and affiliated entities. For funds held for others, we recommend that the investor follow this policy. The Foundation may implement alternate spending policies proposed by the investor as long as those spending policies are not inconsistent with the donor's instructions and appear prudent in relation to the purpose for which the fund was established.

For all funds other than endowments, e.g., building funds, unrestricted reserve funds, temporarily restricted funds, investors may withdraw funds once per month with at least 30 days advance notice. It is preferred that a schedule of withdraws be submitted to the Foundation at the beginning of each year, although, withdrawals can be made with 30 days advance notice.

[1] In order to implement this spending policy during this initial three fiscal years that the Foundation is in existence, for new endowments created during this time, the 4.0% spending rate may be calculated based upon the endowment fund's average fair market value of the invested assets over the period that the funds have been held by the Foundation if it is deemed prudent to do so in order to accomplish the purpose for which the fund was established.

Policy Approved June 29, 2017