



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, 2024, 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.

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.

Investors may withdraw funds once per month with at least 30 days advance notice. If an amount is approved for distribution but is not spent, the amount will be reinvested and may be available for distribution in the future.

This spending policy applies to all permanent endowments, including parish, school and affiliated entities. All requests for exceptions to the spending policy for permanent endowments must be approved by the Foundation. For all other types of funds, e.g. designated funds operating as endowments and temporarily restricted funds, excluding donor advised funds, the Foundation recommends that the investor follow this policy. The minimum requested distribution from donor advised funds is \$250 and 5% of the fund’s balance as of December 31st, is recommended for annual distributions.

Distributions from funds, except donor advised funds, will commence after the fund has been managed by the Foundation for 12 months unless otherwise approved by the Foundation. In the event a fund falls underwater by greater than 15% of its Historic Dollar Value, future spending distributions will be suspended until the fund equals or exceeds 85% of its Historic Dollar Value.

Spending Policy Approved: 9/12/2023