

**The Board of the Endowment Fund  
of St. John the Baptist Episcopal Church**

**Document D**

**Spending Policy**

This policy shall apply to the spending of, and the distributions from, the Endowment Fund established by Resolution of the Vestry of St. John the Baptist Episcopal Church on \_\_\_\_\_, 2004.

Allocations of funds available for distribution (and expenditure) will be made in two general ways:

1. Upon written request of the Vestry, and with the approval of the Board of the Endowment Fund, funds may be transferred to the parish treasurer for those uses that conform to the purposes and restrictions incorporated in the enabling resolution adopted by the Vestry on \_\_\_\_\_, 2004.
  
2. The Board of the Endowment Fund may obligate monies for general expenses incident to the management and administration of the Fund.

It is the goal of the Endowment Board to provide for the long-term growth of the Endowment Fund, at a level commensurate with yearly inflation, while assuring a consistent level of expendable funds (Allowed Annual Distribution) to advance the purposes stated in the enabling Resolution.

Expendable funds will be determined on the basis of a total-return principle and will not be dependent solely upon income generated through interest or dividends. The funds available for distribution during any one year, which is called the Allowed Annual Distribution (as defined in section 3 of the enabling Resolution), is currently set at four (4) percent of the market value of the corpus. The market values for this purpose will be determined net of any investment management fees.

Any unexpended funds from those available for distribution in a given year will be accrued and will remain "available for distribution" in subsequent years.

The level of the Allowed Annual Distribution (%) shall be reviewed by the Endowment Board following a period of 36 months.

**The Endowment Fund may not be used, nor any part of the Fund be used for collateral on loans. Nor shall any portion of the principal amount of the Endowment Fund be "borrowed," including any "temporary usage" for other parish needs.**

Adopted by action of the Board of the Endowment Fund of St. John the Baptist Episcopal Church, this \_\_\_\_\_ day of \_\_\_\_\_, 2004.

\_\_\_\_\_  
Chairperson

\_\_\_\_\_  
Secretary