

Foundation Endowment Spending Policy

Each endowment managed by the Jewish Community Foundation of the West shall have an approved Endowment Spending Policy. Each Endowment Spending Policy shall: (1) account for Foundation administrative and management fees, and; (2) clearly identify how annual distribution amounts will be computed.

Donors may submit recommendations for a Fund Specific Endowment Spending Policy with the originating Endowment Agreement. Donor-recommended Fund Specific Endowment Spending Policies must be submitted to the Board for review and approval.

If donors do not submit a recommendation for a Fund Specific Endowment Spending Policy, or if the Board does not approve the donor-recommended Fund Specific Endowment Spending Policy, then this Foundation Endowment Spending Policy will apply. The goal of the Foundation Endowment Spending Policy is to preserve the purchasing power of available distributions over time.

The elements of the Foundation Endowment Spending Policy are::

1. Amounts eligible for distribution will be calculated by the Foundation annually in January or February, and donors or endowment advisors shall be promptly notified of the eligible amounts.
2. The annual amount eligible for distribution for each endowment will be equal to 4% (four percent) of the average account balance for that endowment at the close of each of the three most recent calendar years.
3. For any year in which an endowment was established too recently for three calendar year closings to have occurred, then the average of calendar year closing account balances since the endowment was established shall be used.
4. Funds not distributed by the December 31st grant cycle of a given year shall remain as part of the principle fund balance, and will not be carried over as eligible distributions to subsequent years.