

GREEN RIVER FOUNDATION BOARD

SCHOLARSHIP/SPENDING GUIDELINE

INTRODUCTION

The Business Office tracks the components of the endowment accounts into the following categories.

The original investment and any corpus additions as determined below.

The investment income including, dividend income, interest income and account appreciation.

The available spending/scholarship fund for each endowment will be based on the calculation below.

GUIDELINE

The annual spending/scholarship fund is determined as follows:

1. The 10 year trailing average return-on-investment of all pooled endowment investments will be calculated based on the performance as of June 30th of each year.
2. 10% of the return-on-investment for each endowment will be added back to the corpus.
3. 90% of the return-on-investment for each endowment will be available for spending/scholarships funds.

Once the amount available for the spending/scholarship fund for each endowment is established, the Foundation Office will work with the Business Office and the related donor (as applicable) to determine the actual spending for the following year. The corpus will never be spent regardless of the spending guideline. The corpus is defined as the original investment and any additions to the corpus, such as the annual 10% addition listed above. The final spending amounts must be approved by the Executive Committee each year.

This policy does not apply to the following:

- Non-scholarship endowments
- Title III Challenge Grants
- Endowments not participating in the investment pool; these endowments will be limited by the income from the respective earmarked sources.

Adopted: