QUAD CITIES
Community
Foundation
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Spending Policy
Approved July 18, 2017

The primary objective of an endowment spending policy is to provide a consistent flow of funds in support of Quad Cities Community Foundation's expenditures including both grant-making and administrative activities.

The other objective is to preserve the real value (inflation adjusted) of current assets and future gifts. The rate of growth on endowment funds as a result of investment performance should maintain or increase its purchasing power over time.

Quad Cities Community Foundation's spending policy is made up of two components. The annual amount available for grantmaking, internally referred to as "spendable", and the fee charged to each fund to cover the administrative costs. These two items must be looked at together.

- The grantmaking spending policy for endowed funds is calculated at 4.5% of the average December 31 trailing 20 quarters. This calculation is done individually for each fund. Those funds that do not have 20 quarters of history would be calculated using the number of trailing existing quarters.
- The administrative fee is maintained in a separate policy with the standard fee being 1% of the fund balance charged quarterly. Some funds are charged differently based on the work involved to maintain the fund. Refer to the Fee Policy for more details.

Because Quad Cities Community Foundation is responsible for stewarding of our donors legacy, it is important that operating costs are kept reasonable. In order to keep those costs reasonable Quad Cities Community Foundation has set the following operating policy in addition to the endowment spending policy above.

- The annual cost of operating is limited to 1.5% of the total assets as of June 30th of the preceding calendar year. (i.e.: 2018 budget would be 1.5% of the total assets at 6/30/2017.)

The Quad Cities Community Foundation's spending policy and investment policy must be established and function together to assure success. Therefore the two objectives of an endowment spending policy are included in both policies. In addition, the spending policy must take into account past, current and future market conditions while the investment policy must take into account the current spending policy when making asset allocation decisions.

Revision 3 , 5/1/12, 7/18/17, 2/14/19

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