JEFFERSON COUNTY COMMUNITY FOUNDATION

SPENDING POLICY

1. **Spending Rates.** Earnings from Foundation assets, unless otherwise restricted, are available for the grant making program of the Foundation, consistent with the Foundation's Current Spending Rate. The Spending Rate applies to any fund to which, by the terms of the fund gift agreement, the Foundation's "Spending Policy" applies. The Spending Rate establishes the distributable amount from any fund ("the current spending rate"), which is based upon on a percentage of the average fair market value of each fund over a period of twelve fiscal quarters (the "average fund value"). For purposes of determining the value of each fund to which the Spending Rate applies, in order to calculate its distributable amount, the total value of gifts received and available for grant making during each quarter shall be treated as having been donated at the end of that quarter. Distributions in accordance with the spending rate will be applied first to cover administrative costs, with the balance available for grant making. (A schedule of administrative fees charged by the Foundation is attached hereto.) The Foundation's Board of Directors shall approve any changes to the Foundation's Spending Rate.

   The Foundation's Current Spending Rate is 4.7%

2. **Distributions.** The Foundation may, in its sole discretion, make distributions from any fund in addition to or including its distributions in accordance with its applicable spending rate, even if such distributions cause the fair market value of any fund to fall below its "historic dollar value." "Historic dollar value" means the fair market value of a fund at the time the fair market value of each donation to a fund at the time such donations are made, plus the fair market value of each accumulation in a fund, made pursuant to a gift instrument, at the time the accumulation is added to the fund.