



Background and Purpose

The Community Foundation Tampa Bay adopts an annual spending policy to preserve and build the endowed funds entrusted to the Foundation and to maintain grant levels during periods of “down markets.”

The use of the Spending Policy provides for a disciplined stream of income to charitable beneficiaries. It restrains spending in years when total return on funds (growth and income) exceeds the charitable payout, providing for growth of principal and it enables spending in lean years, even if total returns are less than the payout rate.

The intent of the Spending Policy is to provide reasonably stable grants while preserving the inflation-adjusted value of the funds. The Spending Policy developed considers the Foundation’s dual responsibility to pay out charitable distributions and to perpetuate endowments entrusted to it by donors.

Procedure

The spending rate will be determined and recommended by the Finance Committee and approved by the Board of Trustees on an annual basis. In setting the spending rate, the Finance Committee and Board of Trustees shall take into consideration general economic conditions, the possible effects of inflation or deflation, the expected total return from and income and the appreciation of investments, and the investment policy.

Based upon the spending percentage, the Foundation shall calculate the amount available for annual distribution from each endowed fund by multiplying the average market value of the fund by the number of quarters the fund has been in existence up to twelve quarters. The calculation to determine the available distribution will be made as of December 31st each year. Upon creation of the fund, the donor does have the option to direct the Foundation to limit the distribution during the first twelve quarters so that the distributions do not invade principal.

Annual distributions from agency and designated funds will be paid in full in March. Distributions from other fund types will be paid according to the terms of the fund agreement or the specific needs of the programs those funds support.