

**Pennsylvania Kiwanis Foundation**  
**Policy for Spending Endowment and Invested Funds**

A Policy adopted by Board of Directors on March 7, 2015

**1. Purpose**

It is the purpose of the Pennsylvania Kiwanis Foundation (Foundation) to establish guidelines for the distribution of invested assets in a prudent fashion and in accordance with donors' intent. While the Board of Directors has an obligation to protect, invest and wisely manage accumulated funds, it is also prudent to use invested funds using a sustainable withdrawal rate to support the charitable mission of the Foundation. This Policy is intended to comply with provisions of the Uniform Prudent Management of Institutional Funds Act (UPMIFA).

**2. Endowments and Permanently Restricted Funds**

Invested assets which represent permanently restricted endowments shall be used in accordance with the intent of donors from whom the assets were obtained. For invested assets representing permanently restricted funds for which donors have not specified a distribution formula or schedule, the Foundation will target spending 3-5% of the rolling average fund balance over the 12 preceding calendar quarters ending June 30th. The Board shall determine the annual percentage at the meeting prior to the initiation of the annual budget process.

**3. Invested Assets Representing Temporarily Restricted and Unrestricted Funds**

The Board of Directors shall provide that an aggregate amount of investment income, ranging from 3-5% of the rolling average fund balance over the 12 preceding calendar quarters ending June 30th, be transferred to the cash accounts for use by the respective restricted purposes and other program expenses of the Foundation. The Board shall determine the annual percentage at the meeting prior to the initiation of the annual budget process.

**4. Temporarily Restricted Funds**

Assets invested or held in cash accounts for temporarily restricted funds which represent donations for a specified purpose should be budgeted to be used for the specified purpose within a reasonable time not exceeding 2 years unless otherwise arranged with or indicated by the donor.

**5. Annual Policy Review**

This Policy shall be reviewed annually by the Board of Directors in conjunction with the annual Investment Policy review.