

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

Adopted by the Board of Directors on 29 March 2020

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. Restricted Funds

Assets invested or held in cash accounts for restricted funds which represent donations for a specified purpose should be budgeted to be used for the specified restricted purpose within a reasonable time not exceeding 3 years unless otherwise arranged with or indicated by the donor.

3. Invested Assets Representing 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 most recent 12 preceding calendar quarters be transferred to the cash accounts for use in the program expenses of the Foundation. The Finance & Investment Committee shall recommend a specific percentage to the Board prior to the annual budget process. The Board shall determine the annual percentage in connection with the annual budget process.