



**York County Community Foundation  
Spending Policy Fact Sheet**

**How are annual amounts available for grantmaking determined?**

Annual amounts available for grants from endowment funds are based on our *spending policy*. The amount is determined by applying a spending rate to the fund’s twelve-quarter average market value of its investments as of June 30 of the prior year. The spending rate is approved annually.

**Example:**

Average Market Value of Fund Investments	\$100,000
Spending policy rate	4.5%
Amount available for charitable distributions	\$4,500

**What is the 2010 Spending Policy rate?**

The general spending policy rule in effect since 2003 was reaffirmed for 2010.

- The standard spending policy rate is 4.5%.
- The general rule includes provisions to slow spending for endowment funds whose market value of investments has been significantly reduced, such as by 2008’s market conditions. Reduced rates may be automatically triggered:
  - 3% rate required for funds whose market value is between 61% and 80% of historic endowment gifts as of June 30.
  - 0% rate required for funds whose market value is 60% or less of the historic endowment gifts as of June 30.

**How are Heritage Funds Impacted?**

Heritage Fund partner organizations may elect annually whether they wish to receive the available spending policy as a grant or elect automatic reinvestment into the endowment.

**How are Donor Advised Funds impacted?**

Donor advised funds are subject to the same spending policy rules as other funds, with one major exception. They may continue to advise grants in excess of spending policy, provided the market value of the endowment remains at least \$25,000.