

BARNS OF ROSE HILL

General Endowment Policy

BARNS OF ROSE HILL Endowment Fund (the “Endowment”) was created to ensure, to the degree reasonably possible, funds are available to keep pace with inflation and provide from the Fund, a regular source of income for program support and for needed capital improvements in perpetuity. To these ends, the Board of Directors has adopted the following spending policy for the Endowment, which will apply to all endowed funds unless a particular donor has otherwise stipulated specific spending restrictions.

1. In adopting this policy, the Endowment seeks an appropriate balance among three goals:
 - Current income for program support
 - Preservation of principal
 - Capital appreciation
2. Authorized distribution during the Endowment’s current fiscal year (ending December 31) shall not exceed 3.5% of the total market value of the endowment for the prior year ending December 31. Effective for the fiscal year ending December 31, 2019 and thereafter, authorized distribution from the Endowment shall not exceed 3.5% of the average total market value of the Endowment for the prior three years.
3. In calculating distributions from the Endowment Fund, consideration will be given to the use of both the Net Income and Net Capital Appreciation (defined as realized and unrealized appreciation in the fair market value of the investments) in excess of the fund’s Historic Dollar Value (i.e. corpus). The Historic Dollar Value shall be determined in accordance with the Uniform Prudent Management of Institutional Funds Act, which defines Historic Dollar Value as “the aggregate fair value in dollars of an endowment at the time it became an endowment, each subsequent donation to the fund at the time it is made, and each accumulation made pursuant to a direction in the applicable gift instrument at the time the accumulation is added to the fund.”
4. The Board of Directors of Barns of Rose Hill shall have discretion over whether or not distributions are made. If it is determined that a distribution is not needed in a current fiscal year, the Board may waive all or a portion of the distribution for the year.
5. Any exceptions or changes to this policy shall be made only upon the written approval of the Barns of Rose Hill Board of Directors.

Board approved 2-6-17