

➤ Spending Policy Summary ➤

The Saint Paul & Minnesota Foundation has adopted a long-term investment strategy and a method for distribution from permanent endowment funds that seeks to preserve the purchasing power of assets, and to maximize the amount available to meet the charitable needs of communities.

Our goal is to manage the assets to produce a relatively predictable and stable stream of funds for charitable purposes. Our spending policy defines our procedure for calculating the amount to be distributed each year for endowed funds.

Annual Distribution Calculation

The percentage to be distributed, or spending rate, from a fund is calculated using the spending policy, which is 5.0 percent of the twenty-one quarter¹ rolling average of a fund's market value. Administrative fees² are deducted before delivery of the annual distribution.

The amount to be distributed in the current year is calculated in the first quarter of the year with December 31 of the previous year as the last measurement point.

¹ Until a fund reaches twenty-one quarters with a balance, the actual number of quarters will be used.

² See Administrative Fee Schedule for current fees based on fund type.

Nonprofit Endowment Fund Example:

Fund's Average Market Value of Last 21 Quarters:	\$100,000
Spending Policy Percentage:	5.0%
Gross Distribution:	\$5,000
³ Administrative Fee:	\$(900)
⁴ Annual Distribution:	\$4,100

Donor Advised Fund Example:

Fund's Average Market Value of Last 21 Quarters:	\$100,000
Spending Policy Percentage:	5.0%
Gross Distribution:	\$5,000
³ Administrative Fee:	\$(1,000)
⁴ Annual Distribution:	\$4,000

³ See Administrative Fee Schedule for current fees based on fund type.

⁴ The annual distribution amount calculated above is for illustration purposes only.

Effective January 2023



101 Fifth Street East, Suite 2400 ✦ Saint Paul, MN 55101-1800 ✦ 651.224.5463 ✦ 800.875.6167 ✦ spmcf.org