**Organization\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_**

**INSTITUTIONAL FUNDS APPROPRIATION POLICIES**

***Organization Name\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_,*** a not for profit organization organized under the laws of the State of Ohio ***(“Organization Name\_\_\_\_\_\_\_\_\_\_”),*** maintains institutional funds for the purposes of enabling its supporters to make contributions to provide funds to assist ***Organization Name\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_*** to maintain, fulfill, and preserve its mission (the “Institutional Funds”). This policy sets forth the policy that will be used to determine the aggregate amount of funds from the Institutional Funds that will be distributed from the Institutional Funds for any year to defray the operations of ***Organization Name\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_*** that are incurred, spent, or which are attributable to that year.

1. Institutional Funds That Are Not Endowment Funds.

(a) ***Organization Name\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_*** maintains various institutional funds which are wholly expendable by ***Organization Name\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_*** on a current basis to support and defray its current and future needs and expenses.

(b) An institutional fund may contain no restrictions on the purpose to which appropriations (i.e., withdrawals for the purpose of current expenditure) from the fund may be devoted, or may contain restrictions on the purposes to which appropriations may be devoted.

(c) ***Organization Name\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_*** has adopted policies under which budgets are developed, approved, and modified from time to time by the Board of Directors of ***Organization Name\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_***. Those budgets may include appropriations from these institutional funds.

 (d) The Board of Directors of ***Organization Name\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_*** has adopted a Gift Acceptance Policies and Guidelines. The Gift Acceptance Policies and Guidelines provide that, if a donor does not specify restrictions at the time ***Organization Name\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_*** accepts a gift, the gift will be treated as an unrestricted gift that ***Organization Name\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_*** may, in its discretion, appropriate its operations in the amounts and proportions (as to current and future needs) and at the times and for the purposes, determined by ***Organization Name\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_***.

(e) The Board of Directors of ***Organization Name\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_*** may from time to time, in its sole discretion, determine the amounts that may be appropriated from these funds, and the purposes to which those appropriations will be applied, consistent with any restrictions on purpose that may apply to a particular institutional fund that is otherwise wholly expendable on a current basis.

2. Institutional Funds That Are Endowment Funds

(a) ***Organization Name\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_*** may maintain one or more institutional funds that consist of gifts from donors which, under the terms of the gift instrument prepared by the donor and accepted by ***Organization Name\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_***, are not wholly expendable by ***Organization Name\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_*** on a current basis. These funds are referred to as “Endowment Funds”; they do not include funds that consist of assets that ***Organization Name\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_*** designates as an endowment fund for its own future use.

(b) Consistent with the investment objective of preserving purchasing power and providing a stable funding source to support the mission of ***Organization Name\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_,*** the policy described below is designed to support the future long term annual cost of the programs and operations of ***Organization Name\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_*** by specifying a fixed percentage of the Endowment Funds that may be appropriated during each calendar year. The targeted spending policy is 5% of the aggregate Endowment Funds, applied to a rolling 12-quarter weighted average of the market value of the asset pool in which the Endowment Funds are invested. The spendable amount for each fiscal year shall be determined by using the average of the market value of the Endowment Funds’ asset pool for the calendar quarter ending on December 31 during the fiscal year prior to the applicable fiscal year and the last day of each of the 11 preceding calendar quarters. If a particular Endowment Fund has been in existence for fewer than 12 calendar quarters, then the average of the market value of the Endowment Fund shall be calculated for the period the Endowment Fund has been in existence.

(c) The Board of Directors of ***Organization Name\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_*** may from time to time decide to approve appropriations from one or more Endowment Funds in an amount that, for the year in question, may be less or more than this amount.

(d) Consistent with the underlying principles of the Uniform Prudent Management of Institutional Funds Act as codified in Ohio Revised Code §§1715-51-1751.59 (the “Act”), the Board of Directors of ***Organization Name\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_,*** (the “Board of Directors”) shall, in making decisions as to the amount of the Endowment Funds to be distributed, do so in accordance with the standards in the Act, which include these criteria to guide ***Organization Name\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_*** in making its decisions on appropriations from Endowment Funds:

(1) duration and preservation of the Endowment Funds;

(2) the purposes of ***Organization Name\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_*** and the Endowment Funds;

(3) general economic conditions;

(4) the effect of inflation or deflation;

(5) the expected total return from income and appreciation of investments;

(6) other resources of ***Organization Name\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_***; and

(7) the investment policy of ***Organization Name\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_***.

3. Investment Advisors

If or to the extent the Board of Directors has retained the services of investment advisors to manage the investment of Endowment Fund assets, those investment managers should be given ample notice of the required current Endowment Funds distribution schedule. Appropriate liquidity should be maintained to fund these distributions without impairing the investment process.

Approved by the Board of Directors of ***Organization Name\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_*** on the \_\_\_\_\_\_\_\_ day of \_\_\_\_\_\_\_\_\_\_\_\_, 201\_\_.