



Spending Policy

Preamble

As a registered 501(c)3 charitable organization, is committed to best practices in donor funds management including but not limited to upholding the standards of the Uniform Prudent Management of Institutional Funds Act (UPMIFA) including the standard of factors the board must consider in making a decision to spend or to accumulate funds:

- the duration and preservation of the endowment fund;
- the purposes of the institution and the endowment fund;
- general economic conditions;
- the possible effect of inflation or deflation;
- the expected total return from income and capital appreciation;
- other resources of the institution; and
- the investment policy of the institution.

Policy:

With the intent of promoting financial equity for generations to come, the Connections for Independent Living board of directors will adhere to the following calculations:

8.5% Expected rate of return on investments

-2.5% Inflation/growth rate

-1.0% Fees/administrative costs

5.0% Spending Distribution Rate

Legal Authority:

Uniform Prudent Management of Institutional Funds Act:(revised) 2006

<http://uniformlaws.org/ActSummary.aspx?title=Prudent%20Management%20of%20Institutional%20Funds%20Act>

Purpose:

UPMIFA requires persons making spending decisions (CIL Board of Directors) for endowed funds to focus first on the purposes of the fund and subsequently to the purposes of the organization. When the Board of Directors consider the purposes and duration of the fund, they will give priority to the donor's general intent that the fund be maintained permanently, making distributions at a reasonable spending rate, given investment performance and general economic conditions.

12/10/2018