

Connecticut River Conservancy

STATEMENT OF SPENDING POLICY

GENERAL INFORMATION

The Connecticut River Conservancy, (CRC) hereby adopts this Statement of Spending Policy. The purpose of this statement is to put into place a consistent plan to approve and disburse funds that fulfill the mission and designation of the funds while working to further strengthen the financial base of the Connecticut River Watershed Council

PROBLEMS TO AVOID

This spending policy is adopted in order to minimize the problems that could occur without a spending policy, including, but not limited to:

1. Spending that may place the future of the Funds in jeopardy.
2. Ignoring the effect of inflation thus decreasing the financial power of the Funds.
3. Lack of disbursements from the Funds giving it an ineffective reputation thereby causing a disinterest in future donations and bequests to the Funds.

DISTRIBUTION OF FUNDS

Each year a distribution will be made available to the **Connecticut River Conservancy** from the following funds, as approved in the **Conservancy's** annual budget. The Board shall determine the amount of funds available for annual distribution from each designated funds in keeping with the investment objectives described in the Investment Policy Statement (IPS).

Permanently Restricted Endowment:

It is CRC's policy to annually distribute up to 5% (five) percent of a trailing three-year average of the ASSETS' total asset value unless otherwise approved by the board. This total return basis for calculating distributions from the ASSETS is currently permitted pursuant to the terms of the Uniform Prudent Management of Institutional Funds Act (UPMIFA), under which guidelines the institution is permitted to spend an amount in excess of the current yield (interest and dividends earned), including realized or unrealized appreciation. The Finance Committee will determine the annual distribution as of March 31st and propose a recurring distribution on the 1st of each month to begin on July 1st. The distribution will be presented to the Board for approval within the context of the proposed budget. The decision to spend or reinvest will be determined by management in conjunction with the Finance Committee, the annual budget (operating and capital) process, and the five-year planning objectives.

Unrestricted Endowment:

The investment manager will take **the trailing three-year average of the ASSETS' total asset value of the Unrestricted Endowment** as of March 31st and send a recurring distribution on the 1st of each month beginning on July 1st not to exceed 5% annually. If

the monthly distribution is not needed, CRWC will let the investment manager know ahead of time.

In addition, the Board may authorize the expenditure of principal from this Fund in order to meet approved needs of the organization.

Spaulding Pond Trust:

CRC may charge the Trust up to 2.5% of the value (as of June 30) of the Spaulding Pond and Land Acquisition Funds in order to cover its indirect costs associated with owning and managing the property as well as the costs associated with managing the funds. In addition, the CRWC may withdraw principal from the Spaulding Pond Fund in order to cover the direct costs of stewardship and maintenance of the property.

This Statement of Spending Policy shall be reviewed annually by the Finance Committee. The Finance Committee may adjust the spending rate percentage as it deems appropriate in order to fulfill the purposes described in the Investment Policy Statement. The target rate shall be 4% of the last 12 quarters unless an extraordinary circumstance is approved by the board.

Any portion of the annual, distributable funds not distributed in any given year will be retained in the Funds for expenditure in future years, upon recommendation of the Finance Committee in consultation with the Board of Trustees.

Reviewed and recommended by the Finance Committee on 6/1/2022
Adopted by the Board on