



607 Peachtree St., NE, Atlanta, GA 30308 404.875.0431 www.napc.org

SPENDING RULE PROTOCOLS of the North Avenue Presbyterian Church Permanent Endowment

Funds available for distribution from the Endowment will be determined by using a total return principle, i.e., return derived from dividends and interest as well as realized and unrealized capital gains (capital appreciation or depreciation).

1. Except as authorized for specific funds noted in paragraph 3 below, the funds available for distribution during any one year will be limited to a percentage of the market value of the corpus that is based on the average of the ending balances for the previous 12 quarters. The market value for this purpose will be taken net of the fees for investment management or any other expenses related to the management and administration of the Endowment.
2. The percentage of the Endowment made available for distribution shall be determined each year by the Endowment Team and will normally fall in the range of three to five percent. In determining the spending rate, market performance of the portfolio will be an important consideration. It will be the goal of the Endowment Team to grow, or at least maintain, the purchasing power of the Endowment funds taking inflationary effects into account.
3. Within certain funds held in the Endowment after acceptance by the Gift Acceptance Team, annual distributions will be calculated for spending other than authorized by paragraphs 1 and 2 above. It is acknowledged that those funds were donated and designed to be held for a shorter period and spent fully during a defined period. Therefore, these funds may be invested differently (given their shorter time horizon) from other Endowment assets and may be distributed appropriately under a different spending rule. The Endowment Team will work closely with the Executive Director for Operations and Finance and the Finance Team to administer such funds. Such funds shall only be accepted by the Gift Acceptance Team and managed as a part of the Endowment if they meet the criteria of the Gift Acceptance Protocols.
4. Any unexpended funds from those available for distribution in a given year will be returned to the corpus by vote of the Endowment Team and not later than three months from the end of the given financial year.
5. Money will be distributed from the NAPC Permanent Endowment Fund, upon written request to the Endowment Team and by vote of the Endowment Team, for those uses which conform to the purposes and restrictions established by the donors or incorporated in the enabling resolution of the funds. All requests for distribution must be supported by and presented with approval of an existing Church ministry Team. The Endowment Team is charged with developing guidelines for determining whether requests for funding are appropriate for funding through the Endowment. Such guidelines shall be used as guidance by the Endowment Team in authorizing all distributions from the Endowment.

Adopted May 2020 by the Endowment Team

Debbie Barta, *Team Chair*

Kenny Kyle, *Executive Director of Finance and Operations*

The Rev. Dr. Fred Foy Strang, *Interim Senior Pastor*

Anne Barron | William McClatchey, MD | Deborrah S Heller | Ben Carmichael | Steve Saggus | Wallace Underwood