Does the foundation board want to exceed annual, minimum payout requirements? If so, by how much? In every year or only in years in which the foundation’s investments do well?

Does the board want to grow the foundation’s endowment or is it satisfied maintaining the value of the endowment on an inflation-adjusted ("real") basis?

How can program objectives best be achieved: By spending more now? By constant and sustained effort over time? Or by growing the endowment so that more can be spent in the future?

A spending policy often includes guidelines and conditions for investment and portfolio growth. When establishing the spending policy, you and your board must also determine whether the return requirement implied by the policy is realistic and achievable over time.

Examples of the primary goals for spending policies adopted by foundations include suggestions to:

- Meet the minimum distribution requirement (5 percent annually);
- Distribute 5 percent of assets in grants, plus administrative expenses;
- Spend 5 to 6 percent of the average value of the endowment over the previous 12 quarters, making additional grants toward the end of the year as needed to fulfill the distribution requirement;
- Meet the minimum distribution requirement (5 percent annually);
- Distribute 5 percent of assets in grants, plus administrative expenses;
- Spend 5 to 6 percent of the average value of the endowment over the previous 12 quarters, making additional grants toward the end of the year as needed to fulfill the distribution requirement;
- Meet the minimum distribution requirement (5 percent annually);
- Distribute 5 percent of assets in grants, plus administrative expenses;
- Spend 5 to 6 percent of the average value of the endowment over the previous 12 quarters, making additional grants toward the end of the year as needed to fulfill the distribution requirement;
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- Distribute 5 percent of assets in grants, plus administrative expenses;
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