



The
Morris Area Foundation
BUILDING A LEGACY FOR YOUR COMMUNITY Inc.

SPENDING POLICY

The Foundation Spending Policy determines the amount of the annual distributions from the permanent endowment funds. The distributions are for charitable grants and an administrative recovery charge.

The policy is designed to allow a predictable outflow of funds for grants while protecting original principle.

The Morris Area Foundation Inc. has adopted the principals of the Winnipeg Foundation spending policy on all endowed assets. The long term objective of the Morris Area Foundation is to make available for annual grant making activities an amount of 4% of the average 3 year market value of each endowed fund. It is the standard policy of the Morris Area Foundation Inc to apply an annual administrative recovery charge equal to 1% on the October 1st balance of the endowed funds.

The long term expected investment earnings from The Winnipeg Foundation is 7.85%. Therefore the endowment funds will grant 4%; pay 1% for Morris administrative expenses; pay up to 0.85% for The Winnipeg Foundation administrative and investment expenses. The remaining 2% is considered the notional inflation protection left in each endowment fund.

The minimum annual amount to be distributed to registered charities shall be the disbursement quota specified by Canada Revenue Agency. The current rate is 3.5% of the average balance of all the Morris Area Foundation funds.

EFFECTIVE DATE: Sept 15, 2015

APPROVED BY BOARD OF DIRECTORS: October 13, 2015

SUBJECT TO REVIEW: Annually



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It is the standard policy of the Morris Area Foundation Inc to apply an annual administrative recovery charge equal to **10%** of the average rate of return on investments for the previous year to each fund for operation expenses. For example: If the annual rate of return on investments for the previous was 3%, the administrative recovery charge would be 10% of 3% ($10\% \times 3\% = 0.3\%$) for the current year.

The minimum annual amount to be distributed to registered charities shall be the disbursement quota specified by Canada Revenue Agency.

The maximum annual amount to be distributed to registered charities shall be the previous years investment earnings less the annual administrative recovery charge

The investment earnings remaining after the distribution to registered charities and application of the annual administrative recovery charge will be added to individual fund balances each year.

EFFECTIVE DATE: April 28, 2015

APPROVED BY BOARD OF DIRECTORS: April 28, 2015

SUBJECT TO REVIEW: April 2016