



## Conner Prairie Foundation Endowment Spending Policy

The objective of the Endowment spending policy is to establish guidelines for annual distributions from the Endowment to support the tax-exempt operations of Conner Prairie. Unless otherwise determined by action of the Board of Directors of the Foundation, those distributions are the only source of Endowment support for both capital expenditures and general operations of the Museum.

It is the policy of the Foundation and of Conner Prairie to maintain an appropriate balance between support of current Conner Prairie programs and preservation of the Endowment's ability to support future Conner Prairie programs in perpetuity. In order to preserve the real value of the Endowment and maintain Financial Equilibrium (as defined below), the average spending rate from the Endowment should not exceed the Endowment's average annual real investment return (adjusted for inflation) over time.

Distributions from the Endowment in any calendar year shall not be greater than 5.5% or less than 4.5% of the average Endowment market value over the trailing 12 quarters ending June 30 of the preceding year. It is expected that distributions will average 5% over time.

For Endowment assets that were either (a) received without restriction on the use of income or (b) assigned by the Board of Directors to the Endowment (i.e., quasi-endowment funds), all earnings over the amount distributed to Conner Prairie in each year are retained by the Endowment. If total returns for a year are less than the distributions for that year, then Endowment assets will be liquidated to meet spending needs.