ACF’s Spending Policy Provides Income... forever

- ACF’s Spending policy works in concert with the foundation’s long term investment strategy
- Definition of income includes interest and dividends as well as market appreciation
- Makes available on an annual basis 5% of the 12-quarter rolling average market value of the main investment pool
- This 5% value represents the amount of a fund’s accumulated income and market appreciation that could be distributed without “harming” the long-term growth potential of the fund
- The 5% value is re-calculated every calendar quarter, then divided by four to determine the quarterly amount of income to be made available for distribution
ACF’s Spending Policy... its all About the Math

Using the three year average market value as the basis for calculating the current spendable income provides a smoothing effect over the near term (daily!) volatility of the stock market:

- This results in a consistent annual income stream
- Provides the ability to accurately estimate future income

How cool is that!

...especially during the organization’s annual budgeting process.
ACF’s Spending Policy... it's all About the Math