



Spending Rule

Fremont Area Community Foundation is able to grant each year from its endowed funds a dollar amount determined by the Community Foundation's spending rule. The spending rule currently allows grant distributions of approximately 4.1% of a rolling 16 quarter average market value of each fund.

The Community Foundation's spending rule is based on the following assumptions:

- That the long-term investment return from the Community Foundation's diversified Investment portfolio will be 7.75%
- That inflation will average 2.5% annually
- That the investment costs and administration costs of the endowment funds will average 1% annually
- That a 4.1% grant spending rate will preserve the inflation-adjusted value of dollars contributed to the endowment fund and will maximize the long-term benefit of the endowment fund for the community