

LEELA FOUNDATION

# ENDOWMENT FUND SPENDING POLICY

ADOPTED BY THE BOARD OF DIRECTORS  
MARCH 8, 2021

## PURPOSE OF POLICY

The purpose of this policy is to set forth the principles and guidelines for spending Leela Foundation's endowment fund(s) to achieve the following goals:

- Provide sustainable critical financial support to Leela Institute of Kathak's programs and activities
- Safeguard the fund(s) for future generations
- Ensure that fund income is as stable and enduring as possible
- Ensure that the original intent of the fund is honored

## SPENDING RATE

An annual distribution from the endowment fund shall be calculated using the following formula: an amount equal to four and a half percent (4.5%) of the endowment's trailing 12 quarter average market value (excluding cash holdings) as of December 31st for the year preceding the distribution. If the fund does not have 12 quarters of history, an average market value will be calculated based on the number of quarters the fund has been in effect.

## DISTRIBUTION

The amount available for distribution for a given fiscal year from the endowment will be made available on a bi-annual basis on January 31st and July 31st of the given fiscal year.

## SUSPENSION OF DISTRIBUTIONS

The Leela Board of Directors shall suspend distributions from the endowment fund if the endowment's fair market value is less than 90% of its historic gift value/principal.

## REVISIONS & AMENDMENTS

Any changes and amendments to this policy must be documented in writing and approved by the Board of Directors.

