



ENDOWMENT FUNDS SPENDING POLICY

The Board of Directors of Gompers Habilitation Center, an Arizona nonprofit organization, recognizes that the establishment and consistent application of a Spending Policy, in conjunction with its Investment Policy, is essential to the long-term growth and success of the organization and the performance of its endowment funds.

Gompers adheres to all legal provisions outlined by the Arizona "Management of Charitable Funds Act" ARS 10-11801 through 10-11806, which was passed to meet standards established by the national Uniform Prudent Management of Institutional Funds Act (UPMIFA).

As defined by ARS 10-11801, Gompers' "Endowment fund means an institutional fund or part of an institutional fund that, under the terms of a gift instrument, is not wholly expendable by the institution on a current basis."

While the State of Arizona and UPMIFA do not require that a specified amount be set aside as principal, Gompers defines "principal" as the full amount of the original gift. Gompers will preserve "principal" by maintaining the purchasing power of amounts contributed and may spend "income" by making a distribution each year using a reasonable spending rate.

Subject to the intent of a donor expressed in a gift instrument, in making the determination to appropriate expenditure of endowment funds, Gompers' Board of Directors will act in good faith, with the care that an ordinarily prudent person in a like position would exercise under similar circumstances, and shall consider, if relevant, the following factors:

- The duration and preservation of the endowment funds;
- The purposes of Gompers and its endowment funds;
- General economic conditions;
- The possible effect of inflation or deflation;
- The expected total return from income and the appreciation of investments;
- Other resources of Gompers; and
- Gompers' Investment policy.

This Spending Policy is intended to establish reasonable and prudent spending, on an annual basis, to support Gompers' mission and purpose and may be amended from time to time as the Board of Directors deems appropriate.

The Spending Policy will be effective immediately and communicated to our donors, advisors and other fund representatives via direct correspondence and posting on our Website.