

Georgia Baptist Foundation, Inc.
INCOME SPENDING POLICY

Subject to the intent of a donor expressed in the gift instrument or to any express written agreement between a donor and the Georgia Baptist Foundation, the Foundation may appropriate for expenditure or accumulate assets of an endowment fund as it determines shall be prudent for the uses, benefits, purposes, and duration for which the endowment fund is established. Unless stated otherwise in the gift instrument, the assets in an endowment fund shall be donor restricted assets until appropriated for expenditure by the institution. In making a determination to appropriate or accumulate assets, the Foundation shall 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:

- (1) The duration and preservation of the endowment fund;
- (2) The purposes of the institution and the endowment fund;
- (3) General economic conditions;
- (4) The possible effect of inflation or deflation;
- (5) The expected total return from income and the appreciation of investments;
- (6) Other resources of the institution; and
- (7) The Georgia Baptist Foundation's Investment Policy

The goal of the Income Spending Policy is to provide a disciplined and reasoned approach to moving money from the General Endowment Pool on a predictable and consistent basis. The Income Spending Policy aims to preserve intergenerational equity by preserving the real (inflation adjusted) purchasing power of the endowment.

It is the policy of the Trustees of the Georgia Baptist Foundation that endowment spending shall be paid at a rate of approximately 5% of the market value of the General Endowment Pool as of January 1 of any given year. Further, it is the policy of the Foundation to increase the dollar amount of spending rate paid per unit of Pool participation by 3.5% each year unless the resulting dollar amount is more than 6% or less than 4% of the applicable market value. In either of these cases, the higher or lower percentage will apply.