

## **Diocese of Marquette Spending Policy for all Endowment Funds\***

The Diocese of Marquette maintains multiple endowment funds. The Diocese of Marquette Spending Committee recommends that endowments use a five-year weighted average of the fund to determine the balance against which the annual spending percentage is applied. Before making recommendations regarding the annual spending percentage, the Spending Committee shall at a minimum consider the following factors:

- The duration and preservation of the endowment fund.
- The purposes of the institution and the endowment fund.
- General economic conditions.
- The possible effect of inflation or deflation.
- The expected total return from income and the appreciation of investments.
- Other resources of the institution.
- The investment policy of the institution.

The Spending Committee presents its recommendation to the Diocesan Finance Council for its review and approval at its first scheduled meeting of the calendar year regarding the amounts to spend in the next fiscal year.

The Spending Committee acknowledges that experts consider it imprudent for an endowment fund's annual spending to exceed 7% of fair market value of the fund.

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*\*Reviewed January 9, 2025*