

THE GAR FOUNDATION

POLICY GOVERNING GRANTS FOR ENDOWMENT

Funds awarded by the GAR Foundation for endowment are subject to all of the following conditions:

1. The grantee may spend the funds and returns on the funds only to the extent authorized in paragraph four below and only for the purpose or purposes identified in the letter notifying the grantee that funds have been awarded.
2. The grantee may make no disbursements from a GAR Endowment until four (4) complete quarters of its fiscal year have elapsed since the endowment's establishment. As used herein, a "GAR Endowment" means all endowment funds awarded by GAR that have been designated for the same purpose together with all income and gains resulting from investment of those funds. A GAR Endowment is established on the day GAR awards its first grant to that endowment.
3. In the case of a GAR Endowment that has been in existence for at least four (4) but fewer than twelve (12) quarters, the grantee may spend annually up to 5% of the endowment's average market value at the close of the fiscal year or years ending since its establishment.
4. In the case of a GAR Endowment that has been in existence for twelve (12) quarters or more, the grantee may spend annually up to 5% of the endowment's average market value at the close of its last three (3) fiscal years. Under no circumstances may the grantee spend in excess of this cap. The spending provisions of the Uniform Prudent Management of Institutional Funds Act ("UPMIFA") as codified at Ohio Revised Code section 1715.53 do not apply to this or any GAR Endowment.
5. In calculating average fair market value of a GAR Endowment, the grantee should include not only the value of the endowment's principal as adjusted by gains and losses, but also the value of all income earned by the endowment, including interest and dividends less distributions paid under this policy.
6. The grantee shall furnish annually to the GAR Foundation a certification of its compliance with the above spending limitations, which includes a statement of the amount disbursed from each GAR Endowment in the preceding fiscal year and the endowment's fair market value at the end of that year. To the extent permissible by Ohio law, the restrictions on this GAR Endowment may not be modified in accordance with Ohio Revised Code section 1715.55.

Adopted: February 11, 1998

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