



People who Care. Causes that Matter.

NCCF Community Distribution Policy

Approved by the NCCF Board of Directors on March 31, 2023

NCCF GGP Allocation Policy approved by the NCCF Board of Directors on June 24, 2025

Introduction

Since 1969, our Foundation has been privileged to serve as the financial steward of philanthropic assets entrusted to it by its generous and devoted community of donors and fundholders.

The Foundation Board of Directors has charged the Investment Committee with the responsibility of managing the investment of these assets. The Committee, in turn, has developed two Policies to guide this process:

- the **NCCF Asset Stewardship Policy**

to inform how the Foundation invests, nurtures and grows its investments; and

- the **NCCF Community Distribution Policy**

to set forth the parameters the Foundation uses to manage the investment of proceeds into the communities entrusted to its care.

All Foundation investments – and any amendments or alterations to these policies – shall be carried out in a manner which is consistent with the overall guidelines and objectives of the Foundation as recommended by the Foundation Investment Committee and approved by the Foundation Board.

Furthermore, all Foundation investment policies and procedures will be guided at all times by the Uniform Prudent Management of Institutional Funds Act and the Uniform Prudent Investors Act, components of Connecticut law.

The Foundation understands and accepts its role in Northwest Connecticut as a vehicle for the citizens and organizations of its region to fulfill their charitable objectives. Accordingly, the Foundation operates within established guidelines – as set forth in this Community Distribution Policy – on the level of investment proceeds it is able to infuse into the community each year.

The annual Community Distribution Budget (Grants, Scholarships and Administrative Assessment) will be determined each year, generally at a target rate of 5.00% – informed by a suggested maximum rate of 5.75% and a minimum rate of 4.25% – of the fair market value (computed with a



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three-year rolling average of the quarterly market value*) of the assets of each individual fund managed within the Foundation ending December 31st of the previous year. The Foundation Administrative Fee, as directed and approved by the Board of Directors, comprises a portion of these distributions and will be charged to funds from the date the fund is established as set forth in the Administrative Assessment Schedule in effect at that time.

While distributions may be drawn from both ordinary earned income (i.e., interest, dividends rents, royalties, etc.) and principal, including appreciation – both earned and unearned – the Asset Stewardship and Community Distribution Policies have as their overriding goal the preservation of principal over time.

In instances where an endowed fund has dropped below its historic gift level (defined as the dollar value of the original gift plus the dollar value of any additional gifts into the fund), the Community Distribution rate for the following year will be evaluated by the Board of Directors on a case-by-case basis with distributions curtailed until investment returns remedy such restriction.

Accordingly, the Board may elect to reduce 4.25% Community Distribution Floor in instances when such a rate would take a fund below its historic gift value.

** Recommended grant allowances are computed with a 3-year rolling average of the 12/31 market value. Gifts that arrive at the Foundation on any day within a calendar quarter will be considered as having resided at the Foundation for the entire quarter. Unless otherwise approved by the Gift Acceptance Committee, granting is not permitted for any endowed fund until it has been at the Foundation through the end of its initial calendar year. Pass-through and donor-advised funds are exempt from this restriction. This Community Distribution Policy may be amended from time to time by the Investment Committee but is always reviewed and re-approved by the Board of Directors annually.*