SPENDING POLICY ADDENDUM

1. Available Endowment Funds. In addition to being included in the annual budget, the amount of endowment funds available for scholarships, grant making, charitable, scientific, literary and educational purposes (the Available Endowment Funds) shall be presented to the Board at the time the Board votes to approve scholarship amounts. The Board shall vote at that same meeting on how to allocate the pro rata share associated with the Cronin Endowment (the Available Cronin Endowment Funds, see example in paragraph 2 below). The Available Cronin Endowment Funds may be allocated to scholarships, Community Needs Grants or to other charitable, scientific, literary or educational purposes. The election of the Board as to the Available Cronin Endowment Funds shall be reflected in the minutes of the meeting.
2. Pro Rata Share of Available Endowment Funds. For clarification, the calculation of the pro rata share associated with the Cronin Fund and the Bowen Fund shall be calculated based on the principal balance of each fund in relation to the principal balance of the entire fund as of June 30th of the prior fiscal year. *For example*: If on June 30, 2016, the Cronin Fund had a principal balance of $176,000 and the Bowen Fund had a principal balance of $224,000, the Cronin Fund pro rata share for 2016-2017 would be $176,000/$400,000 or 44%. If the Available Endowment Funds budgeted for 2016- 2017 were $12,000, then the Available Cronin Endowment Funds would be 44% of $12,000 or $5,280 for 2016-2017.
3. Unspent Endowment Earnings. To the extent the Endowment fund includes unspent earnings, which were previously designated as Available Endowment Funds but were never claimed or were otherwise unspent (Unspent Endowment Earnings), the Board may elect to draw on said Unspent Endowment Earnings. If the Board elects to draw on the Unspent Endowment Earnings, the Board may elect to draw up to 25% of the amount that is equal to the Cronin Fund pro rata share of the Available Endowment Funds as calculated for the year in which the draw is to be made. The Cronin Fund pro rata share shall be the percentage the principal balance of the Cronin Endowment represents of the total principal balance of the Endowment fund. The intent of using this pro rata share calculation is to insure that only the Cronin portion of the Unspent Endowment Earnings is used for anything other than scholarships. *Building on the above example*: If the Cronin pro rata share was 44% for 2016-2017 and the Available Endowment Funds for 2016-2017 were budgeted as $12,000, making the Available Cronin Endowment Funds $5,280 for 2016-2017, then the Board could elect to draw up to 25% of $5,280, or $1,320 of the Unspent Endowment Earnings.

Undated