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## 1605 SPENDING RULE

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Subject: Investments  
Effective: December 1986  
Revised: March 2011  
Last Reviewed: April 2017  
Resp. Office: Budget and Management Analysis  
Approval: Trustees

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### PURPOSE

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The University's endowment spending rate policy balances the objective of maximizing budgetary support to endowed programs while ensuring that the purchasing power of the endowment is protected against inflation. The actual payout in any given year is determined by a formula designed to smooth the impact of short-term market moves on endowment payout.

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### POLICY

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The Office of Budget and Management Analysis, in consultation with the Budget Steering Committee, is responsible for recommending the annual effective payout rates on financial aid endowments and non-aid endowments to the Trustees' Committee on Budget and Finance.

1. All endowment funds will be subject to the spending rule policy unless stipulated by the donor.