



A Word on Payout

Any trustee of any type of charitable foundation has an inherent duty to use good judgment and prudence in managing the foundation's assets. In California, the basic guidelines for investment management in the non-profit sector are found in the Unified Prudent Management of Institutional Funds Act (UPMIFA). These guidelines allow managers of charitable assets to take a total return approach to investing, which means that in deciding how much to distribute in grants (or "payout"), they can and should consider current income needs, the importance of preserving and building principal, and the long-term effects of inflation. The Board of the Community Foundation adopts an annual payout for all of our permanent endowment funds with that philosophy in mind and with an awareness of the long-term performance averages for stocks, bonds, and other investment instruments.