

## **Board of Trustees – Green Space Perpetual Care Trust: Funding Designation Policy**

### **Purpose:**

This policy establishes the process for the Green Space Perpetual Care Trust Board of Trustees (the Board) to designate a portion of the Green Space Perpetual Care Trust (the Trust) fund balance as Designated Funds.

The intention of the Designated Funds is for those funds to remain within the Trust to generate additional earnings, in order to keep pace with inflation and to be able to support long-term Green Space operations, maintenance, and stewardship activities in perpetuity.

### **Designated Funds:**

- **Definition:** Designated Funds are a portion of the Trust's fund balance which are earmarked for long-term investment, similar to principal, but with greater flexibility.
- **Goal:** The goal of Designated Funds is to provide a stable source of investment income to support Green Space operations, maintenance, and stewardship activities, while still allowing for adjustments and flexibility as determined by the Board.

### **Designation Process:**

1. **Annual Review:** The Board will conduct an annual review of current and future Green Space operations, maintenance, and stewardship expenditures; projected inflation rates; and the Trust's investment performance.
2. **Funding Needs Assessment:** Based on the Annual Review, the Board will assess the funding needed to support current and future Green Space operations, maintenance, and stewardship expenditures.
3. **Designation of Funds:** The Board will have the option to designate a portion of the total Trust Fund Balance as Designated, based upon the Funding Needs Assessment and the Trust's investment strategy.
  - **Target Designation:** The annual Designation of Funds, which considers both the Trust's Principal Fund Balance plus Designated Fund Balance, shall target a total amount of funding assuming a 5.0% return upon that total amount of funding is equivalent to the upcoming year of the annual Green Space operations, maintenance, and stewardship expenditures.
4. **Flexibility:** The Board retains the flexibility to adjust the level of Designated Funds on an annual basis, or as needed in response to changing circumstances.

### **Use of Designated Funds:**

- **Investment:** Designated Funds will be invested in accordance with the Trust's Investment Policy, with the goal of generating a stable and sustainable income stream.
- **Expenditures:** The earnings generated from Designated Funds shall be used to support long-term Green Space operations, maintenance, and stewardship expenditures in perpetuity.
- **Principal Protection:** The principal of the Green Space Perpetual Care Fund, including Designated Funds, will be protected and preserved to the fullest extent possible.

### **Reporting:**

The amount of Designated Funds will be reported on a quarterly basis as part of the Board's quarterly financial reporting process.

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**Review and Modification:**

This policy shall be reviewed and modified as needed by the Board on an annual basis to ensure its continued effectiveness and alignment with the Trust's goals and objectives.