

5 Important Considerations for Nonprofit Endowment Management

5 IMPORTANT CONSIDERATIONS FOR NONPROFIT ENDOWMENT MANAGEMENT

If you're looking for dependencies, one critical resource for your nonprofits, look no further than endowments. Endowments diversify risk and ensure you spend your annual fundraising money wisely, properly manage spend, can earn 50% returns—typically half of what you'd earn on bonds or annual investments and still be green for endowment for the future.

When choosing endowments, use the same criteria of asset allocation, diversification and risk/reward, and then invest in the future. It's important to understand that endowments are not just a source of income, they are a source of capital. They can be used to fund a program, investment, or other activity. They can also be used to fund a program, investment, or other activity. They can also be used to fund a program, investment, or other activity.

1 **Stable** In an AccuFund survey of 20 nonprofits, 94% of endowments were over \$1 million. 10% were over \$10 million, 41% were between \$1 million and \$10 million, and 49% were under \$1 million. Because more than 1 billion nonprofits are registered in the U.S., it's not surprising that nonprofits, approximately 4% of nonprofits are looking to diversify, and it's clear that more serious endowments make sense to consider investing in spending funds which make their spending to any organization being a strategic move.

2 **Accounting** For those nonprofits that are currently not using their endowments for accounting, the endowment funds are 20% of the total endowment assets. 40% of nonprofits are using endowment accounting solutions. Depending upon the size of the fund, there are several options for managing endowments and generating statements to meet requirements. Some are to track and report to the endowment. Others are to track and report to the endowment.

3 **Technology** Many nonprofits are using technology to manage their endowments. This includes using software solutions that allow nonprofits to track and report on their endowments. This includes using software solutions that allow nonprofits to track and report on their endowments.

4 **Investment** Many nonprofits are using investment solutions to manage their endowments. This includes using software solutions that allow nonprofits to track and report on their endowments. This includes using software solutions that allow nonprofits to track and report on their endowments.

5 **Reporting** Many nonprofits are using reporting solutions to manage their endowments. This includes using software solutions that allow nonprofits to track and report on their endowments. This includes using software solutions that allow nonprofits to track and report on their endowments.

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Based on the **2015-2016 Endowment Accounting Insights & Analysis Survey***, which sought information central to endowment accounting management, this tip sheet offers 5 areas of consideration when managing current endowments or considering the pursuit of new endowments.

Register to download the Endowment Tip Sheet.

** AccuFund commissioned publisher Nonprofit PRO to survey its readers (nonprofit finance professionals and top organization management) to benchmark the methods used to manage endowment accounting. 272 endowment professionals responded.*