



Spend Policy 101

For nonprofit organizations, the endowment/foundation's ultimate purpose is to support the organization and its activities, accomplished through the annual spend or withdrawal ("the spend") from the endowment to be used as funds for the operating budget. The Spend Policy is the agreed formal policy that governs how much is taken from the endowment and how the amount will be calculated. The Spend Policy is not merely a procedural requirement but a cornerstone of effective endowment management. Beyond being a hallmark of good governance, it is imperative for stewards of capital to grasp the intricacies of the Spend Policy and its impact on the institution's financial health and mission fulfillment. With over three decades of dedicated service to the nonprofit sector, TIFF stands ready to offer expert guidance and collaboration in the development and refinement of your Spend Policy, helping you to secure a sustainable and prosperous future for your organization.

This paper outlines the fundamentals of Spend Policy, equipping any Business Officer or Investment Committee member with the information to discuss and understand this important topic.

1. Spend Policy best practices
2. Various methodologies for calculating the spend
3. Industry level data on average spend rates
4. Operating budget implications

These points are brought to life through higher education industry data from NACUBO FY23 Study of Endowments and real case studies from Ivy League schools.

The materials are being provided for informational purposes only and constitute neither an offer to sell nor a solicitation of an offer to buy securities. These materials also do not constitute an offer or advertisement of TIFF's investment advisory services or investment, legal or tax advice. Opinions expressed herein are those of TIFF and are not a recommendation to buy or sell any securities.

TIFF Investment Management



January 29, 2025

Copyright © 2026 TIFF Advisory Services, LLC. All rights reserved. May not be reproduced or distributed without permission.



Spend Policy 101

For nonprofit organizations, the endowment/foundation's ultimate purpose is to support the organization and its activities, accomplished through the annual spend or withdrawal ("the spend") from the endowment to be used as funds for the operating budget. The Spend Policy is the agreed formal policy that governs how much is taken from the endowment and how the amount will be calculated. The Spend Policy is not merely a procedural requirement but a cornerstone of effective endowment management. Beyond being a hallmark of good governance, it is imperative for stewards of capital to grasp the intricacies of the Spend Policy and its impact on the institution's financial health and mission fulfillment. With over three decades of dedicated service to the nonprofit sector, TIFF stands ready to offer expert guidance and collaboration in the development and refinement of your Spend Policy, helping you to secure a sustainable and prosperous future for your organization.

This paper outlines the fundamentals of Spend Policy, equipping any Business Officer or Investment Committee member with the information to discuss and understand this important topic.

1. Spend Policy best practices
2. Various methodologies for calculating the spend
3. Industry level data on average spend rates
4. Operating budget implications

These points are brought to life through higher education industry data from NACUBO FY23 Study of Endowments and real case studies from Ivy League schools.

The materials are being provided for informational purposes only and constitute neither an

offer to sell nor a solicitation of an offer to buy securities. These materials also do not constitute an offer or advertisement of TIFF's investment advisory services or investment, legal or tax advice. Opinions expressed herein are those of TIFF and are not a recommendation to buy or sell any securities.

TIFF Investment Management



January 29, 2025

Copyright © 2026 TIFF Advisory Services, LLC. All rights reserved. May not be reproduced or distributed without permission.



Spend Policy 101

For nonprofit organizations, the endowment/foundation's ultimate purpose is to support the organization and its activities, accomplished through the annual spend or withdrawal ("the spend") from the endowment to be used as funds for the operating budget. The Spend Policy is the agreed formal policy that governs how much is taken from the endowment and how the amount will be calculated. The Spend Policy is not merely a procedural requirement but a cornerstone of effective endowment management. Beyond being a hallmark of good governance, it is imperative for stewards of capital to grasp the intricacies of the Spend Policy and its impact on the institution's financial health and mission fulfillment. With over three decades of dedicated service to the nonprofit sector, TIFF stands ready to offer expert guidance and collaboration in the development and refinement of your Spend Policy, helping you to secure a sustainable and prosperous future for your organization.

This paper outlines the fundamentals of Spend Policy, equipping any Business Officer or Investment Committee member with the information to discuss and understand this important topic.

1. Spend Policy best practices
2. Various methodologies for calculating the spend
3. Industry level data on average spend rates
4. Operating budget implications

These points are brought to life through higher education industry data from NACUBO FY23 Study of Endowments and real case studies from Ivy League schools.

The materials are being provided for informational purposes only and constitute neither an offer to sell nor a solicitation of an offer to buy securities. These materials also do not constitute an offer or advertisement of TIFF's investment advisory services or investment, legal or tax advice. Opinions expressed herein are those of TIFF and are not a recommendation to buy or sell any securities.

TIFF Investment Management



January 29, 2025

Copyright © 2026 TIFF Advisory Services, LLC. All rights reserved. May not be reproduced or distributed without permission.



Spend Policy 101

For nonprofit organizations, the endowment/foundation's ultimate purpose is to support the organization and its activities, accomplished through the annual spend or withdrawal ("the spend") from the endowment to be used as funds for the operating budget. The Spend Policy is the agreed formal policy that governs how much is taken from the endowment and how the amount will be calculated. The Spend Policy is not merely a procedural requirement but a cornerstone of effective endowment management. Beyond being a hallmark of good governance, it is imperative for stewards of capital to grasp the intricacies of the Spend

Policy and its impact on the institution's financial health and mission fulfillment. With over three decades of dedicated service to the nonprofit sector, TIFF stands ready to offer expert guidance and collaboration in the development and refinement of your Spend Policy, helping you to secure a sustainable and prosperous future for your organization.

This paper outlines the fundamentals of Spend Policy, equipping any Business Officer or Investment Committee member with the information to discuss and understand this important topic.

1. Spend Policy best practices
2. Various methodologies for calculating the spend
3. Industry level data on average spend rates
4. Operating budget implications

These points are brought to life through higher education industry data from NACUBO FY23 Study of Endowments and real case studies from Ivy League schools.

The materials are being provided for informational purposes only and constitute neither an offer to sell nor a solicitation of an offer to buy securities. These materials also do not constitute an offer or advertisement of TIFF's investment advisory services or investment, legal or tax advice. Opinions expressed herein are those of TIFF and are not a recommendation to buy or sell any securities.

TIFF Investment Management



January 29, 2025

Copyright © 2026 TIFF Advisory Services, LLC. All rights reserved. May not be reproduced or distributed without permission.



Spend Policy 101

For nonprofit organizations, the endowment/foundation's ultimate purpose is to support the organization and its activities, accomplished through the annual spend or withdrawal ("the spend") from the endowment to be used as funds for the operating budget. The Spend Policy is the agreed formal policy that governs how much is taken from the endowment and how the amount will be calculated. The Spend Policy is not merely a procedural requirement but a cornerstone of effective endowment management. Beyond being a hallmark of good governance, it is imperative for stewards of capital to grasp the intricacies of the Spend Policy and its impact on the institution's financial health and mission fulfillment. With over three decades of dedicated service to the nonprofit sector, TIFF stands ready to offer expert guidance and collaboration in the development and refinement of your Spend Policy, helping you to secure a sustainable and prosperous future for your organization.

This paper outlines the fundamentals of Spend Policy, equipping any Business Officer or Investment Committee member with the information to discuss and understand this important topic.

1. Spend Policy best practices
2. Various methodologies for calculating the spend
3. Industry level data on average spend rates
4. Operating budget implications

These points are brought to life through higher education industry data from NACUBO FY23 Study of Endowments and real case studies from Ivy League schools.

The materials are being provided for informational purposes only and constitute neither an offer to sell nor a solicitation of an offer to buy securities. These materials also do not constitute an offer or advertisement of TIFF's investment advisory services or investment, legal or tax advice. Opinions expressed herein are those of TIFF and are not a recommendation to buy or sell any securities.

TIFF Investment Management



January 29, 2025

Copyright © 2026 TIFF Advisory Services, LLC. All rights reserved. May not be reproduced or distributed without permission.