

Navigating 2025: Strategies for Nonprofits and Healthcare Organizations



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NAVIGATING UNCERTAINTY

Welcome!



Stacie Cornwell

National Nonprofit & Education Practice Leader

COURSE OVERVIEW

Learning Objectives

- Identify key strategies for operational adaptation and effective revenue diversification to ensure financial sustainability in response to federal funding changes.
- Evaluate organizational capacity, program costs and budget alignment to optimize resource allocation and operational efficiency.
- Apply practical insights from real-world examples and case studies to address unique challenges and improve nonprofit performance in a changing funding landscape.

WELCOME

Today's Presenters



Brenda Kahler
Senior Director
Nonprofit Strategy



Matt Petroski
Partner
Nonprofit Tax



Kate Hultin-Schott
Director
Nonprofit Consulting



Grace Williams
Partner
Nonprofit & Healthcare
Audit & Attest

ARMANINO Firm Overview

Our Promise

Armanino delivers **impactful, bold solutions** that **increase clarity and spark success** for today and tomorrow.

Snapshot

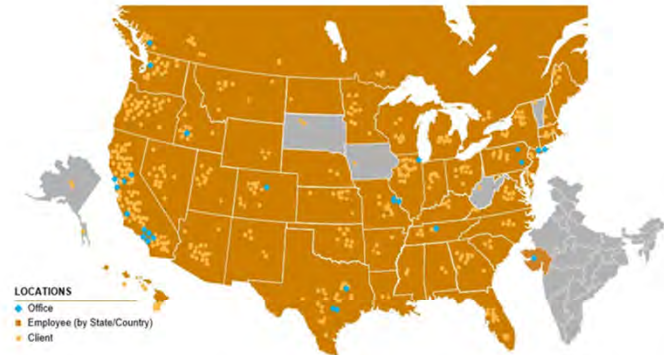
2700+ Employees

Team Members in **45 States**

Armanino is one of **the 20 largest** accounting and business consulting firms in the nation.

Locations

- CALIFORNIA**
San Ramon
San Jose
San Francisco
Los Angeles (2)
Irvine
El Segundo
Woodland Hills
San Luis Obispo
- COLORADO**
Denver
- CANADA**
Vancouver
- IDAHO**
Boise
- TENNESSEE**
Nashville
- INDIA**
Ahmedabad
Hyderabad
- ILLINOIS**
Chicago
- TEXAS**
Austin
Dallas
- PENNSYLVANIA**
Philadelphia
Scranton
- NEW YORK**
New York City
Garden City
- MISSOURI**
St. Louis
St. Charles
- WASHINGTON**
Bellevue



Armanino LLP and Armanino Advisory LLC collective operate in an alternative practice structure under the Armanino brand, providing a unified suite of audit, tax, consulting, and advisory services.

RECOGNITION & AWARDS



EXPLORING NEW AREAS

Agenda



Understanding the Current Funding Landscape



Assessing and Protecting Grants



Engaging Stakeholders and Driving Support



Operational Adaptation and Revenue Diversification

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What are you most concerned about right now?

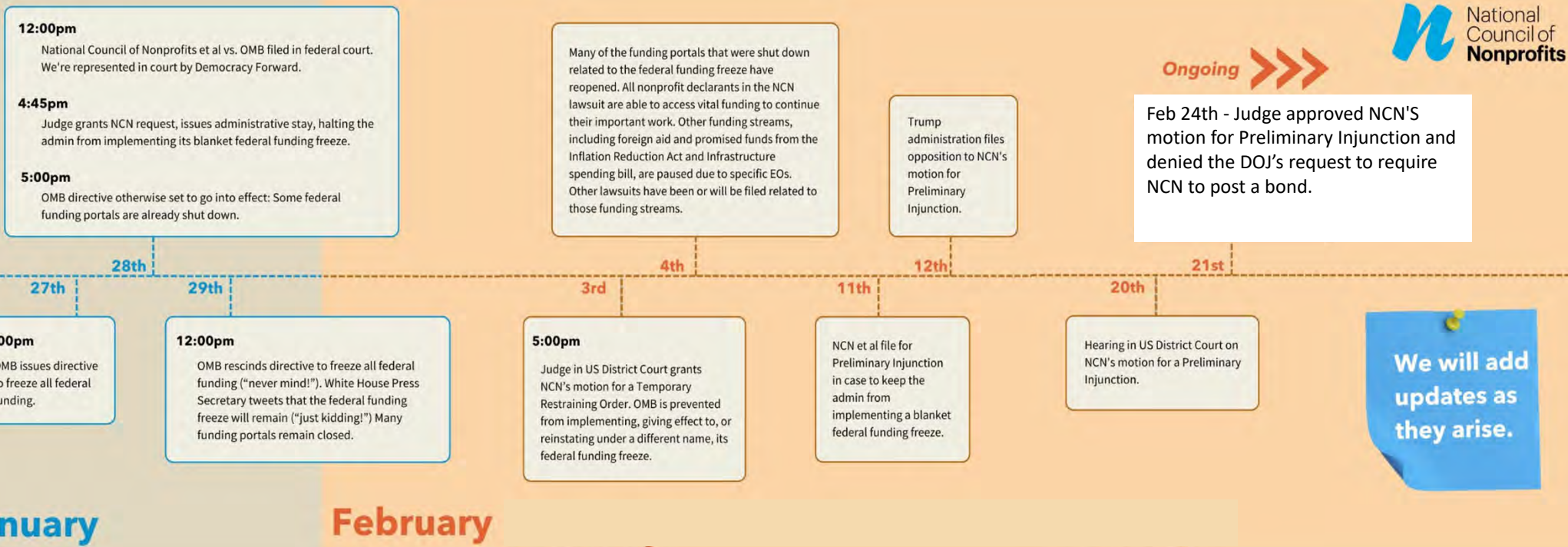
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Understanding the Current Landscape

FUNDING FREEZE UPDATE

Timeline



FUNDING FREEZE UPDATE

...but some good news!

- Supreme Court rulings
- State associations and legislators are proposing bills to help address the current environment

LEADERSHIP MANAGEMENT, DEVELOPMENT

February 28, 2025

Supreme Court Steps Into Trump Administration Battle on USAID Funding Freeze



CURRENT LANDSCAPE

Healthcare

- Proposed Medicaid cuts
- Drug pricing
- Pricing transparency
- Eliminate tax exempt status for hospitals
- Enforcing the Hyde Amendment
- FQHC considerations



CURRENT LANDSCAPE

IRS Update

Currently 100,000 employees
(80,000 before President Biden)



Reductions

- 7,400 probationary employees
- Up to 5,000 employees to accept deferred resignation officer (according to the National Treasury Employees Union)
- 90-day government wide hiring freeze enacted 1/20/2025
- President Trump has indicated there may be a 50% total reduction by year end



Impact

- Audit and customer service significantly impacted
- Technology is old we could see auto-generated notices without an IRS employee to resolve
- Delay, delay, delay

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Assessing and Protecting Grants

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Do you have funding that is being impacted by this currently?

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ASSESSING & PROTECTING GRANTS

What To Do Right Now

Assess existing grants to identify at-risk funding

Review grant reporting, internal controls, and compliance with Uniform Guidance

- Allowable/unallowable
- Don't give anyone reasons to pull your funding
- Requesting draw downs
- Alternative resources
- How do you survive without the funding
- Is your gap temporary or long term?



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Preparing for Liquidity Challenges and Operational Adaptation

Raise the Bridge or Lower the Water



What to Do Now! Actionable Steps

Check and monitor your cash flow and liquidity

Begin to identify the timing of and need for expenditures

Inventory all contracts, along with their associated risks and requirements

Be realistic and active on all elements of cash flow projections and management

Address any external barriers to the use of cash

Address any internal barriers to the use of cash

Measure the risks in existing revenue mix

Refresh all local and field networks

Push funders to increase liquidity, ease transaction requirements, and increase grants

Communicate, communicate, communicate

Adapted from Nonprofit Financial Commons

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Operational Adaptation

Cost Cutting

- Analyze purchasing, defer non-essential purchases
- Review payables, adjust payment terms
- Evaluate facilities and infrastructure, anticipate maintenance schedules
- Reduce or eliminate programs/services
- Modify staffing

Increase Revenue

- Manage money differently
- Increase fees
- Accelerate fundraising
- Expand or add services
- Increase productivity

Modify Structure

- Modify the mission
- Modify the organization structure
- Modify the organization culture

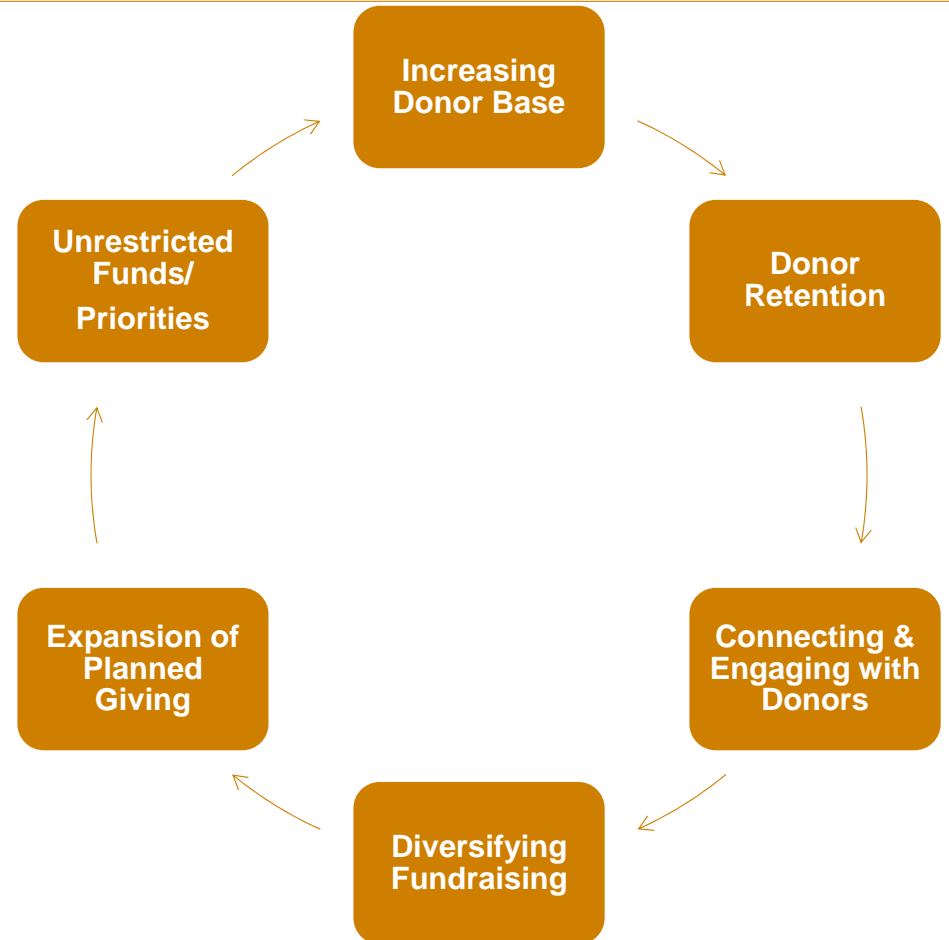
Increase Engagement

- Partner with other nonprofits
- Engage with the community
- Engage your business partners
- Engage with your donors

2024 NONPROFIT SURVEY

Insights From Our Clients

What are you thinking about most when it comes to fundraising?



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Engaging Stakeholders and Driving Support

NONPROFITS AND HEALTHCARE

What to Do Now – Drive Engagement

1. **Effectively communicate your funding challenges to donors and the community**
2. **Create outcomes-focused reporting to highlight program impact**
3. **Mobilize board members, staff, and stakeholders as community ambassadors**
4. **Ask donors to release restrictions on funding, accelerate funding, double down**

Trust-Based Giving

7%

of foundation leaders report that Scott's approach to grantmaking has had "some" or "a lot" of influence on their own, though most say their staff, leadership team, or board has discussed Scott's giving.

- Mackenzie Scott's Large, No-Strings-Attached Gifts are Working, Study Finds
- A three-year analysis by the nonprofit Center for Effective Philanthropy of Scott's unusual strategy of donating large, unrestricted gifts concluded the approach has "helped strengthen nonprofits' financial stability and increased their community impact."
- We know it works – why aren't more foundations doing it?

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Mobilizing

- HR9495 - Not law yet and you CAN lobby on this
- TCJA Extensions
- Elimination of green energy tax credits
- University accountability act (mostly DEI)
- Endowment tax of 14%
- Narrowing definition of a Title 1 school
- 501(c)(4)s
- Industry associations and coalitions

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**Do you have any questions
about topics covered today?**

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Resources

- [Armanino's Regulatory Updates](#)
- [National Council of Nonprofits Chart of Executive Orders Impacting Nonprofits](#)
- [Optimizing Nonprofit's Cash Position With Cash Flow Forecasting | Armanino](#)
- [Nonprofit Fundraising Checklist: Essential Best Practices to Drive Donations Year-Round | Armanino](#)
- [Manage Donor-Restricted Endowments During a Crisis | Armanino](#)

PROSPEAK

February 18, 2025

How Nonprofits Can Protect Financial Stability Amid Federal Funding Changes



Register for Upcoming Webinars



March 26

Supercharging Nonprofits with AI: A Guide to Microsoft's Copilot Adoption
[Register here.](#)



April 17

April Nonprofit Update : Navigating Uncertainty Part 2: Adapting to New Executive Orders and Macroeconomic Trends
[Register here.](#)

Slide 28

BK0 add QR codes so folks can register while on
Brenda Kahler, 2025-03-05T22:42:17.820

Thank You

Connect with us!

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NONPROFIT SERVICES

Do what you do best, let us focus on the rest.
Equipping you with the insights and tools needed to redefine what's possible



COMPLIANCE

- UBIT Tax Planning
- Form 990
- Nonprofit Formation
- Construction Cost Advisory



TRUST

- Financial Audit
- Benefit Plan Audit
- Internal Audit
- Single Audit
- Cybersecurity
- Restructuring
- Revenue Recognition



STRATEGY

- Operational Strategy
- Management Consulting
- Benchmarking
- Business Transformation
- Technology Roadmaps and RFPs



STAFFING

- HR Outsourcing
- Payroll
- Policies and Procedures
- Health and Benefits
- Executive Search
- Interim Placement



TECHNOLOGY

- ERP
- CRM
- FP&A
- Business Intelligence
- Managed Support and Services
- Automation



OUTSOURCING

- Bookkeeping
- Budgeting/Forecasting
- Account Receivable
- Accounts Payable
- Strategic Fundraising Development



OUR PROMISE TO YOU

Reimagine Your Potential



Unconventional Approach

We're a vested, entrepreneurial partner who sees your organization through a 360 lens and finds opportunity at every stage



Comfort in Change

Our experts provide guidance and support while quickly facilitating transformation that gives you a competitive advantage.



Focused on You

Our integrated teams and solutions deliver tailored insights to bring you more value and clarity throughout your journey.

Armanino Operates in an Alternative Practice Structure:

“Armanino” is the brand name under which Armanino LLP, Armanino CPA LLP, and Armanino Advisory LLC, independently owned entities, provide professional services in an alternative practice structure in accordance with law, regulations, and professional standards. Armanino LLP and Armanino CPA LLP are licensed independent CPA firms that provide attest services, and Armanino Advisory LLC and its subsidiary entities provide tax, advisory, and business consulting services. Armanino Advisory LLC and its subsidiary entities are not licensed CPA firms.