



We'll get you there.

CPAs | CONSULTANTS | WEALTH ADVISORS

Do More: Risk Less

2025 Debrief and 2026 Playbook for Nonprofits



The information herein has been provided by CliftonLarsonAllen LLP for general information purposes only. The presentation and related materials, if any, do not implicate any client, advisory, fiduciary, or professional relationship between you and CliftonLarsonAllen LLP and neither CliftonLarsonAllen LLP nor any other person or entity is, in connection with the presentation and/or materials, engaged in rendering auditing, accounting, tax, legal, medical, investment, advisory, consulting, or any other professional service or advice. Neither the presentation nor the materials, if any, should be considered a substitute for your independent investigation and your sound technical business judgment. You or your entity, if applicable, should consult with a professional advisor familiar with your particular factual situation for advice or service concerning any specific matters.

CliftonLarsonAllen LLP is not licensed to practice law, nor does it practice law. The presentation and materials, if any, are for general guidance purposes and not a substitute for compliance obligations. The presentation and/or materials may not be applicable to, or suitable for, your specific circumstances or needs, and may require consultation with counsel, consultants, or advisors if any action is to be contemplated. You should contact your CliftonLarsonAllen LLP or other professional prior to taking any action based upon the information in the presentation or materials provided. CliftonLarsonAllen LLP assumes no obligation to inform you of any changes in laws or other factors that could affect the information contained herein.

Session CPE Requirements

You need to attend 50 minutes to receive the full 1 CPE credit.

There will be 4 polling questions throughout the presentation. You must respond to a minimum of 3 to receive the full 1 CPE credit.

****Both requirements must be met to receive CPE credit****



Agenda

- 2025: Reflections on a year of uncertainty
- 2026 playbook; four key themes
 - Increasing efficiency
 - Compliance that adds value
 - Safeguarding your greatest assets
 - Navigating change with foresight
- Wrap-up



Learning Objectives

Recall key lessons nonprofits learned during 2025

Identify ways to address ongoing challenges and opportunities in 2026

Discuss what changes your organization can make to increase resiliency amid uncertainty



Today's Presenters



Kelsey Vatsaas

Managing Principal of Industry - Nonprofit
kelsey.vatsaas@CLAconnect.com



Josh Dzyak

Partner - CAAS
joshua.dzyak@CLAconnect.com



Joanna Friedman

Principal - Assurance
joanna.friedman@CLAconnect.com



Octavia Gilmore

Principal – Talent Solutions
octavia.gilmore@CLAconnect.com



John Hughes

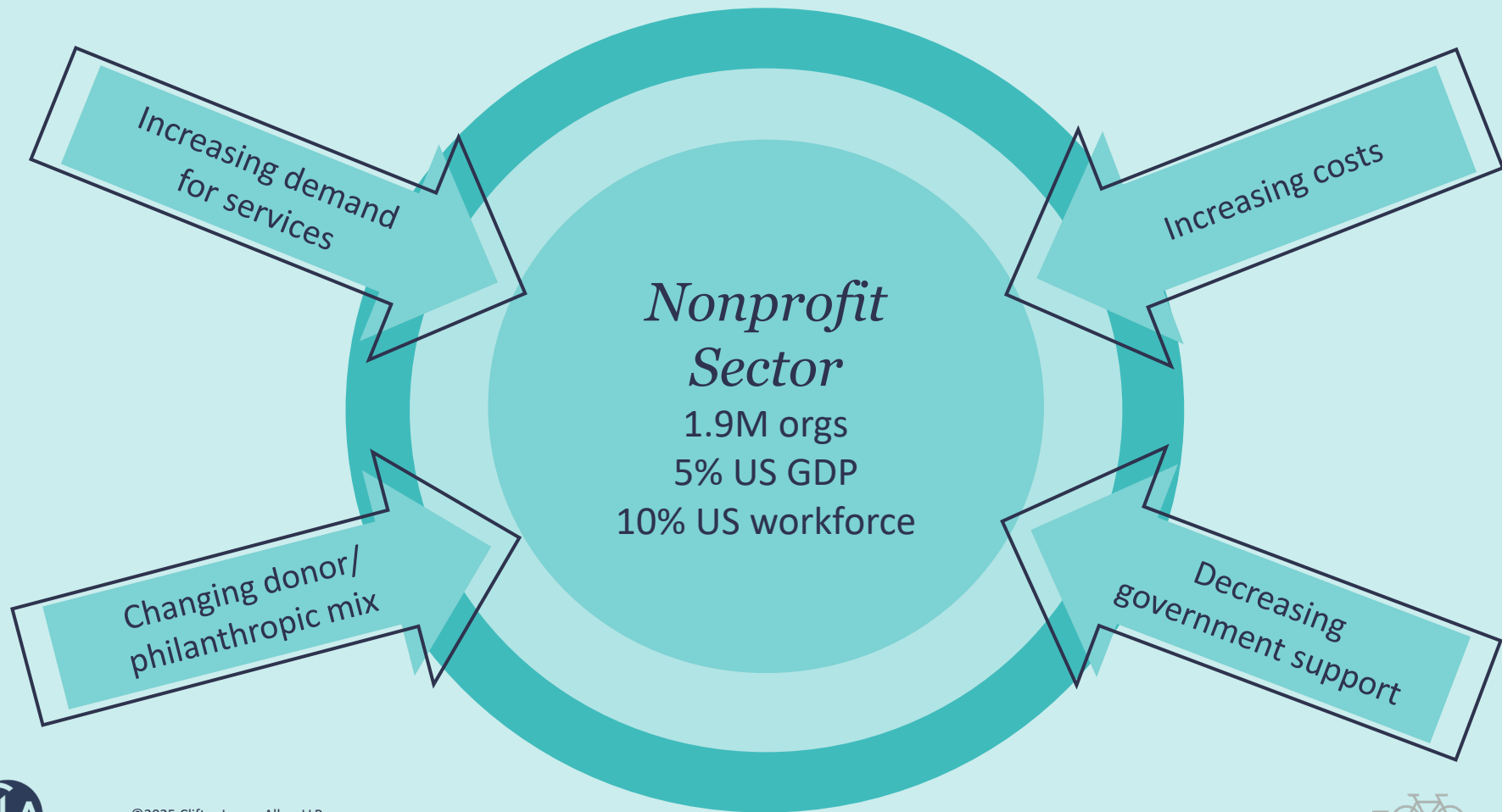
Principal - CAAS
john.hughes@CLAconnect.com





2025 Reflections





Fiscal Cliff

- Non-recurring sources of funding during/post-Pandemic including:
 - CARES Act
 - ARPA
 - PPP
 - ERC
 - Emergency Rental Assistance
 - Provider Relief Fund
- Covid-era funds concluding late 2024
- In 2025, 36% of nonprofits ended their most recent fiscal year in a deficit
- 80% of nonprofits have <6 months cash on hand; with 32% having <3 months



Federal Impacts on the Sector

- Over 220 executive orders issued with over 550 lawsuits pending on federal courts challenging executive actions
- Department of Government Efficiency efforts to freeze, cut, or eliminate funding and restructure federal agencies



H.R. 1 - Key Nonprofit Impacts

1.

Charitable giving

- \$1-2k deduction for non-itemizers
- Floors for itemizers and corporate donations
- Scholarship granting organization tax credits



2.

Employee and contractor

- No tax on overtime
- No tax on tips
- 1099 reporting threshold increase from \$600 to \$2,000



3.

Medicaid and SNAP reforms

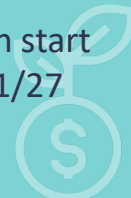
- Medicaid cuts and tighter eligibility requirements; will work through states
- SNAP costs transferred to states; work requirements



4.

Green energy credits

- Phase outs:
- Commercial clean vehicles – 9/30/25
- Refueling – 6/30/26
- Wind/solar – depends on start date; 12/31/27 at latest



5.

Excise tax expansion

- 21% excise tax on employees >\$1M expanded to all employees and former employees (versus just top five). Limited application to most nonprofits

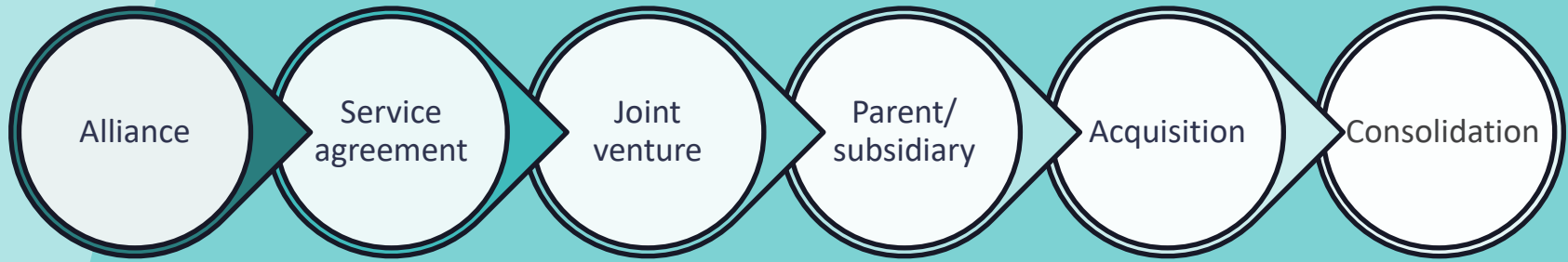


Donor Advised Funds (DAF)

- Over 3.5M DAF accounts in 2024 with assets of \$326.4B
- \$89.6B contributed to DAFs in 2024 (after 2023 drop); 2025 anticipates spike to DAFs given OBBBA changes
- Impacts on nonprofits include:
 - Fundraising approach shifts
 - Accounting implications, particularly re: pledges
 - Operational adjustments



Collaboration and Creative Strategies





Polling Question #1

What word best reflects your organization in 2025?

- Expansion
- Retraction
- Uncertainty





2026 Playbook

Four Key Themes



2026 Playbook: Four Key Themes

Nonprofits are asking for:

Support increasing efficiency

Compliance that adds value

Help safeguarding their greatest assets

Advice to navigate change with foresight



Increasing Efficiency

Minimizing Inputs to Maximize Impact



Efficiency → Impact

Trends we saw in 2025 and expect in 2026

- Accounting systems selection and integration
- AI piloting and increased adoption for automation
- Increased outsourcing of non-core functions for flexibility and cost-savings
- Return to office.... or not?
- Re-visioning administrative team structures as baby boomers retire
- Quick hit technology upgrades vs. full overhauls
- Long range strategic planning/multi-year budgeting



Nonprofit Efficiency Trends

Out with functional expense ratios as the sole measure of “efficiency”

“Efficiency isn’t about doing more with less. It’s about investing in people and systems, forging partnerships to reduce duplication and being boldly honest with funders about the cost of business. When mission drives choices, every dollar builds organizational resilience and deepens impact.”

- Patricia McIlreavy, Center for Disaster Philanthropy

Source: [How Nonprofits Can Increase Efficiency Without Raising Operating Costs](#)
(Forbes; Published September 22, 2025)



Nonprofit Efficiency Trends

In with investment in people and technology platforms to reduce manual efforts, connect systems, and make data-informed decisions.



CLA Efficiency Thought Leadership

- Webinars:
 - March – Make Your Data Work for You
 - August – Don't Let your Data Manage You
- Roundtable (select locations):
 - From silos to synergy: integrating your accounting systems
- Blogs and articles covering efficient accounting practices, data and systems, AI applications, and more





Polling Question #2

How efficient is your organization's accounting tech stack?

- Well-oiled machine
- Needs a few tweaks
- Considering an overhaul
- In desperate need of an overhaul



Compliance that Adds Value

(Not Just Checks a Box)



Compliance That Adds Value

Compliance is more than meeting regulatory requirements—it's about creating strategic benefits:

- Build trust with stakeholders
- Enhances organizational resilience
- Support efficiency while managing risk
- Strengthen governance



Trends in Compliance

- Increased scrutiny from funders (government and otherwise)
- Moving target of firms consistently serving nonprofits
- Pressures on due diligence; even when it is not required



Compliance That Adds Value

What added value should you look for:

- Education on best practices for management
- A connected and integrated service team
- Making the 990 relatable
- Board education through our relationship with BoardSource:
 - [Purpose-Driven Leadership | 4 Principles For Nonprofit Boards](#)
 - [Centering Purpose in Times of Change: A Guide for Purpose-Driven Boards - BoardSource](#)



CLA Compliance Thought Leadership

- Webinars:
 - Feb 3, 2026 – 1-2PM Central – [Audit and Tax Update for Nonprofits](#)
 - July – Beyond Compliance: Board Governance
- Roundtable (select locations):
 - Nonprofit Revenue Recognition
- Blogs and articles covering technical accounting and tax topics for nonprofits, board governance, and more



Safeguarding Your Greatest Assets



People, Systems, and Finances

- Empower and protect your people
- Sustain financial health and strengthen governance
- Secure and optimize systems and build organizational resilience



Your People

- Mission-aligned training
- Experiential learning strategies
- Transparency and trust
- Community impact culture



Governance and Financial Health

- Invest in fundraising teams
- Diversify funding sources
- Enhance board governance
- Implement internal controls



Optimization and Organizational Resilience

- Cybersecurity, innovation and flexibility
- Continuous improvement and mission-focused maintenance
- Ethical technology adoption storytelling

CLA Safeguarding Your Assets Thought Leadership

- Webinars:
 - April: Inside the Cybersecurity Frontlines
 - September: Building Tomorrow's Leaders: A Succession Strategy
- Roundtable (select locations):
 - AI's Impact on Finance, Digital, and Talent
- Blogs and articles covering cybersecurity, succession planning, recruitment, pay, and benefits trends, and more.





Polling Question #3

Which of your organization's assets are you most concerned about protecting in 2026?

- People
- Data
- Financial health



Navigating Change with Foresight



“The only constant in life is change.”
— Heraclitus



“The greatest danger in times of turbulence is not the turbulence; it is to act with yesterday’s logic.”

— Peter Drucker



Navigating Change with Foresight

Key to changing well = How we adapt and respond

- Planning
- Execute
- Evaluate
- Adapt
- Move Forward



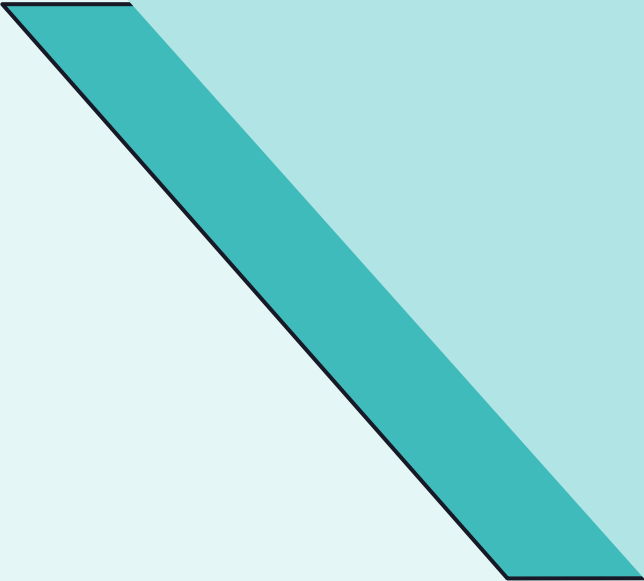
Navigating Change with Foresight

Changes nonprofits are experiencing:

- Shifts in demand for services
- Donor giving preferences
- Government funding
- Technology and AI adoption/disruption



Navigating Change with Foresight



	Internal	External
Reactive Strategic		



Common Nonprofit Strategies in 2026

- Abandoning the 3- or 5-year strategic plan cadence
- Adoption of long-range plans or frameworks with tactical short-term/flexible scenarios
- Increased strategic alignment/M&A evaluations
- Analysis of what is needed and who is best fit to meet need
- Robust financial modeling to support ever-changing scenarios



CLA Strategy and Planning Thought Leadership

- Webinars:
 - May: Staying Ready Instead of Getting Ready – Long-Range Planning
 - October: Beyond the Budget: Using Variances to Tell Your Story
- Roundtable (select locations):
 - Governance as a Rudder: How Boards Guide Organizations Through Change
- Blogs and articles covering financial modeling, mergers and acquisition, strategy, planning, and public policy impacting nonprofits





Q&A



Polling Question #4

I would like CLA to
contact me about:

- Increasing efficiency
- Compliance (audit and tax)
- Safeguarding assets
- Planning with foresight
- Nothing at this time



2026 Nonprofit Webinar Calendar

	Feb	Mar	Apr	May	June
Date and Topic	2/3: Nonprofit Tax + Audit Update	Make your Data Work for You	Inside the Cyber Security Frontlines	Staying Ready Instead of Getting Ready: Long-Range Planning	TBD – Timely Topic

	July	Aug	Sept	Oct	Nov
Date and Topic	Beyond Compliance: Board Governance	Don't Let Your Data Manage You	Building Tomorrow's Leaders: A Succession Strategy	Beyond the Budget: Using Variances To Tell Your Story	TBD - Timely Topic



2026 In-Person, CLA-Hosted Roundtables and Conferences

- Arizona
- California
- Colorado
- Connecticut
- Florida
- Georgia
- Illinois
- Indiana
- Iowa
- Massachusetts
- Minnesota
- Missouri
- Nevada
- New Jersey
- New Mexico
- New York
- North Carolina
- Ohio
- Pennsylvania
- Tennessee
- Texas
- Washington
- Washington, D.C.
- Wisconsin



Thank you!

Kelsey Vatsaas

Managing Principal of Industry - Nonprofit
kelsey.vatsaas@CLAconnect.com

Octavia Gilmore

Principal – Talent Solutions
octavia.gilmore@CLAconnect.com

Josh Dzyak

Partner - CAAS
joshua.dzyak@CLAconnect.com

John Hughes

Principal - CAAS
john.hughes@CLAconnect.com

Joanna Friedman

Principal - Assurance
joanna.friedman@CLAconnect.com



CLAconnect.com



CPAs | CONSULTANTS | WEALTH ADVISORS

©2025 CliftonLarsonAllen LLP. CLA (CliftonLarsonAllen LLP) is an independent network member of CLA Global. See [CLAglobal.com/disclaimer](https://claglobal.com/disclaimer).
Investment advisory services are offered through CliftonLarsonAllen Wealth Advisors, LLC, an SEC-registered investment advisor.