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Nonprofit State of the Union

Meet Today's Presenters

Amy Boland, CPA
Vice President, Partner and Director, Audit & Assurance

Melissa Musser, CPA, CIA, CITP, CISA
Partner and Director, Risk & Advisory Services

Mac Lillard, CPA/ABV/CITP, CIA, CFE, CISA/CRISC
Senior Manager, Risk & Advisory Services

Alex McNeill, MBA, PMP
Expert Advisor

Leslie Zeid, CPA, MBA
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Mark Tessar, CPA, CIA
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Leo Gutierrez
Manager, Accounting Technology Services

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Partner, Nonprofit Tax

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John Pace, CPA
Partner and Director, Outsourced Accounting & Advisory Services

Maya Ajmera
President & CEO, Society for Science

Housekeeping

Additional Information

Learning Objective To provide attendees with an overview of nonprofit best practices for 2026.	**Instructional Delivery Methods** Group Internet-based
Recommended CPE 2 CPE Credits	**Recommended Fields of Study** Specialized Knowledge
Prerequisites None required	**Advance Preparation** None
Program Level Basic	**Course Registration Requirements** None
Refund Policy No fee is required to participate in this session.	**Cancellation Policy** In the event that the presentation is cancelled or rescheduled, participants will be contacted immediately with details.

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About GRF CPAs & Advisors

Advancing

TALENT, CLIENTS and COMMUNITIES

Proudly independently owned and operated

200+	35	1,600+	1,000+
Staff	Partners and Principals	Nonprofit Clients	Audits Performed Annually

INSIDE public accounting BEST OF THE BEST FIRMS 2025

accountingTODAY 2025 Best Firms to Work For

accountingTODAY 2025 Regional Leaders

INSIDE public accounting TOP 200 FIRMS 2025

accountingTODAY 2025 Firms to Watch

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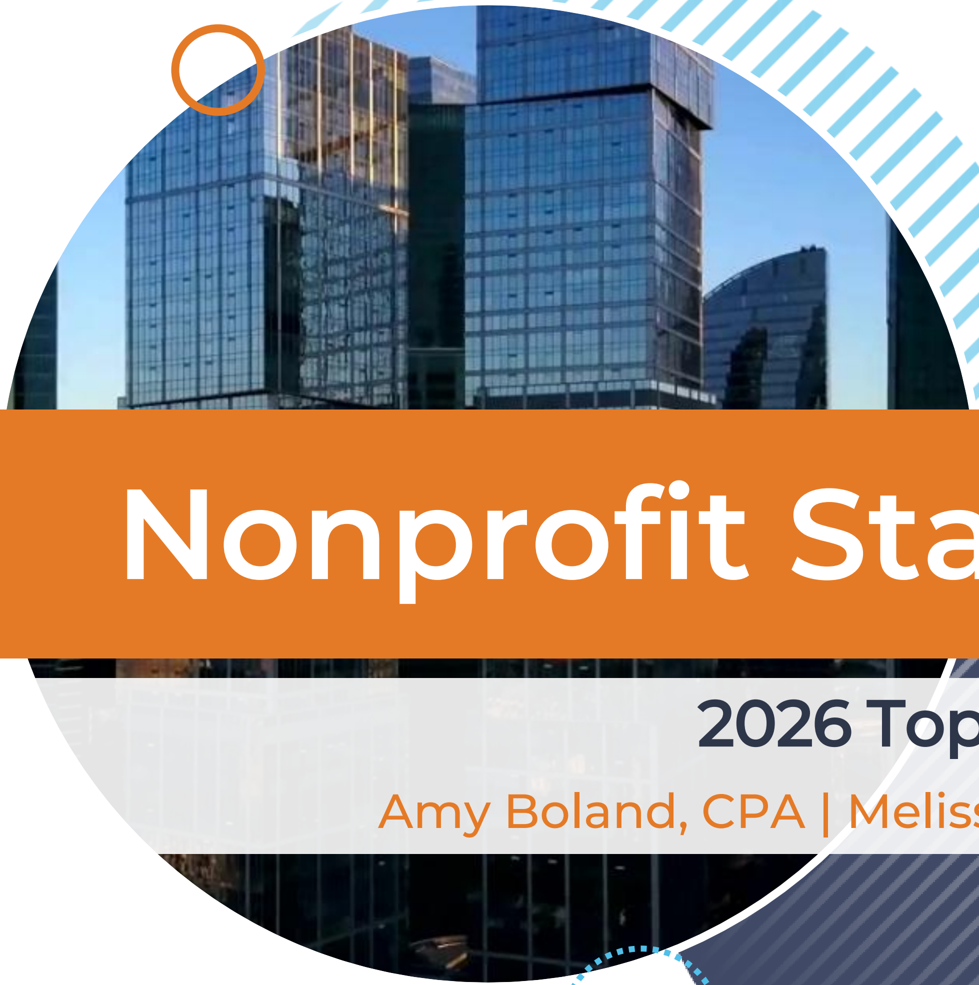
Time	Session
11:00 – 11:15 am	**Welcome / Introduction** *Amy Boland and Melissa Musser*
11:15 – 11:35 am	**Governance, Compliance, and Risk Readiness** *Mac Lillard and Alex McNeill*
11:35 – 11:55 am	**Financial Resilience in an Unpredictable Economy** *Leslie Zeid and Mark Tessar*
11:55 am – 12:15 pm	**Technology and Transformation** *Heather Broberg and Leo Gutierrez*
12:15 – 12:35 pm	**Sustaining Impact and Donor Confidence** *Dick Locastro and Lisa Heller*
12:35 – 12:55 pm	**Fireside Chat: Talent, Culture, and Leadership Resilience** *Maya Ajmera, John Pace, and Lisa Heller*
12:55 – 1:00 pm	**Q&A**



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2026 Top Risks Report

Amy Boland, CPA | Melissa Musser, CPA, CIA, CITP, CISA

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Governance, Compliance and Risk Readiness

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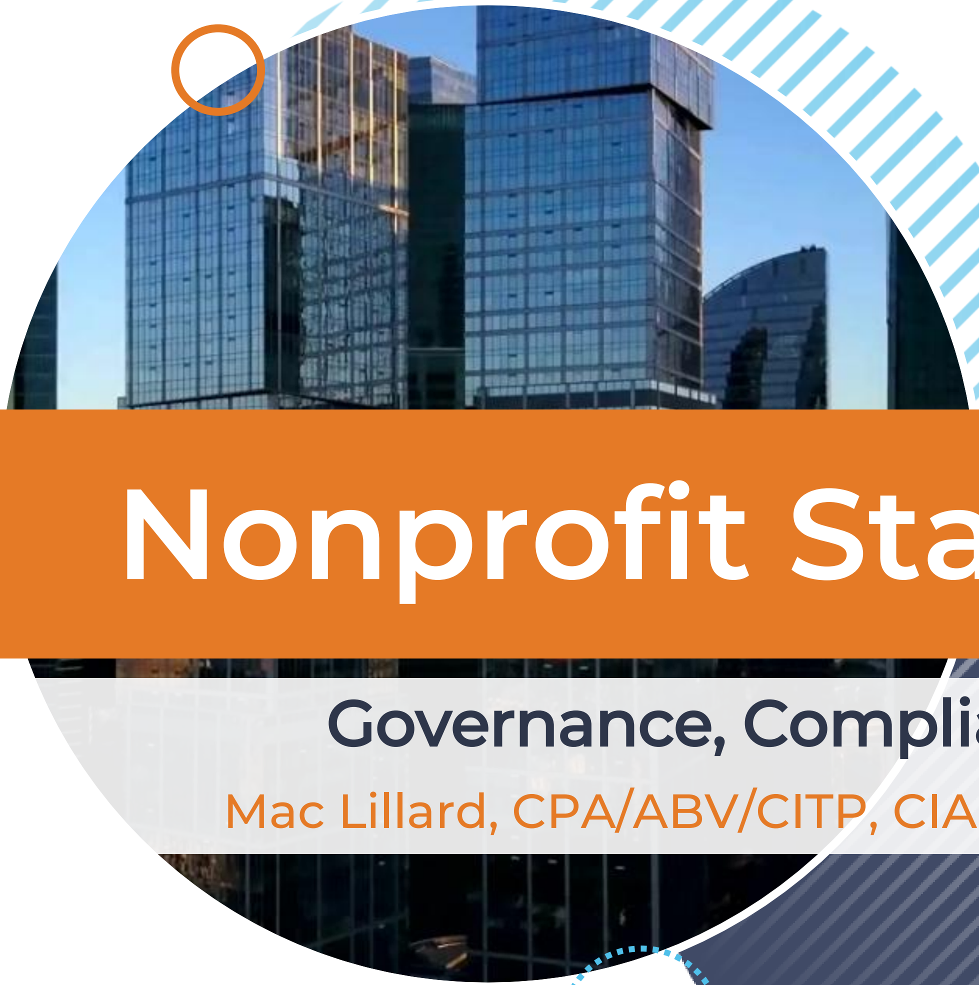
Melissa Musser, CPA, CIA, CITP, CISA

Partner and Director, Risk & Advisory Services



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Governance, Compliance, and Risk Readiness

Mac Lillard, CPA/ABV/CITP, CIA, CFE, CISA/CRISC | Alex McNeill, PMP

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Meet Today's Presenters
Governance, Compliance and Risk Readiness

Mac Lillard

Principal, Risk & Advisory Services

Alex McNeill

ERM Expert, Risk & Advisory Services

Governance is About Anticipation, not Reaction

Organizations are facing strategic drift as **mission**, **funding models**, and **operating realities** quietly diverge.

Governance is About Anticipation, not Reaction

Governance gaps often appear during:

- Rapid growth or contraction
- Role centralization vs decentralization
- Executive mgmt. and Board turnover
- New revenue models (compliance requirements, risk-return dynamics)

Identifying Strategy Drift

Nonprofits & NGO’s

- Misaligned program expansion prioritizing donor requirements > strategy
- External shocks causing donor-driven priority shifts
- Poorly planned mergers or partnerships
- Over-reliance on a single major funder

Associations

- Product or service expansions aimed at offsetting declining dues or event revenues
- New revenue models and diversification of membership base(s)
- Pressure to respond quickly to industry-wide disruptions without appropriate governance

Governance: Guardrails towards the North Star

Defining limits while allowing “room to move”

1. Dynamic Enterprise Risk Management (ERM) programs that connect strategy, funding decisions, and risk appetite
2. Mission alignment / Project scorecards
3. Board-led oversight of mission alignment during major market or funding shifts
4. Scenario Planning
5. Technology governance

Cybersecurity and Business Continuity Are Governance Issues, Not IT Issues

Common misconceptions:

"We're too small to be a target"

"We don't really have much sensitive data."

Reality:

Nonprofits are increasingly targeted due to weaker controls and sensitive donor/employee data.

Cybersecurity and Business Continuity Are Governance Issues, Not IT Issues

Key governance questions boards should be asking:

- Do we know our critical systems and data?
- How quickly could we recover if systems went down?
- Who owns incident response? Executive leadership, IT, or the board?

Business continuity planning is expanding beyond:

- Natural disasters → cyber events, supply chain disruption, and key employee turnover, and staffing shortages

Talent, Culture, & Governance: Invisible Drivers of Business Continuity Risk

Uncertainty and change challenge organizational culture, governance, and leadership behaviors

Outcomes

Turnover, Burnout, Compliance Failures, Mission Disruption, Unethical behavior

Operational fragility

Talent, Culture, & Governance: Invisible Drivers of Business Continuity Risk

Increased employee desire for:

- **Strong ethical governance**
- **Meaningful commitment to sustainable values**
- **Transparency in leadership decision making**
- **Performance driven but inclusive culture**
- **Authentic mission orientation and community impact**

Integrating Talent, Culture and Governance to Build Resilience

Embed Stakeholder Value principles into talent strategy

- **Value Commitments**
- **Transparent Communication**
- **Competitive advantage and retention/recruiting tool**

Ask your stakeholders what's important to them

- **Double materiality assessments (DMA's)**
- **Investments align with organizational impact and value**

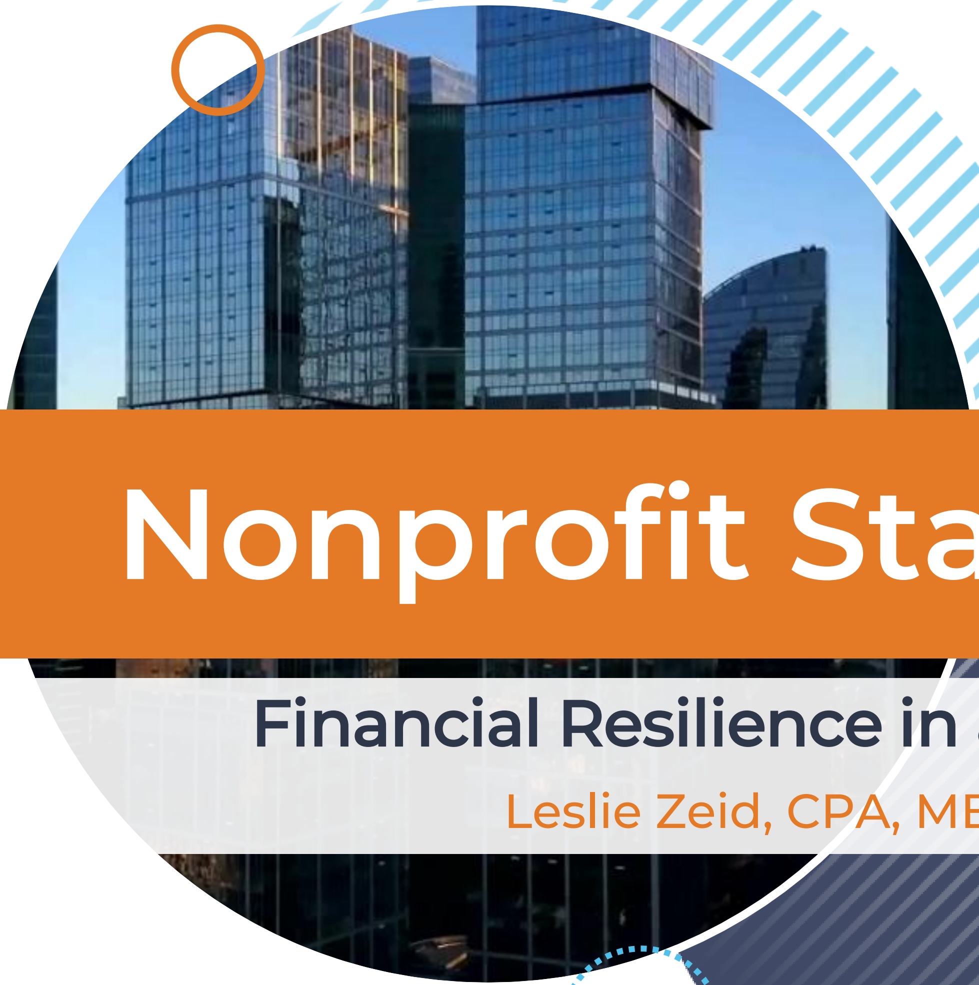
Build your Employee Value Proposition

Communicate outcomes effectively using impact reports

What the Most Resilient Nonprofits Do Differently

The most resilient nonprofits are:

- Diversifying revenue streams and donor base
- Evaluating management and the board's capabilities and addressing gaps on an ongoing basis
- Technology-forward, with continuous improvement and automation aligned to data strategy
- Treating governance as an evolving system, not a compliance checklist



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Financial Resilience in an Unpredictable Economy

Leslie Zeid, CPA, MBA | Mark Tessar, CPA, CIA

Meet Today's Presenters

Leslie Zeid, CPA, MBA

Principal, Outsourced Accounting & Advisory Services

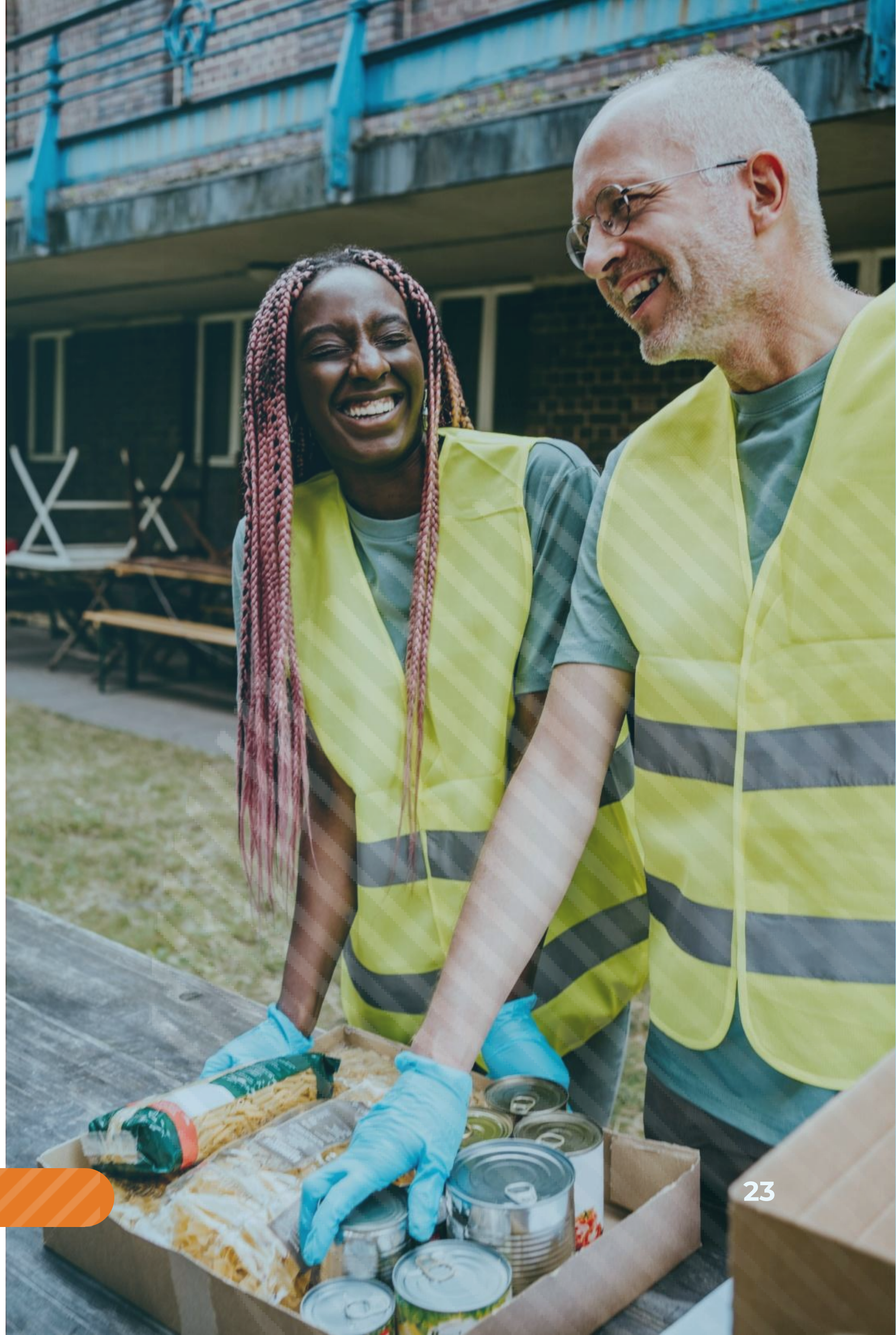
Mark Tessar, CPA, CIA

Principal, Audit & Assurance

Financial Resilience in an Unpredictable Economy

Budgeting & Forecasting:

- Always a critical part of recurring financial activities: if you wait until you are struggling, you have waited too long
- Along with a budget, develop scenario planning
- Begin forecasting as soon as the budget seems obsolete
- Compare budgets and forecasts to actual results as part of your monthly reporting

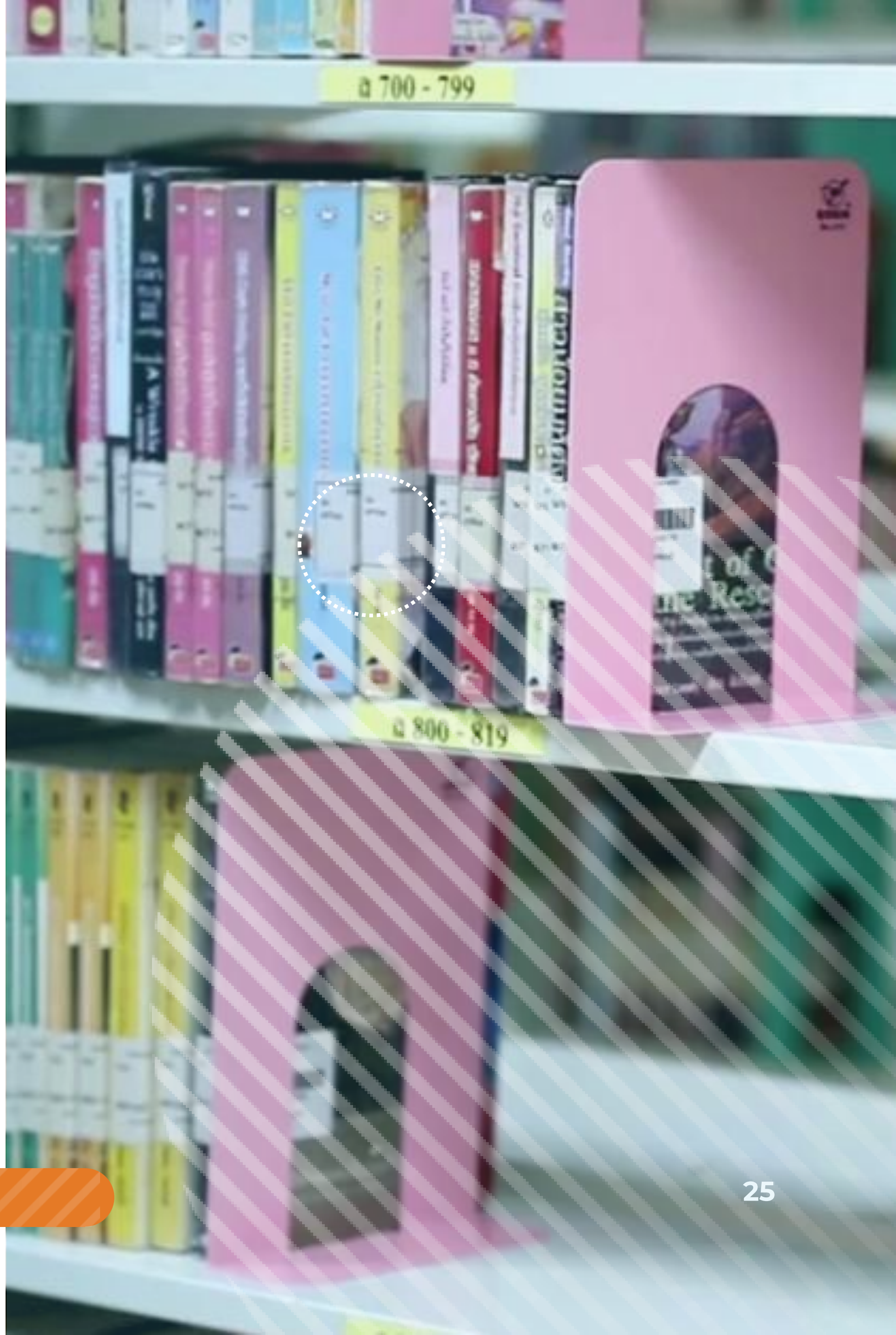


Budgeting & Forecasting:

- For true agility, develop product/grant/department margin analysis
- Use technology where you can
- Get buy in
- Get outside help when you need it

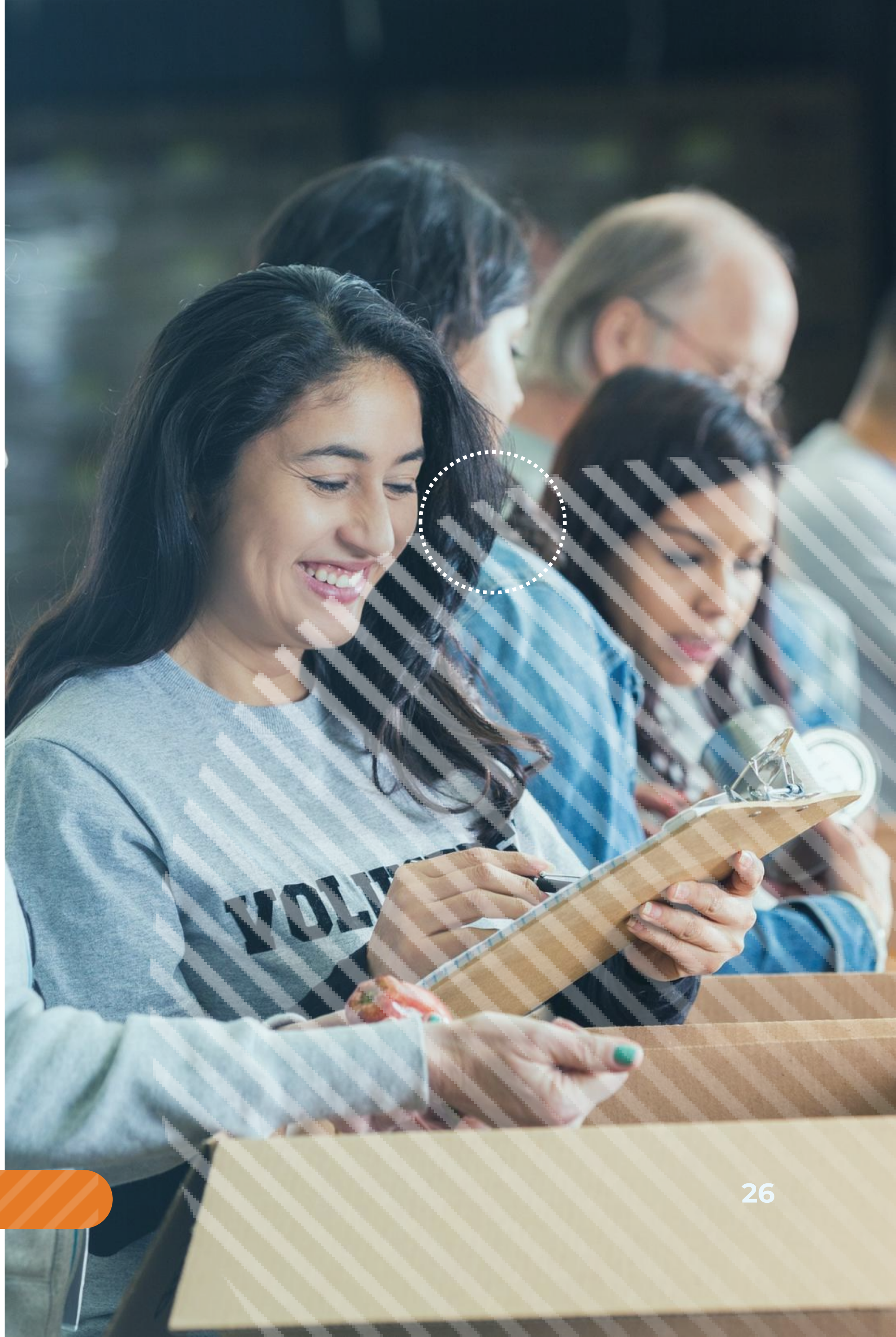
Managing liquidity and reserves

- Define reserves
- Utilize “risk-based” reserves, connecting strategy, risk management and reserve policy/planning
- Benchmarking
- Align long-term reserves with potential opportunities and risks



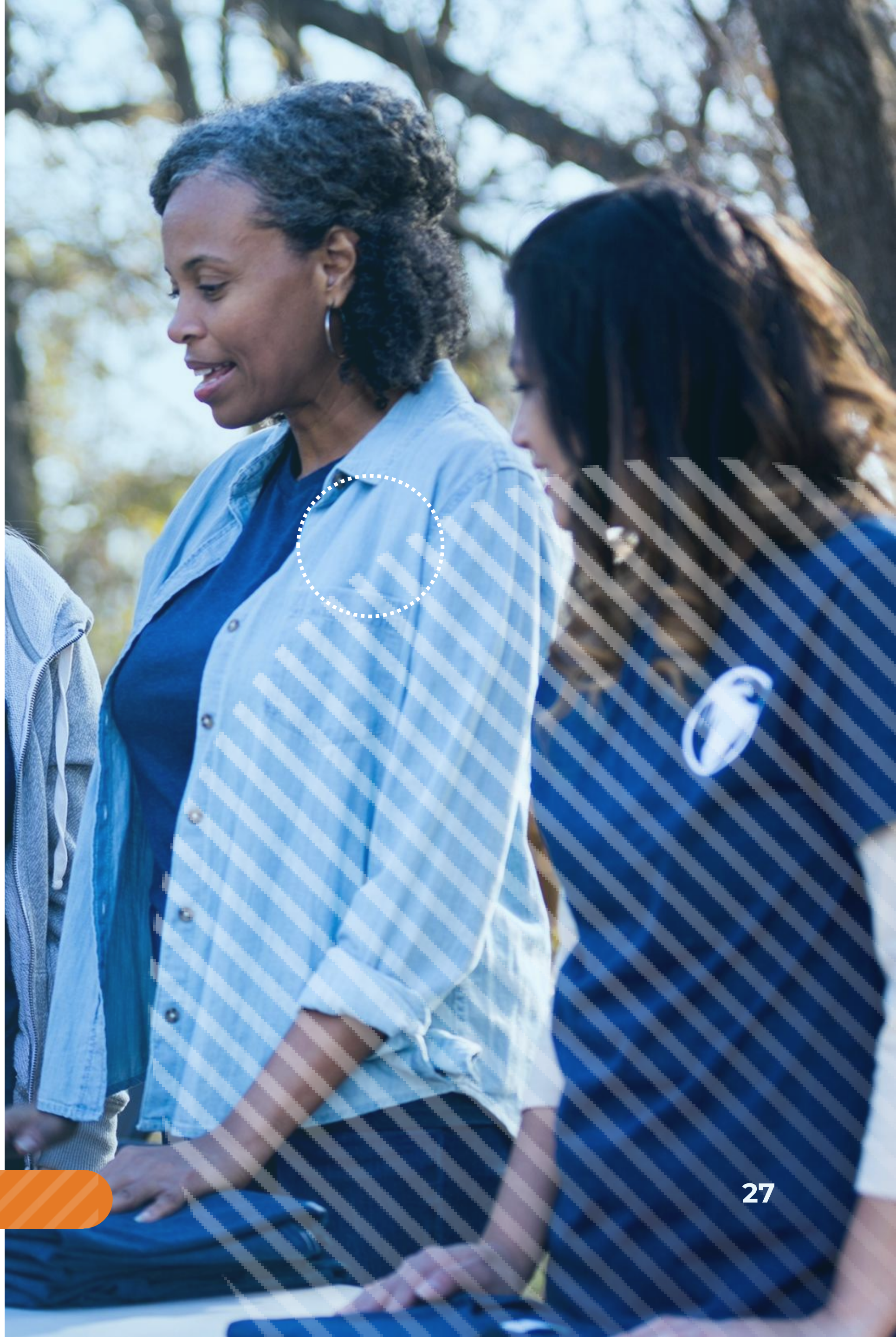
Recent audit and financial statement trends

- Liquidity disclosures
- Operating reserves and board designated funds
- Going concern “near misses” getting more attention
- Revenue concentration and donor restrictions – more detailed disclosures
- Federal funding implications and compliance matters
- Functional allocations still a top friction point



Recent audit and financial statement trends

- CECL – keep it simple!
- Investment valuation – increased scrutiny on alternatives
- Crypto and other non-traditional assets
- Tech, AI, cyber and internal control maturity seeing increased audit emphasis – don't lose sight of the basics!



Questions?

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Accounting Technology and Financial Transformation

Heather Broberg | Leo Gutierrez

Meet Today's Presenters

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Principal and Director,
Accounting Technology Services

Leo Gutierrez

Manager, Accounting
Technology Services

Key Trends Shaping Nonprofit Finance Technology in 2026

- Increasing scrutiny: donor transparency, board expectations, and regulatory complexity
- Resource constraints vs. demand for real-time financial insight
- The shift from “back-office accounting” to strategic financial leadership
- Disconnected systems are no longer sustainable

ERP as the Foundation of Finance Transformation

Why Modern ERP Matters Now

- Moving from legacy/on-prem or entry-level systems to cloud ERP
- The role of modern cloud ERP as a nonprofit-focused financial backbone:
    - Dimensional accounting for programs, grants, and funding sources
    - Real-time dashboards for leadership and boards
    - Built-in compliance and audit readiness
    - ERP as an enabler of scalability, not just efficiency
- Which ERP was designed to meet these needs today—and scale with nonprofits for tomorrow?
    - Sage Intacct ERP

The Power of an Integrated Nonprofit Tech Ecosystem

Beyond the General Ledger

- Common nonprofit systems that must integrate seamlessly:
    - CRM & fundraising platforms
    - Grant management systems
    - Payroll & HCM
    - Budgeting, planning, and reporting tools
- How Sage Intacct's open APIs support best-of-breed integrations
- Eliminating manual work, spreadsheets, and data silos

The Power of an Integrated Nonprofit Tech Ecosystem

Single Source of Truth

- Proactive vs Reactive
- Improved grant reporting accuracy
- Better collaboration between finance, development, and operations

From Automation to Intelligence: What's Next

What 2026 Finance Teams Should Be Prioritizing

- Increased automation of close, allocations, and reporting
- Embedded analytics and dashboards for proactive decision-making
- Preparing for AI-enabled insights and anomaly detection
- Building a finance tech roadmap that aligns with mission growth

Practical Guidance for Nonprofit Finance Leaders

How to Take Action

- Ask the right questions when evaluating ERP platforms and integrations
- Recognize the warning signs that your current systems are limiting growth and insight
- Plan transformation as a phased journey—prioritizing impact over perfection
- Select an implementation and advisory partner with deep nonprofit and change-management experience

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Sustaining Impact and Donor Confidence

Lisa Heller, CPA & Dick Locastro, CPA, J.D.

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Partner & Director, Nonprofit Tax

Dick Locastro, CPA, J.D.

Partner, Nonprofit Tax

Aligning Financial Strategy with Mission Outcomes

Aligning Financial Strategy with Mission Outcomes

A donor asks:
"How do I know my gift is really making a difference?"

Current environment:

- Increased scrutiny from donors, regulators, and the public
- Competition for charitable dollars
- Uncertain economic outlook
- Questionable stability of funding sources

Nonprofit financial reports should reflect the organization's mission to keep donors engaged.

Key Changes to Charitable Giving Provisions Under OBBBA for 2026

Key Changes to Charitable Giving Provisions Under OBBBA for 2026

New Deduction for **Non-Itemizers**

- Standard deduction filers can claim “above-the-line” deduction for cash contributions to public charities
- Limits: $1,000 (single), $2,000 (married filing jointly)
- Exclusions: donations to DAFs and private foundations do not qualify

New Floor for **Itemizers**

- Only deduct contributions exceeding 0.5% of AGI
  - Example: AGI $400,000 → must donate >$2,000 for deduction

Key Changes to Charitable Giving Provisions Under OBBBA for 2026

Deduction Cap for High-Income Earners

- Top 37% tax bracket: deduction capped at 35% effective rate
  - Example: $1,000 donation → max $350 tax saving

Permanent AGI Limit

- Deduct cash contributions up to 60% of AGI (now permanent)

Corporate Limits

- New 1% floor on deductible contributions
  - Example: Taxable $400,000 → must donate >$4,000 for deduction
- 10% ceiling remains
  - Example: Taxable income $400,000 → must donate >$4,000 for deduction, deduction capped at $40,000

Improving Reporting and Storytelling Through Data

Improving Reporting and Storytelling Through Data

Role of Data in Building Trust

- Donors want evidence, not just anecdotes
- Data provides credibility and consistency
- Balance quantitative data with human stories

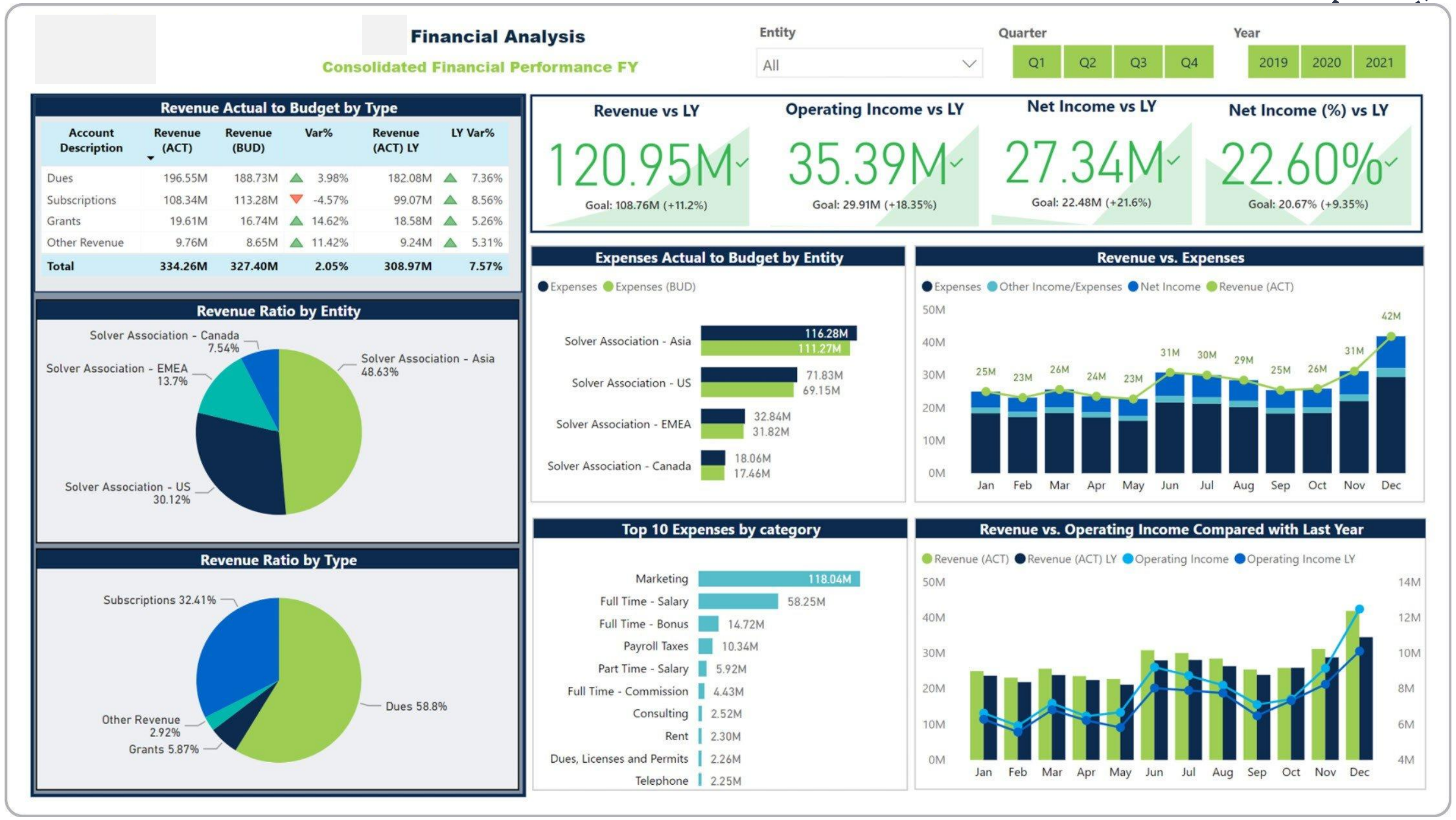
Turning Reports into Narratives

- Move from static statements to meaningful insights
- Frame data around donor questions:
  - What changed? Who benefited? Why does it matter?

Improving Reporting and Storytelling Through Data

Practical Examples

- Dashboards/scorecards: financial + program outcomes
- Use trends over time, not just one-year snapshots
- Translate technical data into plain language



Improving Reporting and Storytelling Through Data

Common Pitfalls

- Overloading with detail
- Using jargon
- Reporting activity instead of impact

Information Delivery

- Website, annual reports, financial filings (audited statements, Form 990)

Demonstrating Accountability and Stewardship to Funders

Demonstrating Accountability and Stewardship to Funders

Form 990 Reporting

Part III: Statement of Program Service Accomplishments

- Mission statement
- Program narratives
- Tells the organization’s story for donors, media, regulators, public

Demonstrating Accountability and Stewardship to Funders

Form 990 Reporting

Part IX: Statement of Functional Expenses

- Expense reporting by category
- Demonstrates stewardship of funds

Note: Very high program service % can be a problem

(M&G and fundraising expenses matter)

Conclusion

Conclusion

- Connect financial strategy to mission
- Use data to tell meaningful stories
- Demonstrate accountability and strong stewardship
- Result: Donors don't just give… they stay

Questions?

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Fireside Chat: Talent, Culture, and Leadership Resilience

Maya Ajmera, John Pace, CPA, and Lisa Heller, CPA

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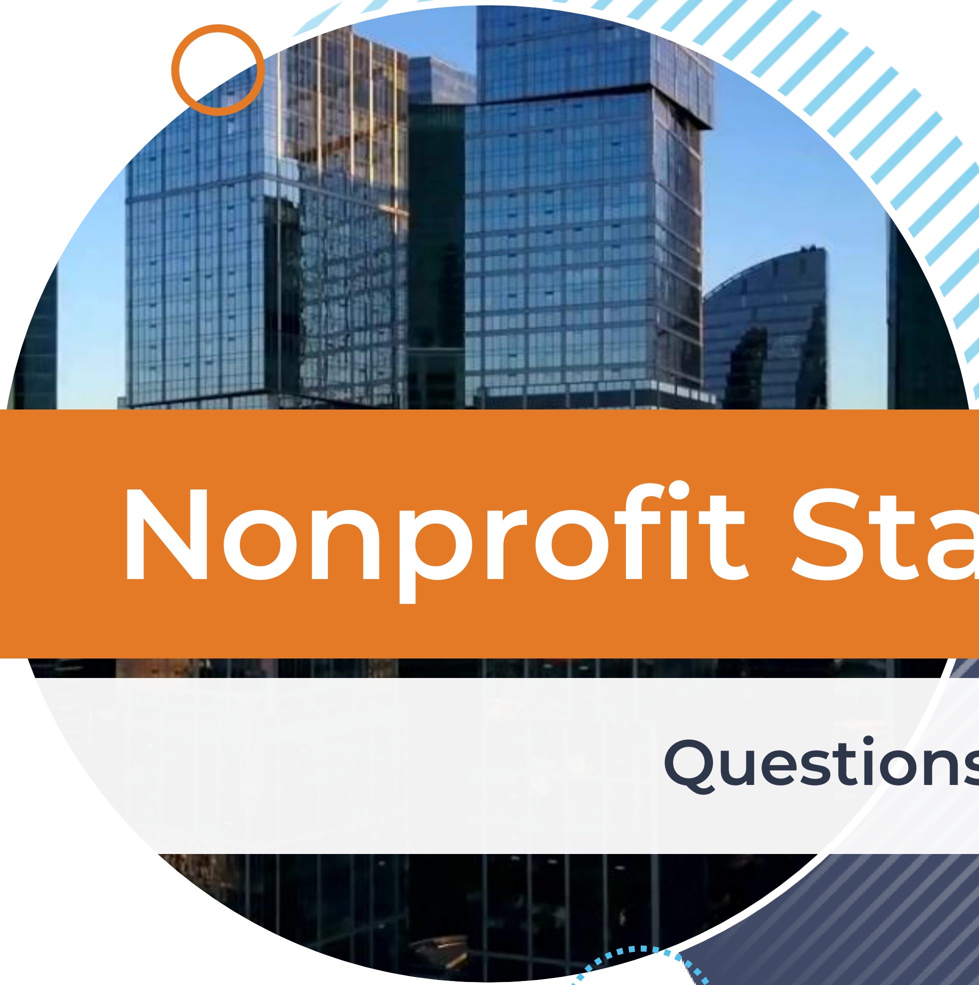

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Questions and Answers

Upcoming Events

Webinar: CECL, Software, and Crypto: The ASUs Reshaping Nonprofit Reporting in 2026

- February 10, 2026 | 11:00 am - 12:00 pm

Networking: After Work Power Hour Talks

- February 11, 2026 | 4:30 pm - 6:00 pm
- Virginia

Networking: Accounting Technology Reimagined: A Dinner Discussion for Nonprofit Finance Leaders

- February 18, 2026 | 5:00 pm - 8:00 pm
- Los Angeles, CA

Workshop: Virtual Workshop: ERM in Non-Profit Organizations

- February 19, 2026 | 1:00 pm - 4:00 pm

Webinar: DCAA's Annual Update

- February 24, 2026 | 2:00 pm - 3:00 pm

Webinar: Sage Intacct Q1 2026 Release Overview

- February 26, 2026 | 11:00 am - 12:00 pm

Roundtable: Ask the Association Marketing Expert

- March 4, 2026 | 4:00 pm - 7:00 pm
- Maryland