



Chart your future business  
model with new insights  
and connections

# Financial Implications of Current Federal Policy: An Examination of Field Differences and Responses

January 29, 2026

## Nonprofit GPS

A field-driven collaboration led by:

**Nonprofit Financial Commons, BDO Nonprofit & Grantmaker Advisory, and Philanthropy New York** —  
with tools and frameworks from [StrongNonprofits.org](https://StrongNonprofits.org) and insight from regional networks across the nation.

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**Jon Pratt**

Senior Research Fellow

Nonprofit GPS



# Nonprofit Weather Report

## Revenue Uncertain, Erratic Conditions Prevail

How can a nonprofit devise financial/organizational strategy that builds trust and engagement when the policy and revenue environment is endlessly unclear and turbulent?



# Direct Effects of Government Budget Cuts



- 1 Eliminating core funding streams
- 2 Eliminating and freezing anticipated grants and community development funding
- 3 Creating instability in related service systems
- 4 Creating increased demand
- 5 Forcing many agencies into advocacy, litigation, and contingency funding strategies
- 6 Creating increased competition for other revenue sources

# Poll

1. Is your organization experiencing reduced funding as a result of federal decisions?
  
2. If yes, what % of your 2026 budget is impacted?
  - a. 0 – 5%
  - b. 5-10%
  - c. 10-15%
  - d. 15% +

# Extra Budgetary Impacts

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Scattered set of policies, executive orders, and agency decisions with fragmented implementation across federal agencies

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Altered criteria, process, and timelines for applications

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Changed/narrowed client eligibility

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Criminalization of clients and those who serve them

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Reduced federal support to state budgets

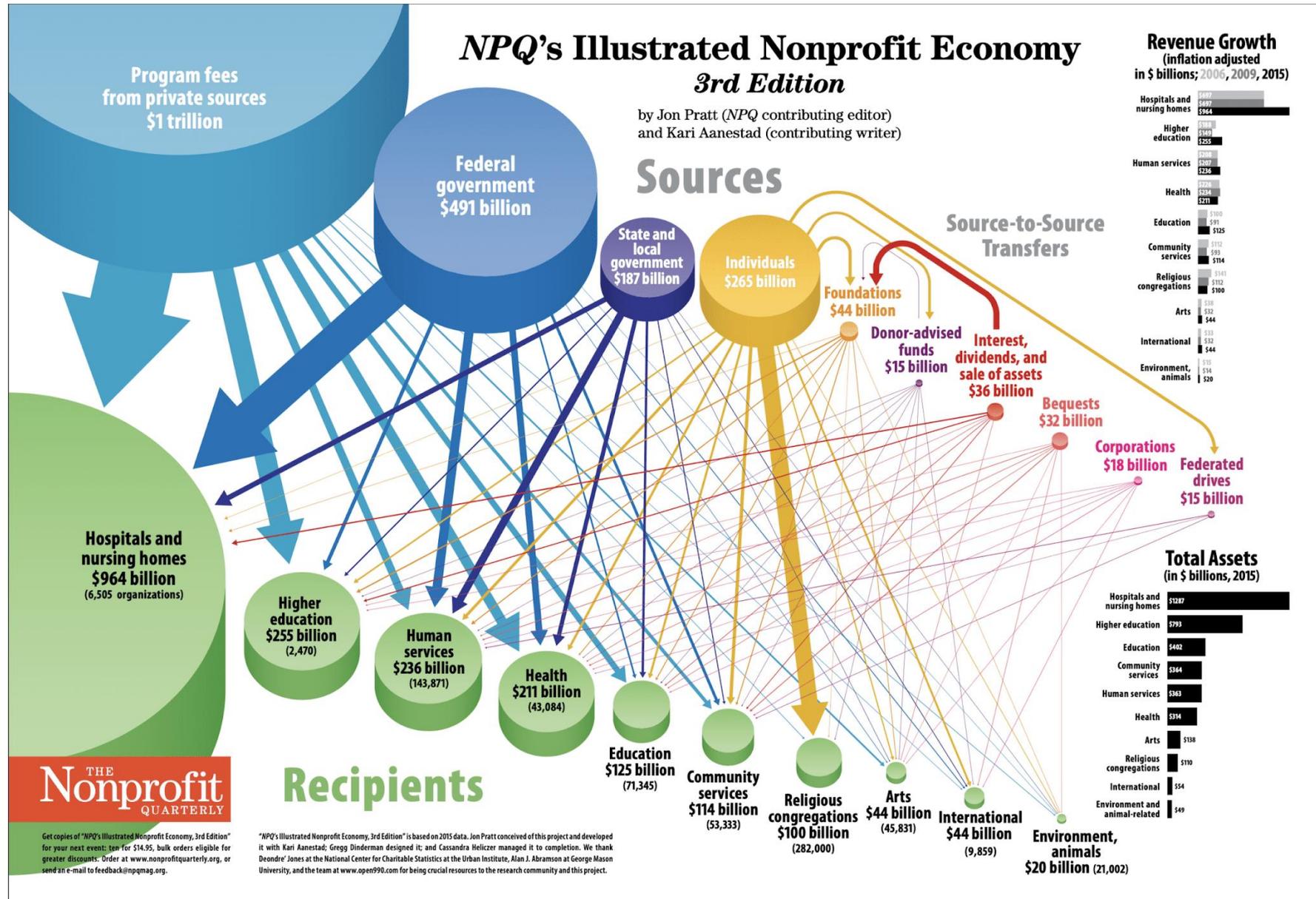
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Restricted indirect costs

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# Revenue is Destiny

Revenue sources and available assets are more determinant variables than activity area, geography, or beneficiaries.



# 3 Screens of Position and Strategy Analysis

**POLICY ENVIRONMENT**

**BUSINESS MODEL/  
PRIMARY SOURCE OF REVENUE**

**RUNWAY**



**Ruth McCambridge**

Co-Founder and Director of Content  
Nonprofit Financial Commons



**Angel Greer**

Chief Executive Officer  
Coastal Family Health Center



**Dana Britto**  
NFC Moderator and  
Founder & Principal of  
Cultivar Consulting, LLC



**Dawn Bentley**  
Executive Director  
Minnesota Fringe Festival

# Q&A



**Mark Hager**

Moderator

Nonprofit Financial Commons





**Hilda Polanco**

Market Managing Principal

BDO Nonprofit & Grantmaker Advisory



# 5 Common Nonprofit Business Models



INDIVIDUAL DONOR



FOUNDATION (“INSTITUTIONAL”)



GOVERNMENT



FEE FOR SERVICE



MEMBERSHIP

# Business Model Considerations



Revenue  
Source

Who's paying  
and for what?



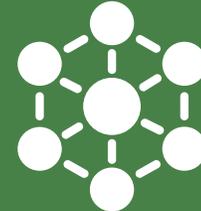
Risk

What are the  
common risks,  
sensitivities &  
challenges?



Leadership  
Capacity

What leadership  
orientation is best  
suited?



Infrastructure  
Needs

What systems  
need be in place?

# Business Model Considerations



## INDIVIDUAL DONORS

### SENSITIVITIES, RISKS, & CHALLENGES

- ▶ Reputational concerns on the part of the nonprofit and donors

### LEADERSHIP ORIENTATION

- ▶ Promotes high emotional consciousness of the organization as visible, public facing, and effective
- ▶ Provides avenues for high prestige giving

### INFRASTRUCTURE NEEDS

- ▶ Donation management systems to capture and retain donors' interests and confidence
- ▶ Systems for surfacing potential high net worth donors and for discerning and addressing the donor's motivations

### WHO PAYS?

- ▶ Small to mid-size donors
- ▶ High net-worth donors
- ▶ Event participants
- ▶ Donor-advised funds

# Business Model Considerations



## FOUNDATIONS

### SENSITIVITIES, RISKS, & CHALLENGES

- ▶ Changing funder priorities which may be unanticipated
- ▶ Requires an array of funders to maintain funding security

### LEADERSHIP ORIENTATION

- ▶ Influential, persuasive, and well-informed. Able to effectively argue for programs
- ▶ Capable of continuously updating maps of funding landscape

### INFRASTRUCTURE NEEDS

- ▶ Grants management systems which track all stages of the grants process and requirements
- ▶ Internal capacity to survey funders and determine program fit

### WHO PAYS?

- ▶ Public or Private Foundations
- ▶ Regranting Intermediaries
- ▶ Corporations
- ▶ *Each have institutional priorities and frameworks*

# Business Model Considerations



## GOVERNMENT

### SENSITIVITIES, RISKS, & CHALLENGES

- ▶ Very low or negative financial margins
- ▶ High sensitivity to contracting processes
- ▶ Political and policy changes which can eliminate or curtail funding
- ▶ Generally, a high level of restricted dollars

### LEADERSHIP ORIENTATION

- ▶ Good political instincts and healthy field networks that provide information early and often
- ▶ Ability to mobilize stakeholders as constituents or advocates

### INFRASTRUCTURE NEEDS

- ▶ Strong data collection mechanisms
- ▶ Strong compliance mechanisms and culture
- ▶ Strong financial systems that can forecast cashflow-related problems

### WHO PAYS?

- ▶ Federal
- ▶ State, sometimes as passthrough of federal
- ▶ Local, sometimes as passthrough of federal, state, or county



# Business Model Considerations



## FEE FOR SERVICE

### SENSITIVITIES, RISKS, & CHALLENGES

- ▶ Misreading market conditions
- ▶ Under-capitalization
- ▶ Extended under-performing against expectations
- ▶ Drift in mission focus, watering down of rather than emphasizing purpose and brand

### LEADERSHIP ORIENTATION

- ▶ Continuously monitors need, potential competitors and collaborators, use and profit patterns
- ▶ Strategically distinguishes program in its market and develops a regular customer base
- ▶ Scans national and local trends and influences
- ▶ Scenario planning

### INFRASTRUCTURE NEEDS

- ▶ Business planning capacity
- ▶ Agility -excellent experimentation and measurement systems ala minimum viable product
- ▶ Accurate and effective pricing strategies
- ▶ Efficient billing and collection systems

### WHO PAYS?

- ▶ Customers who purchase:
  - Goods
  - Services
  - Experiences



# Business Model Considerations



## MEMBERSHIP

### SENSITIVITIES, RISKS, & CHALLENGES

- ▶ Internal dynamics and clarity of promises matter significantly in member funded organizations
- ▶ Emphasis on transparency, clear processes and ground rules that allow reasonable dialogue among members

### LEADERSHIP ORIENTATION

- ▶ Careful listening and highlighting of the reciprocal value between the organization and its members
- ▶ Ability to promote common ground while welcoming evolution
- ▶ Constant attention to metrics of service against promises made

### INFRASTRUCTURE NEEDS

- ▶ Member focused communications and engagement is vital
- ▶ Effective dues collection systems
- ▶ Systems for convening to establish and reinforce agreed upon priorities

### WHO PAYS?

- ▶ Members who share a common cause, identity, or purpose

# Review Your Business Model's Functionality

	 INDIVIDUAL DONORS	 FOUNDATIONS	 GOVERNMENT	 FEE FOR SERVICE	 MEMBERSHIP
Constituent data management	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>
Constituent stewardship	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>
Grant writing & management	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>
Market prominence	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>
Market analysis & pricing strategy	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>
Responsive communications	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>
Liquidity management	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>
Compliance	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>
Payment processing	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>
Inventory management	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>



# Q&A



**Mark Hager**

Moderator

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**Ruth McCambridge**

Co-Founder and Director of Content  
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# What Purpose Driven Nonprofits Do

*A Short Playbook for Nonprofits Facing Revenue Adversity in 2026:  
Financial Strategies from the Wisdom of our Peers*



# Slightly Altered Excerpt From a Real Set of Minutes:

## A State of Complex Flux

We are projecting revenues and expenditures amidst lingering uncertainties following the installation of a new federal administration, proposed federal and state budget cuts; supply chain concerns and the inflationary impacts of rising costs present challenges to our ability to project with accuracy the financial outcomes of our activities.

Finance committee chair says it is actively working on an agency-wide budget to come before the board for approval but it will be delayed until May. The draft proposed budget is largely an estimate, as significant cuts are anticipated in the latter half of the fiscal year, but the situation is fluid and will require continuous revisits and adjustments as more information becomes available, especially regarding federal and state funding. She stated that **fundraising cannot compensate for the budget cuts, emphasizing the need for advocacy and grant writing.**

The budget as is includes **an estimated \$1.5 million cut in payroll and a nearly \$700,000 cut in other costs, including indirect, administrative, and supplier expenses. The 2026 FYE budget also reflects 1-time funds of approx. 2 million.**





In an unpredictable environment...

“We can no longer stand at the end of something we visualized in detail and plan backwards from that future, Instead, we must stand at the beginning, clear in our mind, with a willingness to be involved in discovery...it asks that we participate rather than plan.”

**MARGARET WHEATLEY**



# What Purpose Driven Nonprofits Do

## PREPARE FOR THE JOURNEY AHEAD

1. Gather a credible and knowledgeable team to help drive research and analysis
2. Reconnect with and strengthen social capital relationships – in particular, establish early information flows on policy, resources, and community impacts
3. Review generalized menu of strategic options
4. Identify your level and sources of risk
5. Look for models of response in your field

# What Purpose Driven Nonprofits Do

## **ASSESS CURRENT PARTICULARS**

6. Create a graphic of your revenue sources over the years (pie charts, bar graphs, etc.)
7. Identify unrestricted cash on hand and run cash flow projections to establish sense of runway
8. Review your market including the needs and interests of community, of collaborators/competitors, of potential funders and peers for benchmarking
9. Complete a mission/impact matrix how each current program contributes both to impact and finances

# What Purpose Driven Nonprofits Do

10. Using all of the above information, review your organization's "fit" in the current and future environment and make decisions about what strategies to investigate for implementation for optimal mission impact.
  - Talk to close colleagues with whom you are in common cause about your plans to get feedback and a sense of support.
  - Estimate costs and savings of plan over time with a revised cash flow and...
  - Ensure to the greatest possible degree that you have enough of a runway to get from here to the desired future state.

## Latest Resources Available



**A Short Playbook for Nonprofits Facing Revenue Adversity in 2026:**  
A Review of Financial Strategies from the Wisdom of Our Peers



**Revenue Strategy in 2026:**  
Using a Business Model Lens When Considering a Strategy Shift

## A SHORT PLAYBOOK FOR NONPROFITS FACING REVENUE ADVERSITY IN 2026

A REVIEW OF FINANCIAL STRATEGIES  
FROM THE WISDOM OF OUR PEERS



# 2026

Developed by Nonprofit GPS. Peer-informed, Practice-tested,  
and updated for 2026 conditions.

# Confidential Helpline Support

Today's presentation may leave you with practical questions of implementation and strategy. We are offering free confidential virtual consultations with finance consultants to help in your navigation of first steps. We can help address questions like:

- With so many moving parts, how do I **navigate uncertainty** in a way that allows us to **make strategic decisions with the limited data** that we have available?
- How can I align efforts/communication **across leadership and board** as we navigate a **shift in business model**/key sources of revenue?
- How might we think about our **revenue diversity** in order to determine primary and secondary **revenue drivers**?

**Nonprofit GPS Helpline**

The Nonprofit GPS Helpline provides U.S.-based nonprofits with timely and targeted support related to business model risks. For example, consultants could provide thought leadership on high-level questions, direct you to resources or providers, or provide focused technical guidance. The Helpline does not provide access to a consultant for a deep or extended engagement.

Organizations can seek advice from financial and management consultants in areas such as but not limited to:

- Financial Planning
- Business Model Recalibration and Right-sizing
- Structural Transactions, Including Mergers, Collaborations, Spin-offs, and Closures

Please complete the inquiry form below. A consultant will respond to your inquiry within two business days. Nonprofit GPS will not sell or transfer the information you provide. We may aggregate anonymized data for the purposes of evaluation and improvement of our services.

**Contact Name \***

**Contact Role \***

**Contact Email Address \***

**Organization Name \***

**Have you or your organization previously submitted an inquiry through the NPGPS Helpline? \***

Yes  No  Not sure

**Organization Type \***

Select all that apply. If you select "Other" please describe in the Notes box at the bottom of the form.

c13)  c14)  c16)  Fiscally sponsored project

Other

**Organization Location \***

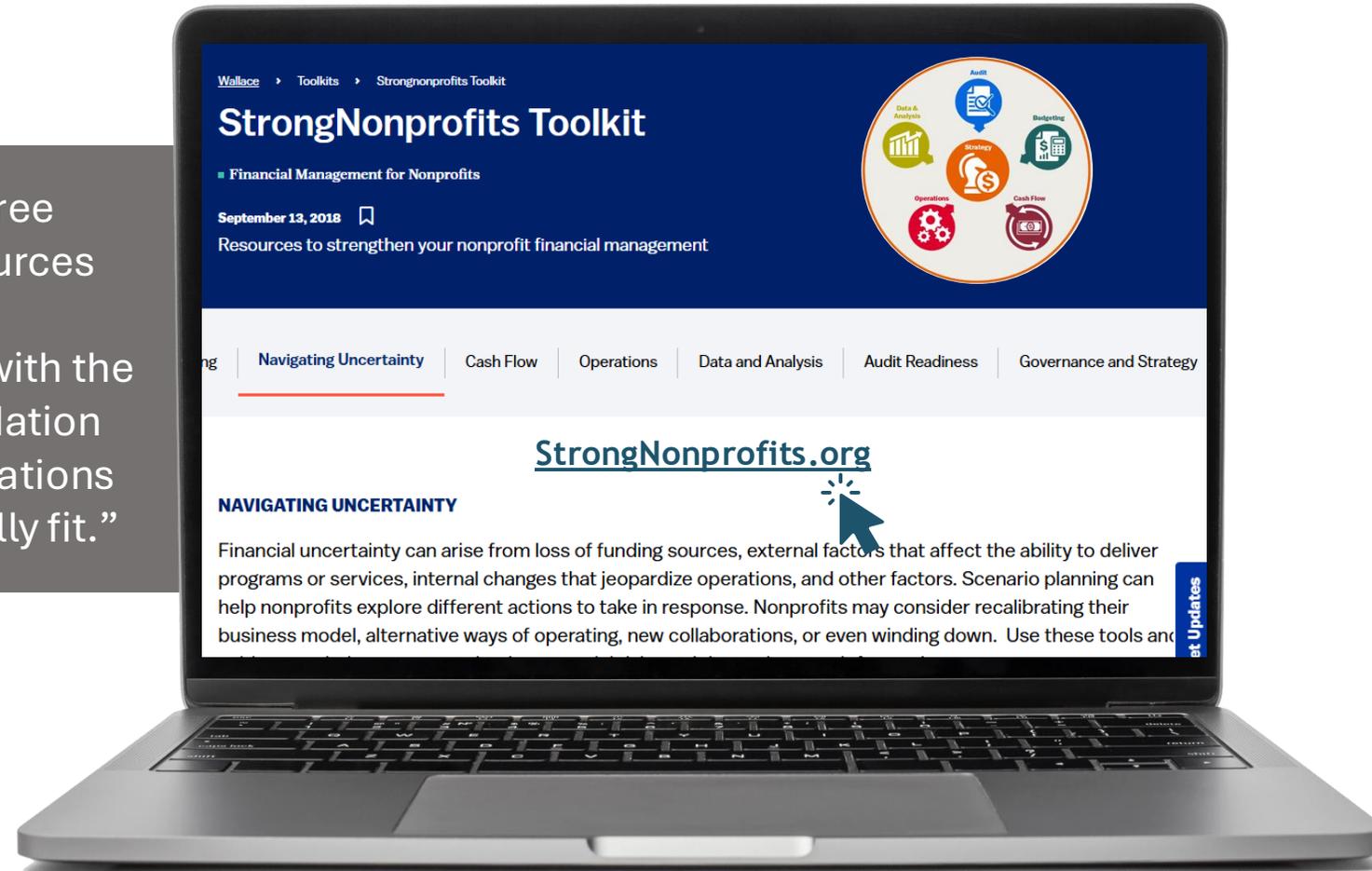
If you select "Outside of the U.S.," please describe in the Notes box at the bottom of the form.

**Organization Mission Area \***

If you select "Other" please describe in the Notes box at the bottom of the form.

# Financial Management Resources

This library of free tools and resources was created in collaboration with the Wallace Foundation to help organizations become “fiscally fit.”



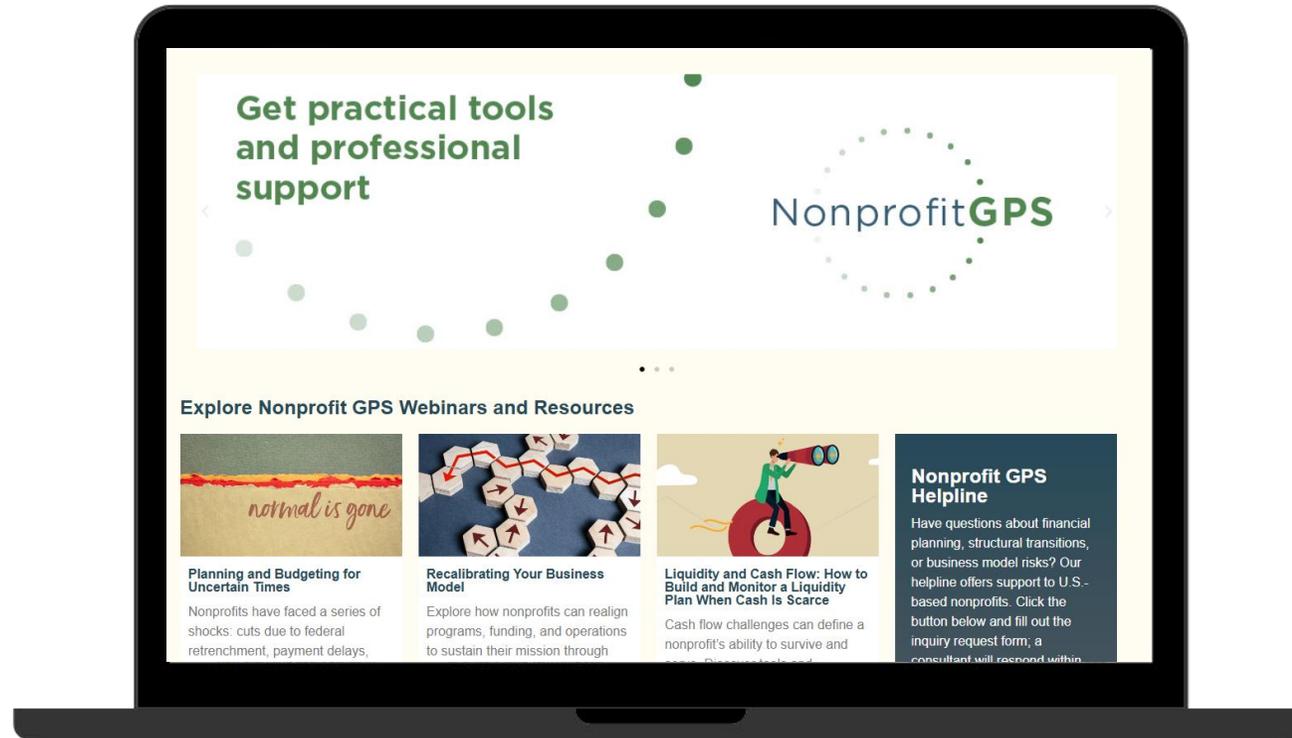
Respond in the CHAT

What lesson will you take away to act upon?

# NonprofitGPS

Chart your future business model with new insights and connections

[NPGPS.org](https://NPGPS.org)



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