



Navigating Uncertainty Part 2: Adapting Nonprofit Strategies for a Changing Landscape

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NAVIGATING UNCERTAINTY

Welcome!



Stacie Cornwell

National Nonprofit & Education Practice Leader

WELCOME

Today's Presenters



Katy Brown

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Nonprofit Tax and Charity
Navigator Board Member



Stacie Cornwell

Partner
Nonprofit and Education
Practice National Leader



Brenda Kahler

Senior Director
Nonprofit Strategy



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CEO
Charity Navigator

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

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Woodland Hills
San Luis Obispo
- COLORADO**
Denver
- CANADA**
Vancouver
- IDAHO**
Boise
- TENNESSEE**
Nashville
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Ahmedabad
Hyderabad
- ILLINOIS**
Chicago
- TEXAS**
Austin
Dallas
- PENNSYLVANIA**
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Garden City
- MISSOURI**
St. Louis
St. Charles
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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



Charity Navigator – Overview and Updates



Nonprofit Credibility and Transparency



Financial Sustainability & Government Funding Changes



Fundraising & Donor Engagement Trends



Industry-Wide Adaption & Future Outlook

April 2025

Charity Navigator Ratings Overview

Charity
Navigator

Charity Navigator's mission is to make impactful giving easier for all

We help people turn their values, passions, and beliefs into meaningful impact

by providing data, ratings, and advice that cut through the noise and help donors make informed decisions.

20+ years

225k+ charities rated

10M+ users annually

\$300M+ donated via our Giving Basket

Regular features in

The New York Times

 **CNBC**

People

n p r

 **FOX NEWS**

Charity Navigator's tools and resources



Ratings

Evaluating charities through four assessments



Alerts

Raising awareness of charities' misconduct or questionable practices



Curated Lists & Cause Funds

Helping donor find the best charities, organized by cause area



Corporate Lists

Partnering with corporate partners to amplify their impact



The Giving Basket

Empowering donors to support multiple charities in one checkout



Nonprofit Portal

Empowering nonprofits submit data for ratings and be discovered by donors



Embedded Intelligence (API)

Providing businesses and researchers embedded ratings insights and a full range of charity data



Cause Champions

Connecting with influential partners to bring awareness to the causes they care about

Millions use Charity Navigator ratings

Individual Donors

Donors to ensure they are giving to an effective, impactful & trustworthy organization

Foundations and Grant Makers

Foundations of all sizes use as an initial due diligence screen

Institutional DAFs

Use it when determining recommendations for high net worth philanthropists

Media and the Press

Leverage data and content for ongoing media stories and when a crisis occurs

Nonprofit Professionals

Industry professionals use to help guide career decisions

Corporations

Critical means to help guide Corporate Social Responsibility efforts

Not your father's Charity Navigator



We have changed from a financial health rating...

... to an impact & effectiveness rating

Charity  Navigator

Guidance through beacons

A comprehensive analysis of charity performance across four key domains

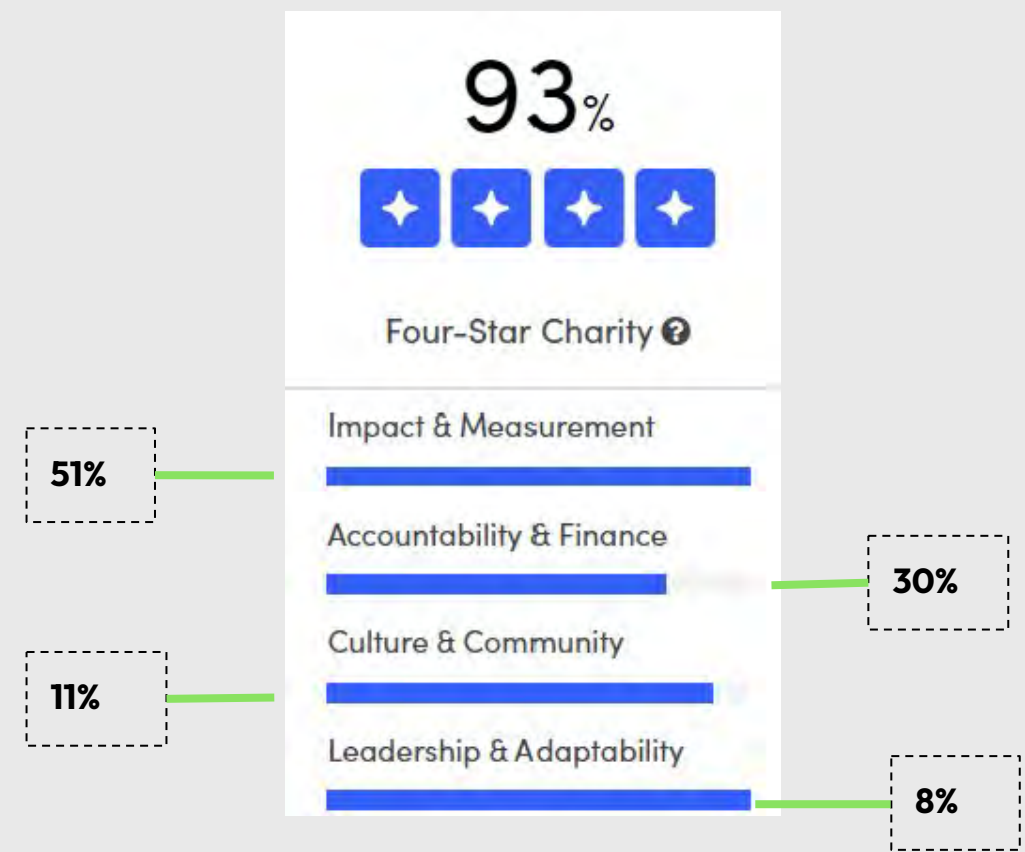


<i>Beacon</i>	Impact & Measurement	Accountability & Finance	Leadership & Adaptability	Culture & Community
<i>Goal</i>	Evaluates the capacity to measure impact and asks if the nonprofit is achieving its mission in a cost-effective way	Reviews the accountability and financial health best practices	Examines leadership practices and ability to respond to change	Captures an organization's use of beneficiary feedback and their commitment to equity
<i>Source</i>	Charities can complete assessments within the Charity Navigator portal.	IRS form 990 Beacon rating varies by organizational size from small to super-size.	Charities can complete assessments within the Charity Navigator portal.	Charities can complete "How we Listen" and "Equity Strategy Surveys" in their Candid profile or Charity Navigator portal.
<i>Importance</i>	Programmatic impact	Sustainability and transparency	Operational effectiveness	Community engagement

Beacon weighting

- Each beacon contributes a different percentage to the overall score
- We adjust these percentages based on the evidence and as the metrics within the beacon change
- The percentages vary based on the number of assessments completed

Percentage breakdown for a complete rating



Questions?

Stay connected and help us drive more innovation in the social sector:

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Follow your **heart**, use your **head**, make a **difference!**

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 youtube.com/charitynavigator

 linkedin.com/company/charity-navigator/

Register for Upcoming Webinars



April 25

Tariff Triage: Smart Strategies to Combat the Changing Landscape

[Register here.](#)



May 22

Navigating Uncertainty Part 3: Adapting to Executive Orders and Economic Headwinds

[Register here.](#)

NAVIGATING UNCERTAINTY

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](#)
- [Complete Guide to Nonprofit Strategic Development Outsourcing: Make Fundraising Smarter | Armanino](#)
- [Navigating 2025: Strategies for Nonprofits & Healthcare Organizations | Armanino](#)

PROSPEAK

February 18, 2025

How Nonprofits Can Protect Financial Stability Amid Federal Funding Changes



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.

ADDITIONAL INFORMATION

Appendix



Backup with Ratings Detail

Charity 
Navigator

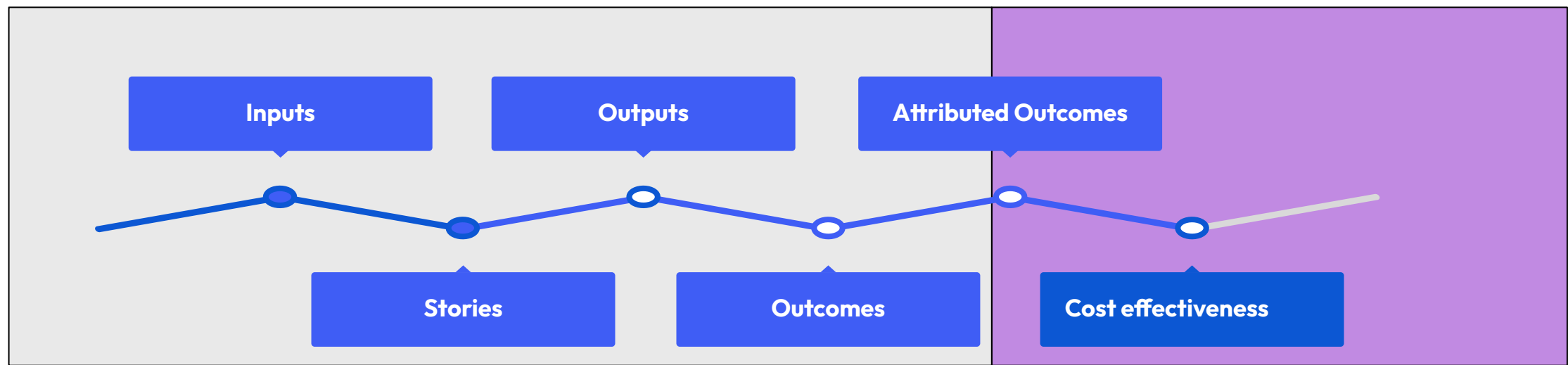
Impact & Measurement

Measurement (New in 2024)

Assesses an organization's capacity to plan, monitor and evaluate outcomes
Necessary but not sufficient for Impact

Impact

Answers two questions:
1. Is this nonprofit achieving its mission?
2. Is this nonprofit achieving its mission in a way that it is cost-effective?



Accountability & Finance

- Accountability metrics examine adherence to best practices and transparency such as
 - An independent board of directors
 - Website disclosures
- Financial Metrics assess financial health and sustainability such as
 - Program Expense ratio flags abnormally low allocation of funds to mission
 - Liabilities to Assets ratio as a measure of sustainability
- All metrics derived from publicly available form 990 data

Accountability & Finance

Score

100

Most Recent Fiscal Year:
FY 2022

This beacon provides an assessment of a charity's financial health (financial efficiency, sustainability, and trustworthiness) and its commitment to governance practices and policies.

[Learn more](#)

Key Accountability Metrics

✓ Full Credit 1 Partial Credit ✗ No Credit

✓ Majority Independent Board Members - 100% independent members	10 out of 10 points +
✓ Independent Board Size - 7 independent members	10 out of 10 points +
✓ Material Diversion of Assets - None	10 out of 10 points +

Tax Form Disclosures and Policies

✓ Full Credit 1 Partial Credit ✗ No Credit

✓ Website Listed on Tax Form - Listed	3 out of 3 points +
✓ Conflict of Interest Policy - Listed	7 out of 7 points +
✓ Whistleblower Policy - Listed	7 out of 7 points +
✓ Document Retention and Destruction - Listed	7 out of 7 points +
✓ Documents Board Meeting Minutes - Yes	3 out of 3 points +

Website Disclosures

✓ Full Credit 1 Partial Credit ✗ No Credit

✓ Tax Form Posted on Nonprofit's Website - Listed	3 out of 3 points +
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Financial Metrics

✓ Full Credit 1 Partial Credit ✗ No Credit

✓ Liabilities to Assets: Ratio - 21.41%	15 out of 15 points +
✓ Program Expense: Ratio - 88.68%	25 out of 25 points +

To improve accuracy and fairness, rating methodology varies by organization size and structure

	Super Large	Large	Medium	Small	Micro	Other
Revenue Size	\$50M+	\$25M-\$50M	\$2M- \$25M	\$500K- \$2M	<\$500K	n/a
Donor Support <small>\$ contributions/total revenue</small>	40%+	40%+	40%+	NA	NA	Not donor supported
Years of 990 Filing	3	3	3	3	3	3
Metrics Evaluated	All metrics (Finance, Accountability, and Website)	All automated Accountability metrics and all Finance metrics	All automated Accountability metrics and all Finance metrics	Focused set of Finance and Accountability metrics	Focused set of Finance and Accountability metrics	Focused set of Finance and Accountability metrics

Culture & Community

- Examines a charity's commitment to
 - Collecting Feedback from its beneficiaries
 - Promoting Equity in the Community

- Scored based on
 - **How We Listen** (Candid and coming soon to nonprofit portal)
 - **Equity Strategies Survey** (now in the Charity Navigator nonprofit portal)

✔ Constituent Feedback - Data Available100/100 points

33.33% of beacon score

This organization reported that it is collecting feedback from the constituents and/or communities it serves. The methodology leveraged for Constituent Feedback is based on The Core Principles of Constituent Feedback, which describes listening and responding well to feedback. Charity Navigator participates in a consortium with other feedback experts and leading nonprofit infrastructure platforms to drive Constituent Feedback's advancement, promotion, and data collection.

How is your organization

To identify and remedy poor client fundamental changes to our program we are less inclusive or equitable

What challenges does

We don't have any major challenges

✔ Equity Practices - Data Available100/100 points

66.67% of beacon score

This organization's score of 100 is a passing score. The organization reported that it is implementing 14 Equity Practices. The Equity Strategies Checklist, developed by [Equity in the Center](#), consists of practices and policies that promote racial equity in operations and programs. This data is collected in partnership with Candid.

Equity Practices (7/7)	
✔	We review compensation data across the organization (and by staff levels) to identify disparities by race.
✔	We ask team members to identify racial disparities in their programs and/or portfolios.
✔	We analyze disaggregated data and root causes of race disparities that impact the organization's programs, portfolios, and the populations served.
✔	We disaggregate data to adjust programming goals to keep pace with changing needs of the communities we support.
✔	We employ non-traditional ways of gathering feedback on programs and trainings, which may include interviews, roundtables, and external reviews with/by community stakeholders.
✔	We disaggregate data by demographics, including race, in every policy and program measured
✔	We have long-term strategic plans and measurable goals for creating a culture such that one's race identity has no influence on how they fare within the organization.

Equity Policies and Procedures (7/7)	
✔	We use a vetting process to identify vendors and partners that share our commitment to race equity.
✔	We have a promotion process that anticipates and mitigates implicit and explicit biases about people of color serving in

Candid.

Leadership & Adaptability



- The components include:
 - Mission, Vision and Strategy
 - Leadership Practices
 - Adaptability and Learning
- Evidence shows that organizations that demonstrates each of these components is likely to be **MORE EFFECTIVE** than those without.
- Organizations enter or edit data in the Charity Navigator nonprofit portal



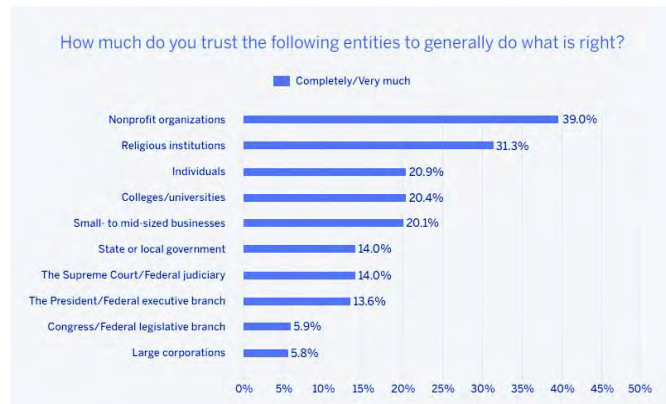
Why and How it Matters

Charity 
Navigator

Challenges - through 2024

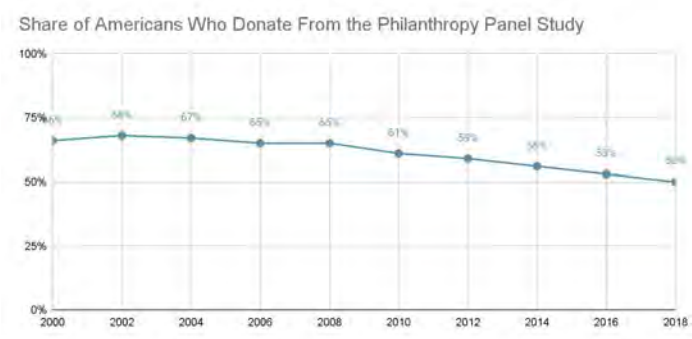
Less Trust

Institutions continue to see declining trust worldwide



Fewer Donors

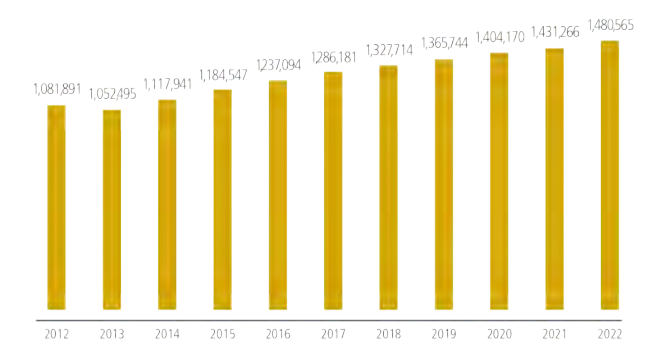
Individual donor population continues to shrink



More Nonprofits

As the safety nets of society continue to be stretched, more nonprofits appear

The number of 501(c)(3) organizations, 2012-2022



New Challenges in 2025



SUBJECT: Advancing United States Interests When Funding

Nongovernmental Organizations

The United States Government has provided significant taxpayer dollars to Nongovernmental Organizations (NGOs), many of which are engaged in actions that actively undermine the security, prosperity, and safety of the American people. It is the policy of my Administration to stop funding NGOs that undermine the national interest.



US judge temporarily blocks Trump's freeze on federal grants and loans



Non-profits, health and LGBTQ advocacy groups sue Trump admin over federal aid freeze



The memo issued by OMB pauses all federal grants and loans in an effort to end 'wokeness'

Services for disabled Americans, trans youth and refugees feel the squeeze from Trump's early actions



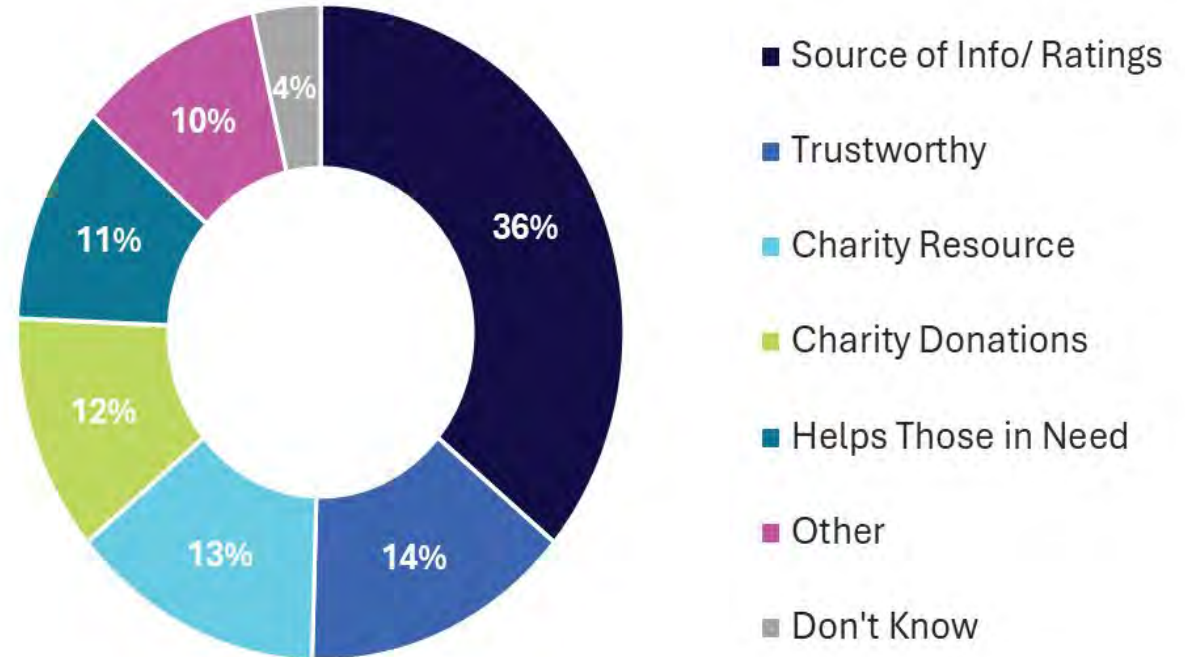
Attacks on the trustworthiness of the Nonprofit Sector are increasing!



Charity Navigator users see the site as a source of trustworthy information.

Charity Navigator's rating system is a **BULWARK** against the declining trust of the sector

What Charity Navigator Does Best



User Behavior on the site during Giving Season

75% of visitors review at least 1 ratings page



58% scroll to the bottom of page to review the details of the metrics



~15% click into any metric/beacon



~8% click into Impact & Measurement

Donation Behavior & Preference

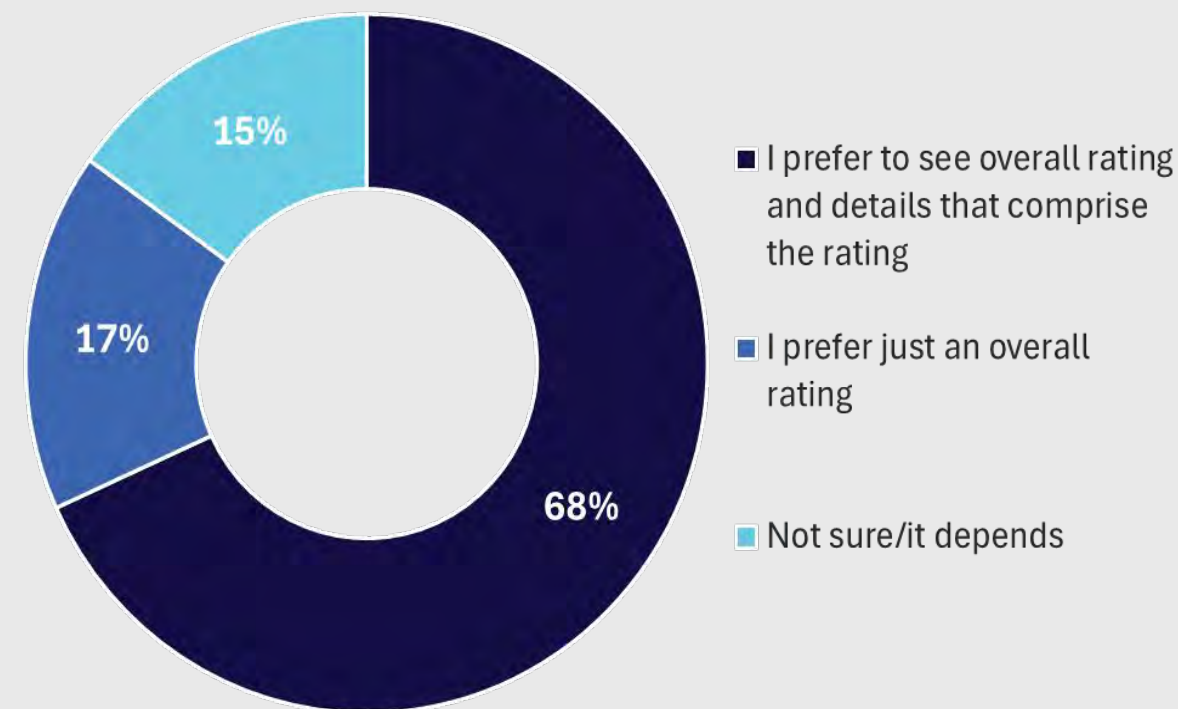
During the 2024 Giving Season:

- 4-Star Charities received **9X** more 💰 dollars donated than 2-Star Charities
- 4-star, 4 beacon Charities received 5x more 💰 dollars donated than a 4-Star, 1-beacon charity.

Donors prefer both highly rated & complete ratings.

Rating Detail Preferences

- **Charitable donors overwhelmingly prefer ratings + their detail. This is consistent across all segments including user type, gender, and age.**
- **While the conclusion remains, younger users (Gen Y & Z) are more likely to want just an overall rating (28%), and older users 60+ are more likely to say, “it depends” (22%).**



Q: When evaluating a charity to support, how do you prefer to see the rating?
Base: N=1,026 charitable donors in the U.S., HHI of \$50K+.

How beacon completion increases visibility



- Nonprofits with **more beacons are prioritized in Charity Navigator's search algorithm**, appearing higher in search results.
- Beacon completion is required for **list-eligibility**, including Where to Give Now and Best Charities.
- Advanced search allows donors to **search organizations by beacon completion**.
- On average, nonprofits receive **more and higher donations for every beacon** that they complete.*

*Source: Charity Navigator research