



2025 WICPA NOT-FOR-PROFIT ACCOUNTING CONFERENCE

YOUR SOURCE FOR KEY UPDATES & INSIGHTS ON TIMELY ISSUES

HIGHLIGHTED TOPICS:



ACCOUNTING, AUDITING & TAX UPDATE

Get the latest accounting, auditing and tax updates impacting not-for-profit organizations



ECONOMIC & FINANCIAL MARKET OUTLOOK: GUIDEPOSTS BENEATH CHAOS

Examine what the most reliable indicators point to and what it all means for you in 2025 and beyond



GENERATIVE AI FOR CPAS

Learn how generative AI can save you time and spark creativity at work

TUESDAY, SEPT. 16 | WICPA CPE LIVESTREAM

2025 WICPA NOT-FOR-PROFIT ACCOUNTING CONFERENCE

MATERIALS AT A GLANCE

The following materials are from the morning sessions of the 2025 WICPA Not-For-Profit Accounting Conference held on Tuesday, Sept. 16, including:

- Accounting, Auditing & Tax Update
- Economic & Financial Market Outlook: Guideposts Beneath Chaos
- Modern Accounting Systems for Nonprofits & Implementation Insights

**VIEW THOUSANDS OF ADDITIONAL IN-PERSON AND
ONLINE CPE OPPORTUNITIES AT [WICPA.ORG/CPECATALOG](https://www.wicpa.org/cpecatalog)**



A Technology Performance Company

Your technology performance deserves laser-focused attention.

CTaccess is an extension of our company. They keep our company on track, prepared for the future and up & running.



The Full Spectrum of IT Services. NO MORE hassles and NO MORE hidden costs. We'll be the most transparent, proactive, and responsive IT partner you'll ever have in your corner.

What is IT? When we talk about IT, we're referring to your entire infrastructure: computers, servers, internet, cyber security, email, the cloud, phones, and all the things that keep your company and your people running day to day. Our job is to make sure all of those essential functions are working at their peak and continuously improving so that you can focus on your mission.

When your technology is running at its peak, you can focus on what you do best. We make that possible.

Our IT Services

- **Managed Service Provider**
- **Co-Managed Service Provider**
- **Cyber Security: Managed Security Service Provider**
- **IT Consulting & Project Support**
- **Cloud UCaaS (Phone Systems)**
- **Mac Support**

**WE'RE WITH
YOU FOR LIFE**

**PAYROLL
COMPLETE**

Bridging the Gap Between Everyday and Payday
A Division of Waukesha State Bank



**FROM YOUR
CLIENT'S
FIRST HIRE TO
GROWING
THEIR TEAM**

The people part of your client's business is so much more than payroll. Time. HR. Benefits. Compliance. Training. Hiring. And great reporting. At Payroll Complete, we connect the soft side of human resources to the data your clients need to make decisions. We pair real customer service with robust technology. And we bridge the gap between everyday and payday human resources needs. It's a complete solution from a caring team.

Set up your clients for success at PayrollCompleteWaukesha.com



Inspire the future talent.

To help raise awareness of the accounting profession, we're looking for volunteers to go into high schools to talk about accounting as a career.

We've made it extremely easy for you to participate!

- Reach out to one or more high schools you're interested in speaking at
- Schedule a day and time with the school
- Let us know by completing the Accounting Careers Month Volunteer Form
- We'll provide you with everything you need including a presentation, talking points, tips, resources and fun gifts for students!

Get involved at wicpa.org/CareersMonth



2026
WICPA

Excellence

★ ★ ★

★ ★ A W A R D S



NOMINATE SOMEONE YOU KNOW FOR AN EXCELLENCE AWARD!

- ★ Accounting Educator
- ★ Accounting Student
- ★ Business & Management
- ★ CPA in Public Practice
- ★ Community Service
- ★ Distinguished Career
- ★ Diversity & Inclusion
- ★ Woman to Watch
- ★ Young Professional

Submit your nomination at wicpa.org/awards by Nov. 14, 2025.

Recipients will be announced in January and honored at the Member Recognition Banquet & Annual Business Meeting on May 8, 2026.

The individual nominated must be a WICPA member.



WICPA Educational
FOUNDATION



YOU have the opportunity to impact thousands of students and educators in Wisconsin.

Through your contribution to the WICPA Educational Foundation, you can help us reach students and educators in high school and college to create awareness about the accounting profession.

As the end of 2023 draws near and you are thinking about tax planning, consider donating to the WICPA Educational Foundation.

Questions? Contact Tammy J. Hofstede, WICPA President and CEO at tammy@wicpa.org.

To contribute, visit wicpa.org/EF.



WICPA Educational
FOUNDATION

Join the WICPA Educational Foundation Board!

The WICPA Educational Foundation is seeking members to serve on its board of directors.



Some of the opportunities include:

- Assisting in efforts to attract students to the profession.
- Providing strategic governance in accordance with the WICPA Educational Foundation mission.
- Acquiring new leadership skills.

The WICPA Educational Foundation plays a pivotal role in supporting programs to improve awareness and perceptions by educating students and educators about the exciting opportunities available to accounting professionals.

To apply, visit wicpa.org/EFBoardApplication through Feb. 28, 2024. ► **Questions?** Contact tammy@wicpa.org.

JOIN A CONFERENCE PLANNING COMMITTEE

Participate in planning a WICPA conference and enjoy:

- ⦿ FREE registration*
(a \$300-\$400 value!)
- ⦿ Exclusive networking
- ⦿ Leadership skill development
- ⦿ Recognition for your WICPA involvement
- ⦿ Informal CPE credit

* To receive free conference registration:

- attend one planning meeting ~ 2 hours
- select topics
- contact speakers
- introduce speakers at conferences

2025 CONFERENCES Accepting Volunteers

MARCH
20

BUSINESS & INDUSTRY
SPRING CONFERENCE

MAY
13

FINANCIAL INSTITUTIONS
CONFERENCE

MAY
21

SCHOOL DISTRICT AUDIT
CONFERENCE

SEPT.
9

BUSINESS & INDUSTRY
FALL CONFERENCE

SEPT.
16

NOT-FOR-PROFIT
ACCOUNTING CONFERENCE

NOV.
10-11

TAX
CONFERENCE

NOV.
20

ACCOUNTING & AUDITING
CONFERENCE

For more information or to join, email tammy@wicpa.org.



Wisconsin Institute of CPAs

NFP Accounting Conference

Accounting, auditing and tax update



WIPFLI

Presenters



Karl Eck, CPA

Partner, Audit



Sam Brunson, CPA

Senior Manager, Tax

Materials / disclaimer

- Please note that these materials are incomplete without the accompanying oral comments by the trainer(s).
- These materials are informational and educational in nature and represent the speakers' own views. These materials are for the purchasing agency's use only and not for distribution outside of the agency or publishing on a public website.

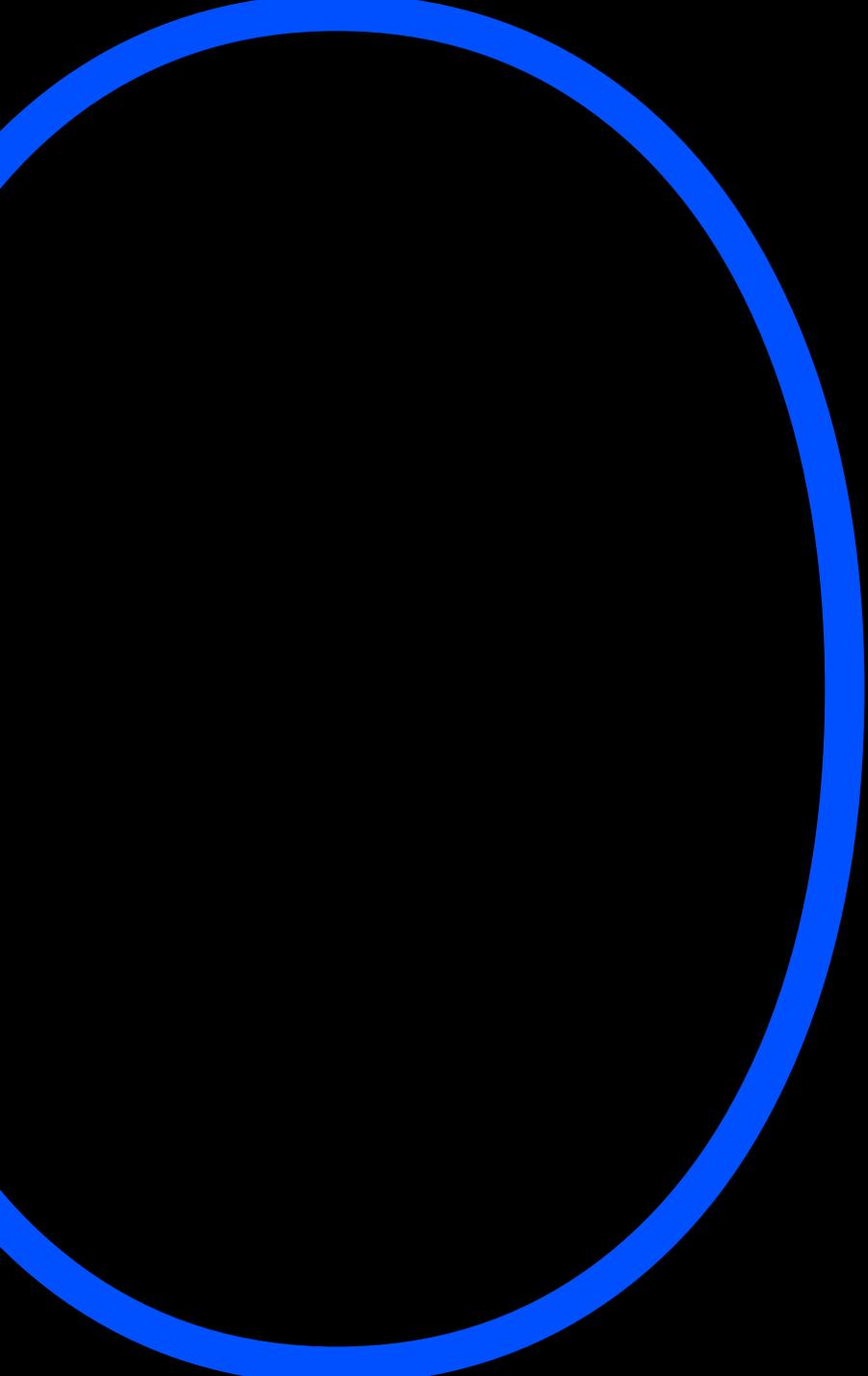
Agenda

Audit and accounting update **01**

Uniform Guidance updates **02**

Tax updates **03**

Questions **04**



**Audit and
accounting
updates**

Auditing Standards

SAS 147: Inquiries of Predecessor Auditors

- Effective for audit periods beginning on or after June 30, 2023
- Auditor is required to request management to authorize the predecessor auditor to respond fully to auditor's inquiries
- If management does not authorize, auditor needs to inquire about the reasons and consider implication of refusal in deciding whether to accept the engagement



Auditing Standards

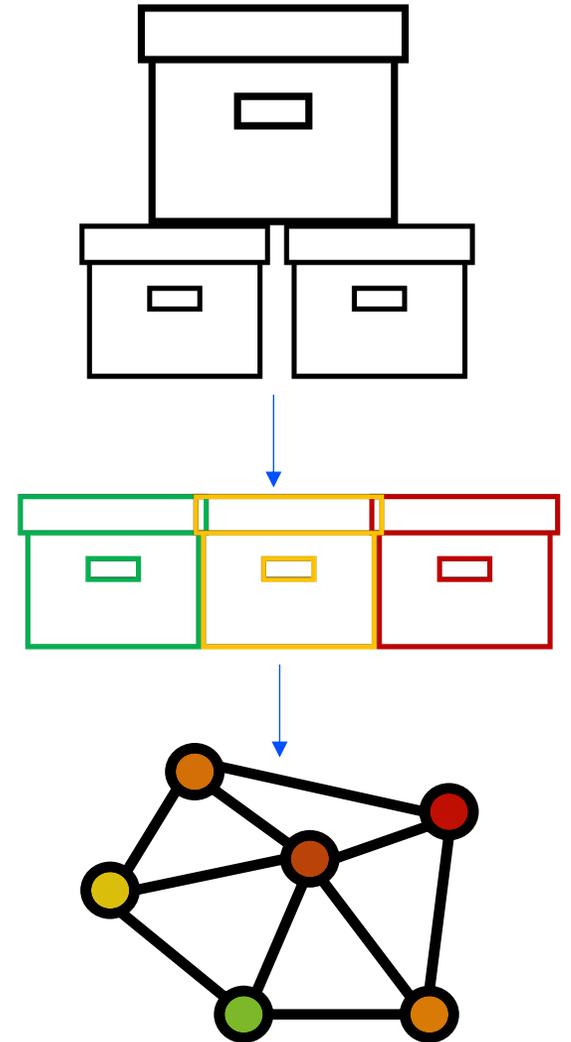
SAS 147: Inquiries of Predecessor Auditors (continued)

- Successor is required to inquire of predecessor regarding fraud and noncompliance with laws and regulations (NOCLAR) before accepting the audit engagement
- Predecessor auditor has a responsibility to respond on a timely basis and required to clearly state if the response is limited due to unusual circumstances
 - If no or limited response – consider not accepting the engagement
- Required to document inquiries and the results when the engagement is accepted

Auditing Standards

SAS 149: Group Audits

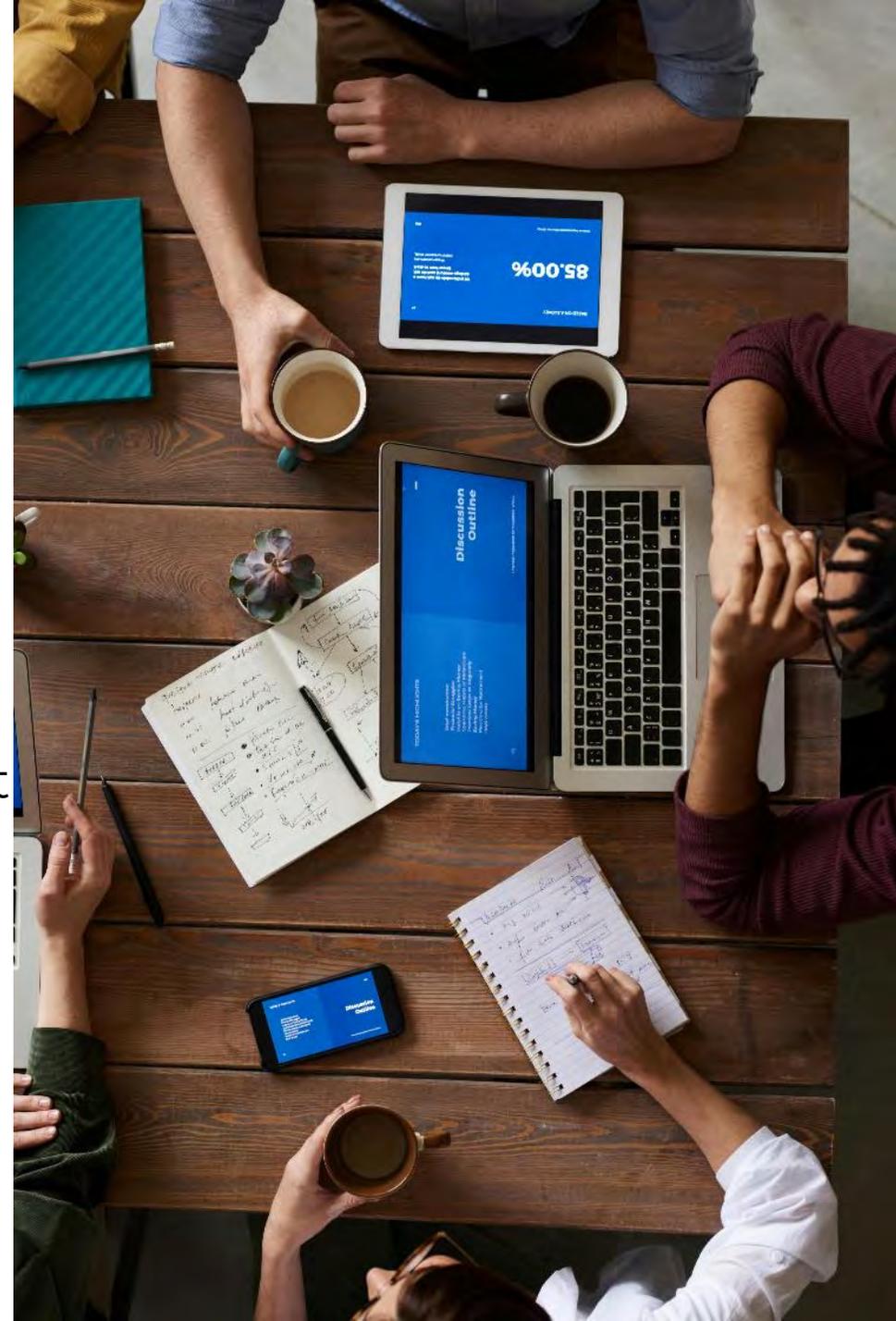
- Periods ending on or after December 15, 2026
- Risk-based approach to planning and performing group audits, replacing the previous method that focused on identifying “significant components”
- Moves away from the rigid “significant component” framework



Auditing Standards

SAS 149: Group Audits (continued)

- Component Auditor: Now explicitly part of the engagement team
- Referred-to Auditor: Performs audit of a component but is not part of the engagement team; group auditor may reference their work in the report



Auditing Standards

SAS 149: Group Audits (continued)

- Audit planning will now require a more tailored risk assessment across components
- Oversight of component auditors becomes more formalized
- Documentation expectations will increase, especially around risk evaluation and auditor involvement



FASB update overview

ASU 2023-01: Leases Under Common Control

- Practical expedient for lease evaluation – can use written terms and conditions of a lease between entities under common control to determine:
 - Whether a lease exists
 - How to classify and account for the lease
- In these leases, terms and conditions may not be negotiated at arm's length and the common control parties can often choose not to enforce them. Because of this, in some cases, identifying the enforceable terms and conditions could necessitate a formal legal opinion.

FASB update overview

ASU 2023-01: Leases Under Common Control (continued)

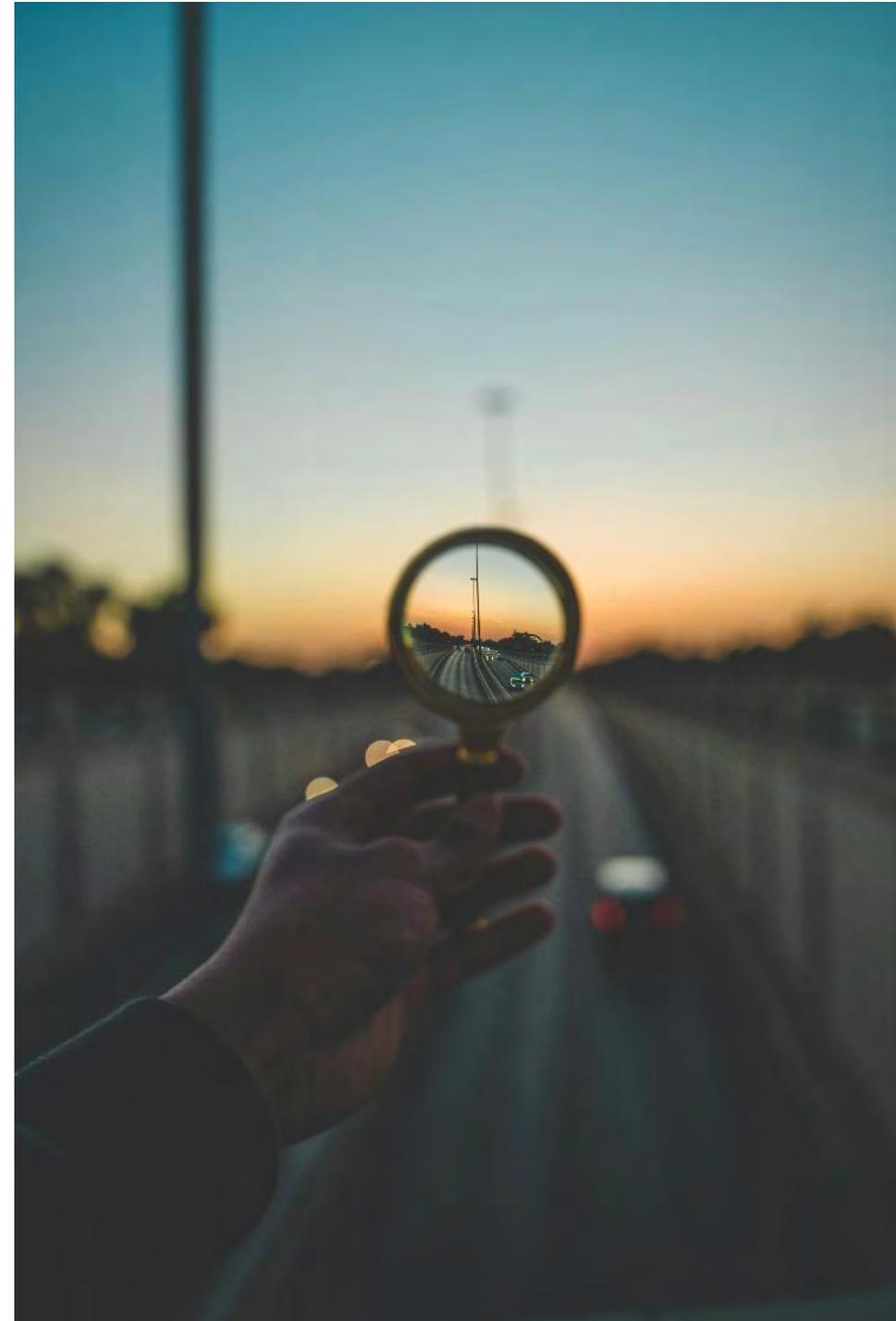
- Removes the need to evaluate legal enforceability
- Leasehold improvements now can be amortized over their useful life rather than the lease term



FASB update overview

ASU 2023-06: Enhanced Disclosures

- Implementation date based on if SEC takes action or not
- Requires disclosure of:
 - Unused lines of credit
 - Collateral and liens on assets
 - Restrictions on cash and investments
- Improves transparency for stakeholders and auditors



FASB update overview

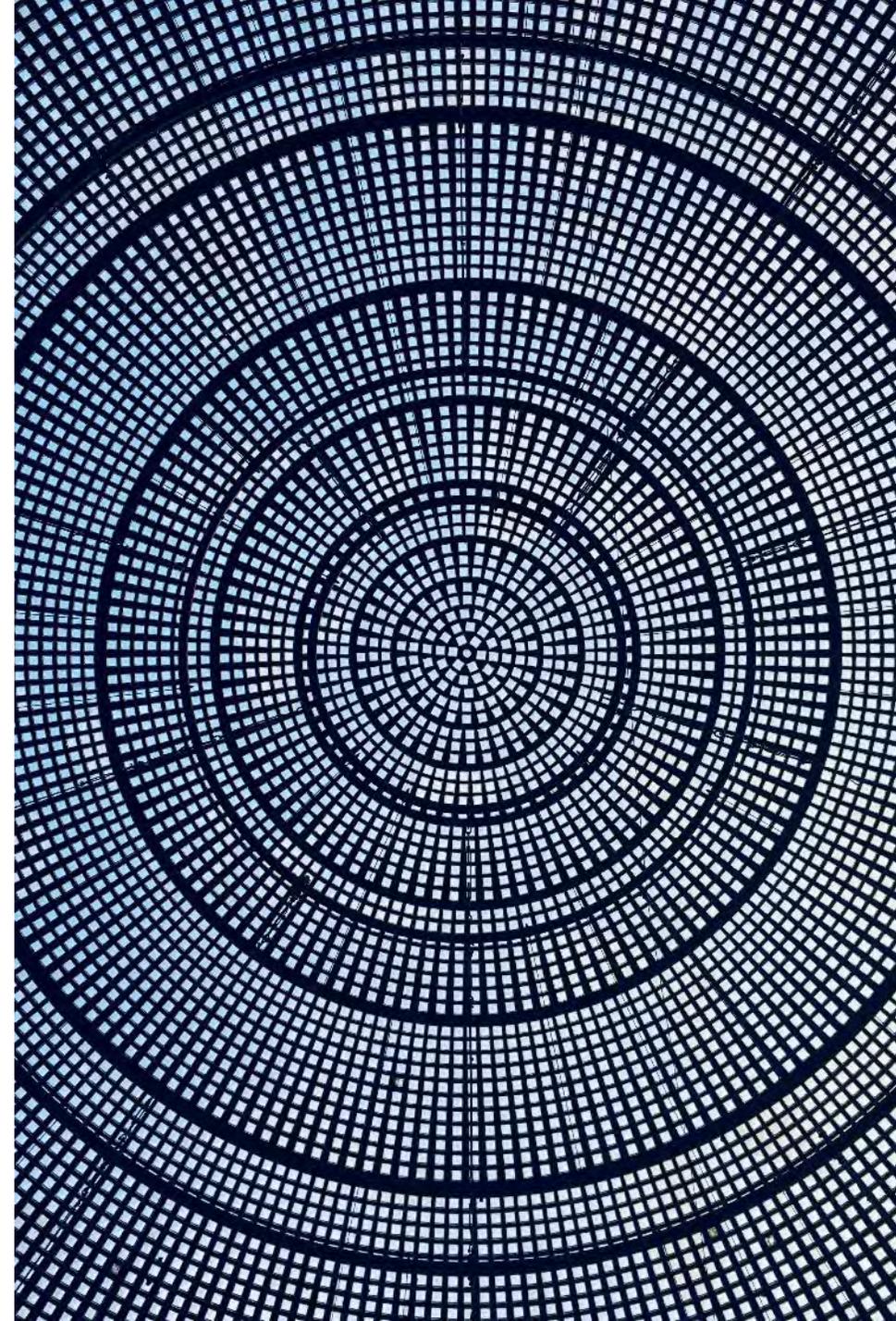
ASU 2023-08: Crypto Assets

- Effective fiscal years beginning after December 15, 2024, early adoption is permitted
- Applies to nonprofits accepting cryptocurrency donations
- Requires fair value measurement
- Previously were reported as an indefinite-lived intangible asset that is written down when impaired and no increase in value for subsequent increases in value
- Assets must be presented separately on the balance sheet

FASB update overview

ASU 2023-08: Crypto Assets (continued)

- Expanded disclosures:
 - Types of crypto assets held
 - Changes in holdings
 - Fair value measurement techniques
 - Gains and losses recognized



FASB update overview

ASU 2025-05: Financial Instruments-Credit Losses

- Effective for annual reporting periods beginning after December 15, 2025; early adoption is permitted
- Practical expedient for forecasting – no need to develop reasonable and supportable forecasts for current accounts receivables and contract assets
- If forecasting expedient is elected, must do consistently for all current accounts receivable and contract assets

FASB update overview

ASU 2025-05: Financial Instruments-Credit Losses (continued)

- If practical expedient is elected, an entity other than a public business entity can make an accounting policy election when estimating expected credit losses to consider collection activity after the balance sheet date but before the entity's financial statements are available to be issued
- Meaning, if an entity collects a balance on current accounts receivable / current contract assets before the audit is issued, the allowance for credit loss would be \$0

FASB update overview

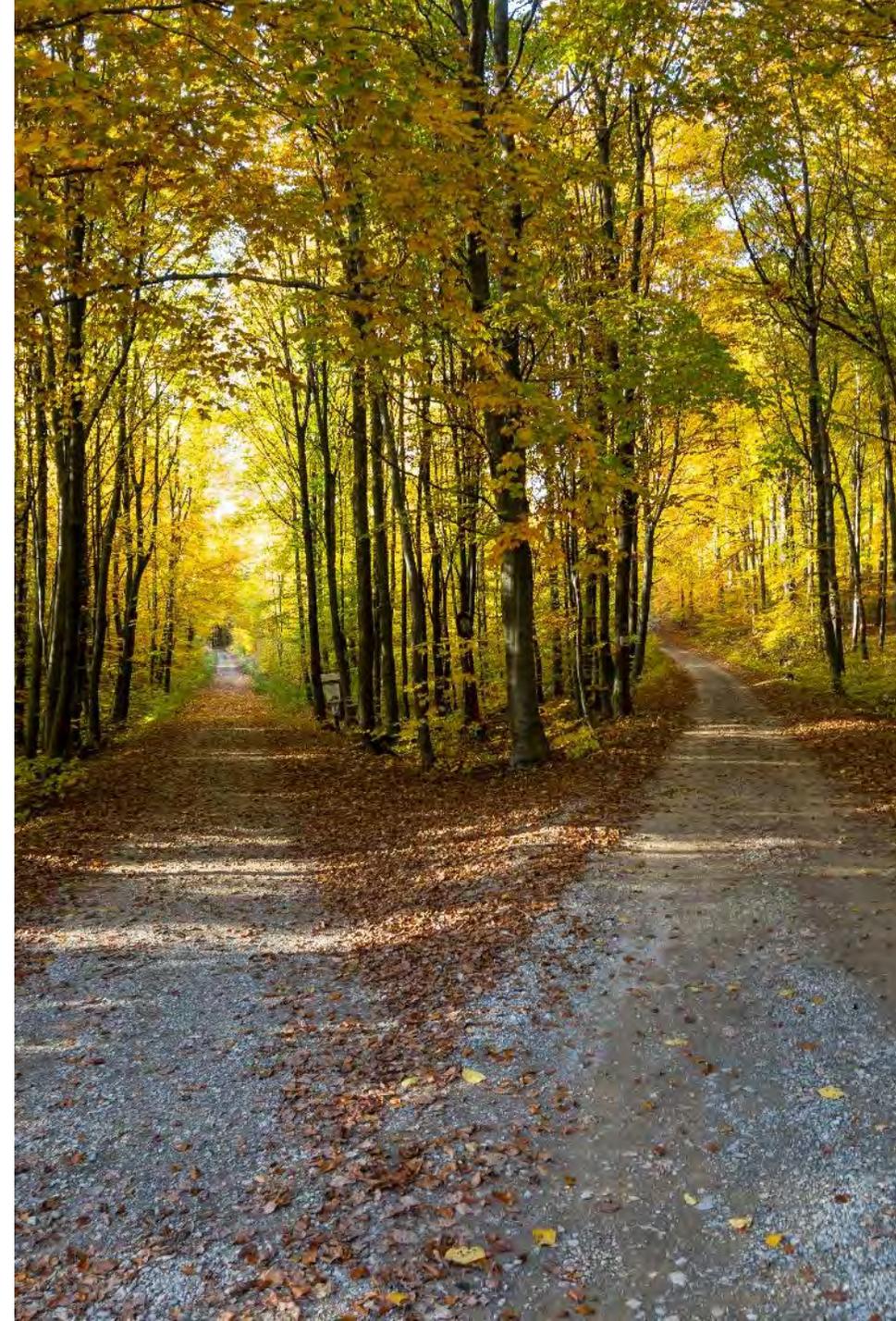
ASU 2025-05: Financial Instruments-Credit Losses (continued)

- Entities are required to disclose whether they have applied the practical expedient and / or the accounting policy election. Entities electing the accounting policy must also disclose the date through which subsequent cash collections were evaluated.
- Meaning, if an entity collects a balance on current accounts receivable / current contract assets before the audit is issued, the allowance for credit loss would be \$0.
- Not required to justify that such methods are preferable in disclosure if elected.

Pending Standards to watch

Proposed ASU: Intangibles – Goodwill and Other Internal Use Software

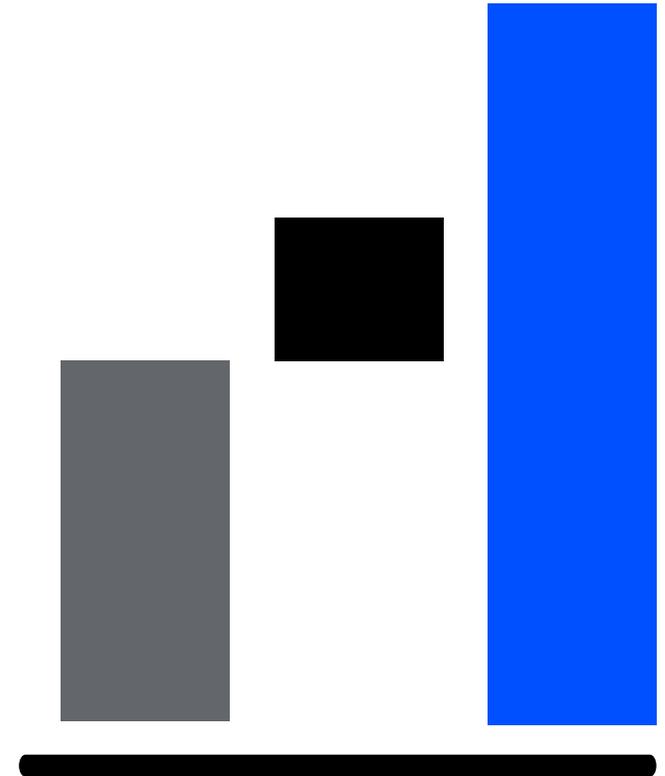
- Clarifies when to capitalize vs. expense
- Capitalize when management has authorized and committed the funding and probable the project will be completed
- Would remove development stages



Pending Standards to watch

Cash Flow Presentation

- Proposed improvements to clarity and consistency
- May affect how nonprofits report operating vs. investing activities
- Some discussion on mandating the direct method



Accounting for self-funded health insurance

How does it work?

- More commonly adopted by nonprofits over the years as a method to reduce costs by taking on additional risk
- Entity collects the premium payments from employees (sometimes held in a trust)
- In a grant funded environment, could be charging grants the “employer” portion to cover costs and create or maintain a reserve

Accounting for self-funded health insurance

How does it work? (continued)

- Entity takes some or all the risk of paying claims
- Usually entities obtain stop-loss insurance to mitigate the risk of large claims
 - Individual claim limits
 - Aggregate claim limits
- Usually, claims are paid and tracked by a Third-Party Administrator (TPA)



Accounting for self-funded health insurance

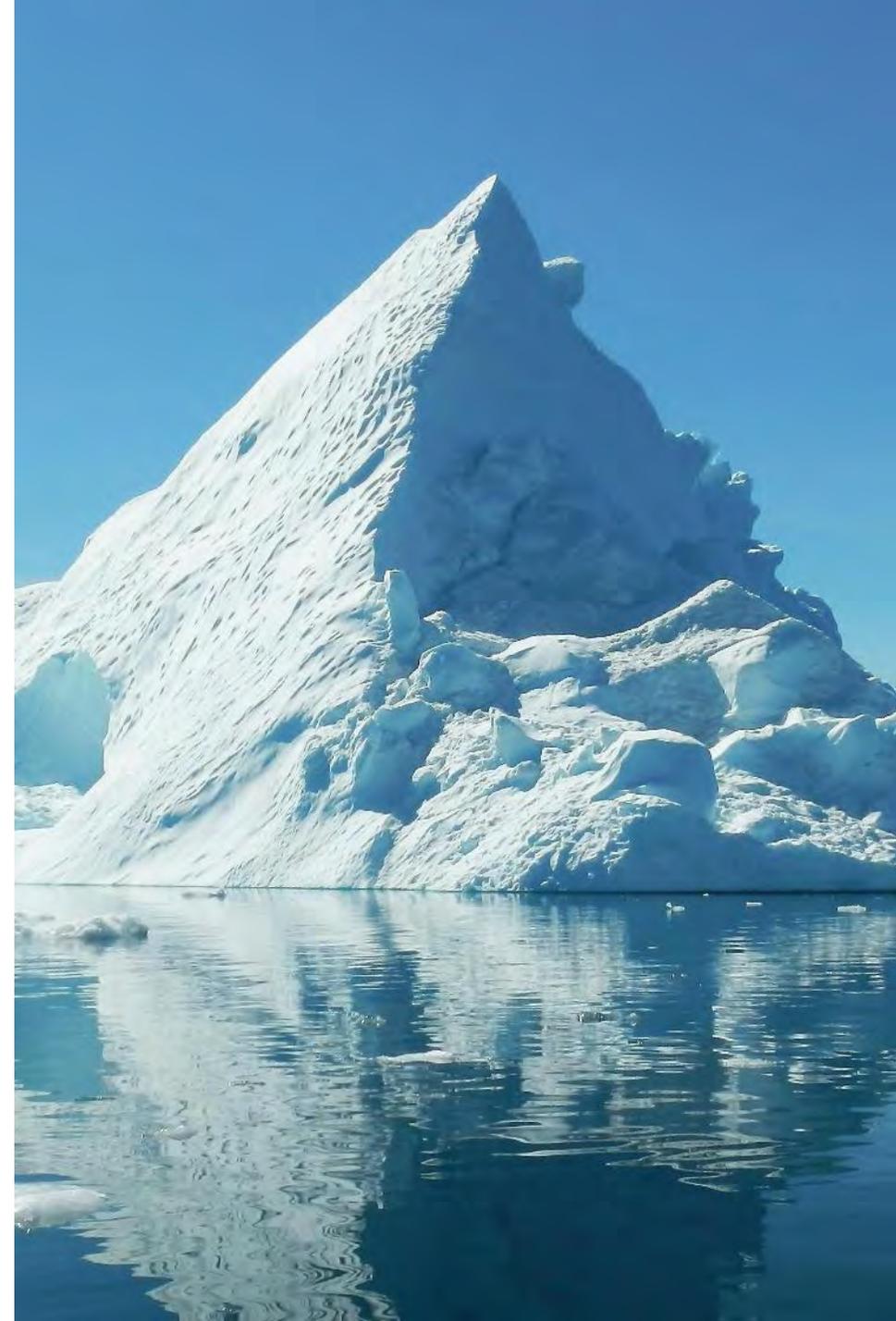
Uniform Guidance considerations

- Uniform Guidance does not specifically mention self insurance for health insurance, but the concept is in 2 CFR Part 200.447(d)
- Discusses what reserve levels can be
- Under Uniform Guidance costs are to be comparable to traditional insurance

Accounting for self-funded health insurance

Accounting considerations

- Accrual for known claims that have not been paid
- Incurred but not reported (IBNR) claims:
 - Estimate of incidents that have been incurred but not reported as a claim (i.e., employee visits the doctor on 12/31 but hasn't been billed)
 - May be a significant estimate
 - Most entities use claims data to develop this estimate on their own; some even use an actuary



Accounting for self-funded health insurance

Accounting considerations (continued)

- Estimating IBNR liability:
 - Start with historical claims for reasonableness check
 - Claims lag report from TPA – perhaps 1.5 – 3 months will get you most of the way there
 - Consider seasonality and changes in reporting patterns
 - Consider known large claims that haven't been reported or paid
 - Use subsequent information if available

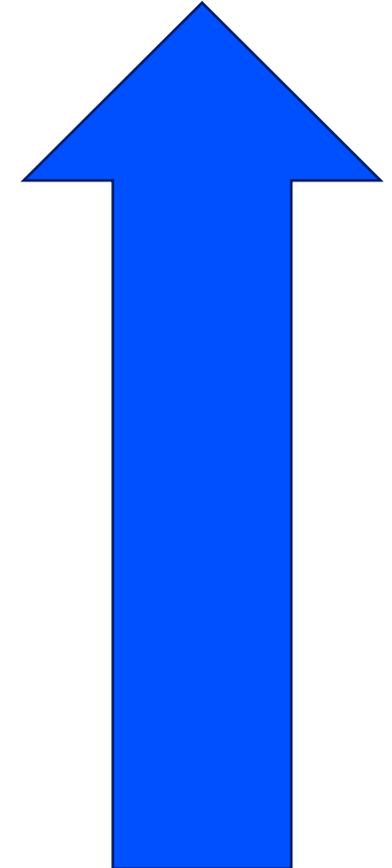


**Uniform
Guidance
updates**

Uniform Guidance updates

Key changes

- Single audit threshold raised from \$750,000 to \$1,000,000
- Type A threshold also raised to \$1,000,000
- Equipment threshold raised from \$5,000 to \$10,000
- Modified Total Direct Cost (MTDC) subawards threshold raised from \$25,000 to \$50,000
- De Minimis indirect rate raised from 10% to “up to 15%”



Uniform Guidance updates

Transition timeline

- Audit changes are years beginning on or after October 1, 2024
- Other changes generally apply to awards issued on or after October 1, 2024



Uniform Guidance updates

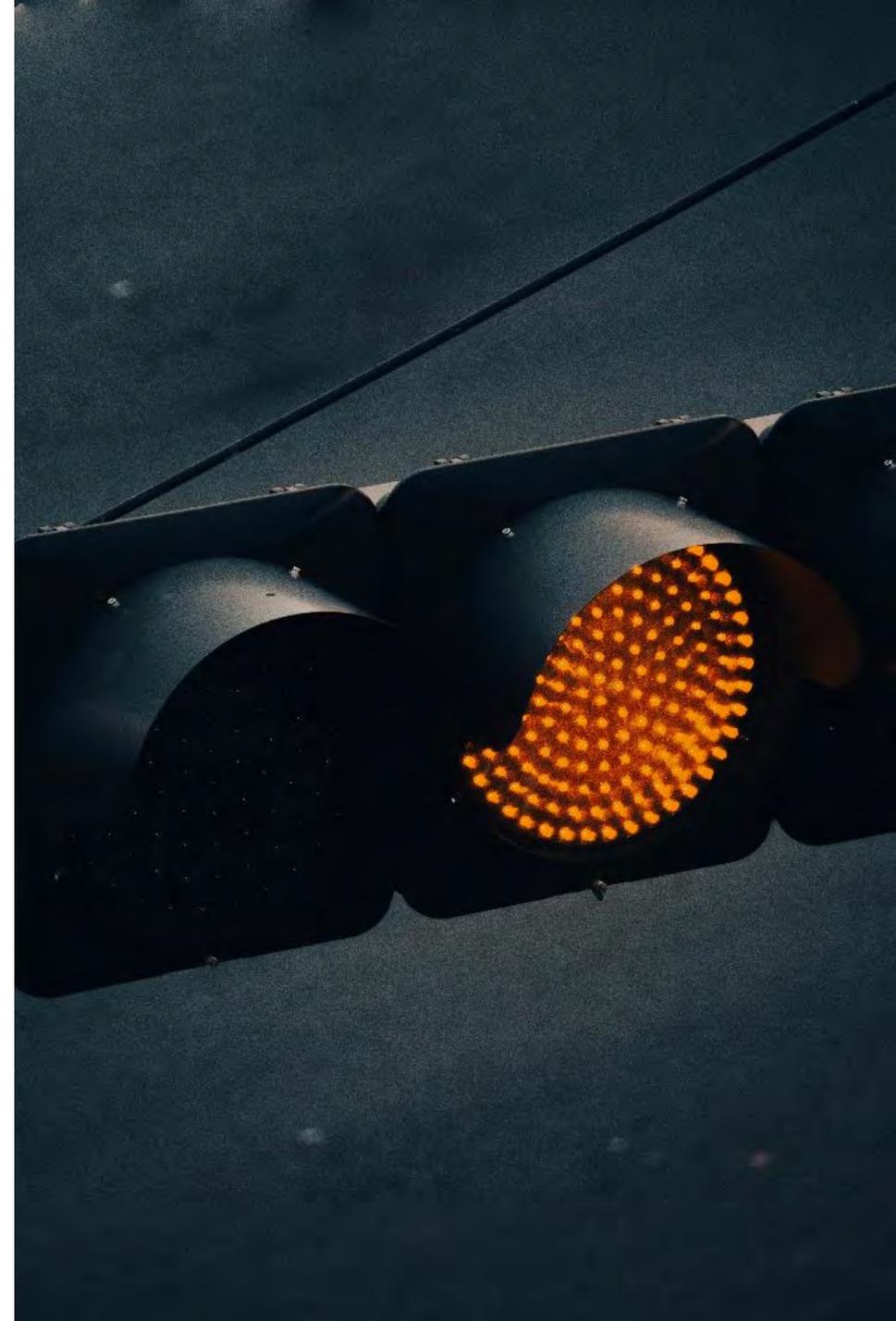
Other Matters to be Aware Of

- Finance leases are defined as a capital asset
- 15% de minimis rate may to be able to be realized due to grant administrative cost limits
- Participant support costs more clearly defined now

2025 OMB Compliance Supplement

Supplement not issued as of 8/18/25

- Supplement would normally be effective for fiscal years beginning after June 30, 2024
- Audit considerations if not issued:
 - Delay audit issuance
 - Perform procedures using old supplement; issue when supplement is out
 - Split of financial statement and compliance audits



2025 OMB Compliance Supplement

Anticipated changes

- Deletion of many programs because not audited frequently or funds are winding down – use part VII (guidance for programs without a supplement) if you need to audit a deleted program
- Includes detail on timing and implementation of 2024 Uniform Guidance revisions
- Only two higher risk programs
 - 93.775/93.777/93.778 – Medicaid Cluster
 - 15.252 – Abandoned Mine Land Reclamation (AMLR)

2025 OMB Compliance Supplement

Anticipated changes (continued)

- Removed from higher risk status, no COVID programs remain on the list
 - 21.023 – Emergency Rental Assistance
 - 21.027 – CSLFRF
- Points auditors to supplementary information issued by the Council on Federal Financial Assistance (COFFA) to assist in fully understanding the timing of the implementation of the 2024 UG revisions to individual awards
- Prior supplement was not revised to reflect the increase in the micro-purchase threshold from \$10,000 - \$50,000 and other corrections and edits

Yellow Book – 2024 Revision

Key changes

- Effective for audit periods beginning on or after December 15, 2025, with early implementation allowed
- Shift from quality control to quality management
- Chapter 5 titled: Quality Management, Engagement Quality Reviews, and Peer Review
- Application guidance of reporting key audit matters





Tax updates

Agenda

The One Big Beautiful Bill (OBBB)

- Impact on nonprofit organizations
- Energy credits
- Other miscellaneous updates

The One Big Beautiful Bill

Provisions impacting nonprofit organizations

- Expansion of tax on private colleges and universities
- Broader excise tax on excess compensation
- Several changes to rules for charitable contribution deductions of corporate and individual donors
- Changes to tax credits



The One Big Beautiful Bill

Expansion of tax on private colleges and universities

Student adjusted endowment	Tax rate
Between \$500,000 and \$750,000	1.40%
Between \$750,001 and \$2M	4.00%
In excess of \$2M	8.00%

The One Big Beautiful Bill

Broader excise tax on excess compensation

- Nonprofit organizations currently pay an excise tax on compensation in excess of \$1 million given to any of the organization's top five covered employees
- Under the new law, the excise tax will apply to compensation of all employees who receive in excess of \$1 million, not just the top five

The One Big Beautiful Bill

Changes impacting charitable contributions

- New 1% floor imposed on corporate donors
 - If total contributions do not exceed 1% of the corporation's taxable income for the year, no deduction is allowed.
 - Contributions not allowed in the current year due to failure to meet the 1% floor can be carried forward for five years but may not be considered in determining if the 1% floor is met in subsequent years.
- The existing 10% ceiling remains unchanged

The One Big Beautiful Bill

Changes impacting charitable contributions

- New 0.5% floor imposed on individual donors
 - Aggregate contributions of an individual will be allowed only to the extent they exceed 0.5% of the taxpayer's contribution base (generally AGI) for the taxable year, still subject to other existing limitations



The One Big Beautiful Bill

Changes impacting charitable contributions

- Reinstatement of deduction for non-itemizers
 - Taxpayers who do not itemize will be eligible for an above-the-line deduction of up to \$1,000 for a single taxpayer and up to \$2,000 for joint filers
 - There is no expiration date for this provision
 - Donations to donor-advised funds and supporting organizations are not eligible for the deduction

The One Big Beautiful Bill

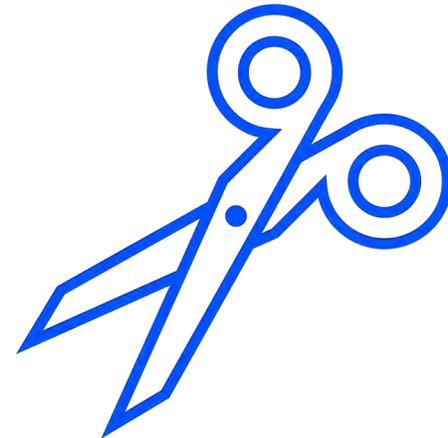
Changes to tax credits

- New tax credit for certain contributions to scholarship-granting organizations by individuals
 - The credit is limited to \$1,700; cannot be taken as both a deduction and a credit, and must be reduced by the amount of any credit taken on a state tax return
 - Unused credits can be carried forward for five years
 - States must voluntarily elect to participate in this program
- Energy credits will be discussed in upcoming slides

The One Big Beautiful Bill

Proposed provisions ultimately cut from final bill

- Tiered net investment income tax on private foundations
- Unrelated business income tax imposed on:
 - Transportation fringe benefits
 - Certain royalties
 - Certain research income



The One Big Beautiful Bill

Energy credit updates

- The OBBB sunsets several green energy incentives popular with tax-exempt entities, several of which were eligible for the direct pay program
 - Solar and wind projects (Section 48E)
 - EV charging stations (Section 30C)
- Some direct pay programs will remain
- Energy-efficient commercial building tax deductions are also phasing out (Section 179D)

The One Big Beautiful Bill

Solar and wind projects

- Direct pay solar and wind projects face early sunsets
- To retain credit eligibility, wind and solar projects that begin construction after July 4, 2026, must be placed in service by December 31, 2027
- Qualified projects that began construction before July 5, 2026, retain credit eligibility subject to the normal phasedown rules



The One Big Beautiful Bill

Alternative fuel vehicle refueling property credit

- OBBB also sunsets the Alternative Fuel Vehicle Refueling Property Credit that allows direct pay for EV charging stations for property placed in service after June 30, 2026



The One Big Beautiful Bill

Energy-efficient commercial buildings tax deduction

- Pre-OBBB, tax-exempts could assign a cost-based deduction to the designer of energy efficient commercial building property (EECBP) installed as part of:
 - Interior lighting systems
 - Heating, cooling, ventilation and hot water systems
 - Building envelope
- The OBBB terminates the deduction for EECBP, the construction of which begins after June 30, 2026

The One Big Beautiful Bill

Foreign entity of concern (FEOC) rules

- New rules for Prohibited Foreign Entities (PFE): Specified Foreign Entities (SFEs) and Foreign Influenced Entities
- SFEs include entities controlled by the governments of, citizens of, or organized under the laws of China, Iran, North Korea or Russia.
- FIEs include entities owned by SFEs, FIEs where SFEs can appoint officers, or where the FIE has too much debt to the SFE or even licenses IP from an SFE
- “Material assistance” rule: Starting with 2026 construction, if too high of a percentage of the direct costs of manufactured products are produced by a PFE, associations lose credit eligibility.

The One Big Beautiful Bill

Energy tax incentives that remain post-OBBB

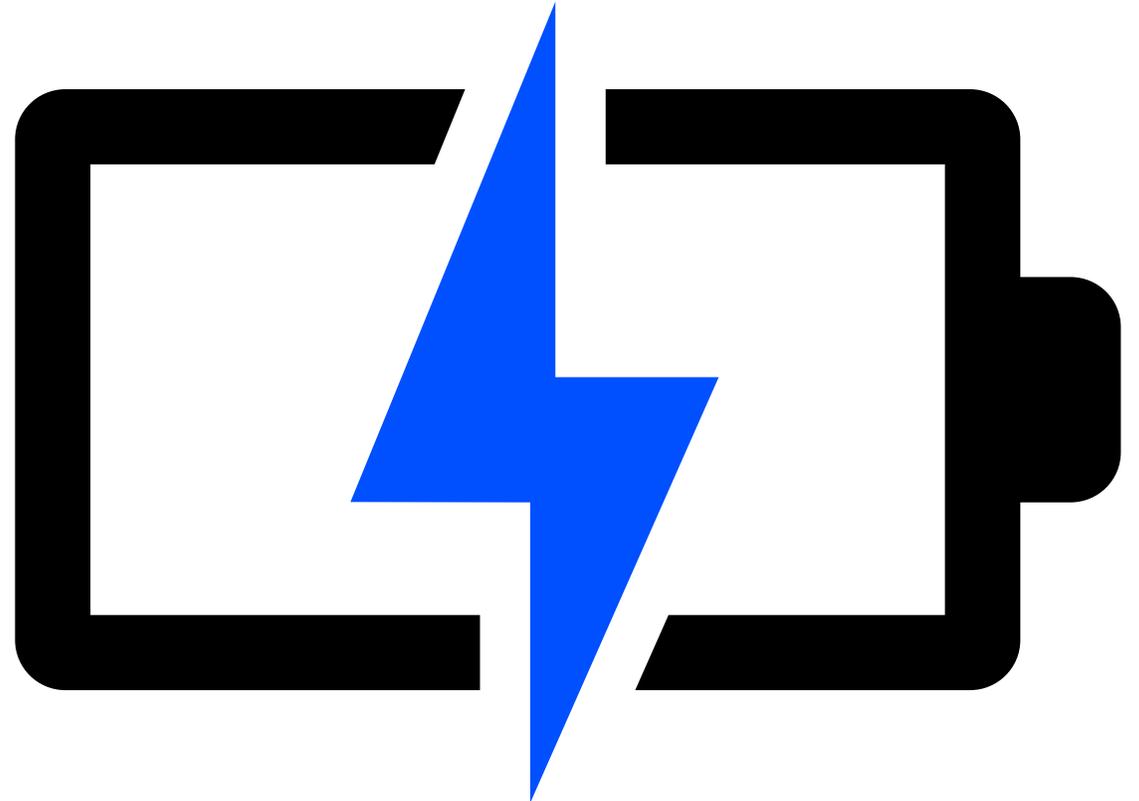
- Geothermal energy systems remain fully eligible for clean energy tax credits under the Investment Tax Credit (ITC) or the Production Tax Credit (PTC), depending on the project size and structure



The One Big Beautiful Bill

Energy tax incentives that remain post-OBBB

- Standalone battery storage systems continue to qualify for the technology-neutral ITC
 - Battery storage systems can be installed on their own or in conjunction with renewable generation systems such as solar or geothermal



The One Big Beautiful Bill

Looking for more information on energy credits?

- Our energy and tax professionals can help you understand what's changed — and what hasn't — so you can move forward with confidence
- Contact us today to discuss how the OBBB may affect your project timelines, eligibility or incentive strategy



Doug Kolker, CPA
Partner

314 480 1324
doug.kolker@wipfli.com

The One Big Beautiful Bill

Other updates

- 1099 reporting threshold
 - Threshold will increase from \$600 to \$2,000 (for payments made after 12/31/2025)
 - Adjusted annually for inflation



Thank you!

Karl Eck, CPA
Partner, Audit
keck@wipfli.com

608 270 2983

wipfli.com

Sam Brunson, CPA
Senior Manager, Tax
sbrunson@wipfli.com

406 532 4238



WICPA Not-for-Profit Conference

The Economic and Market Outlook 2025 – 2028

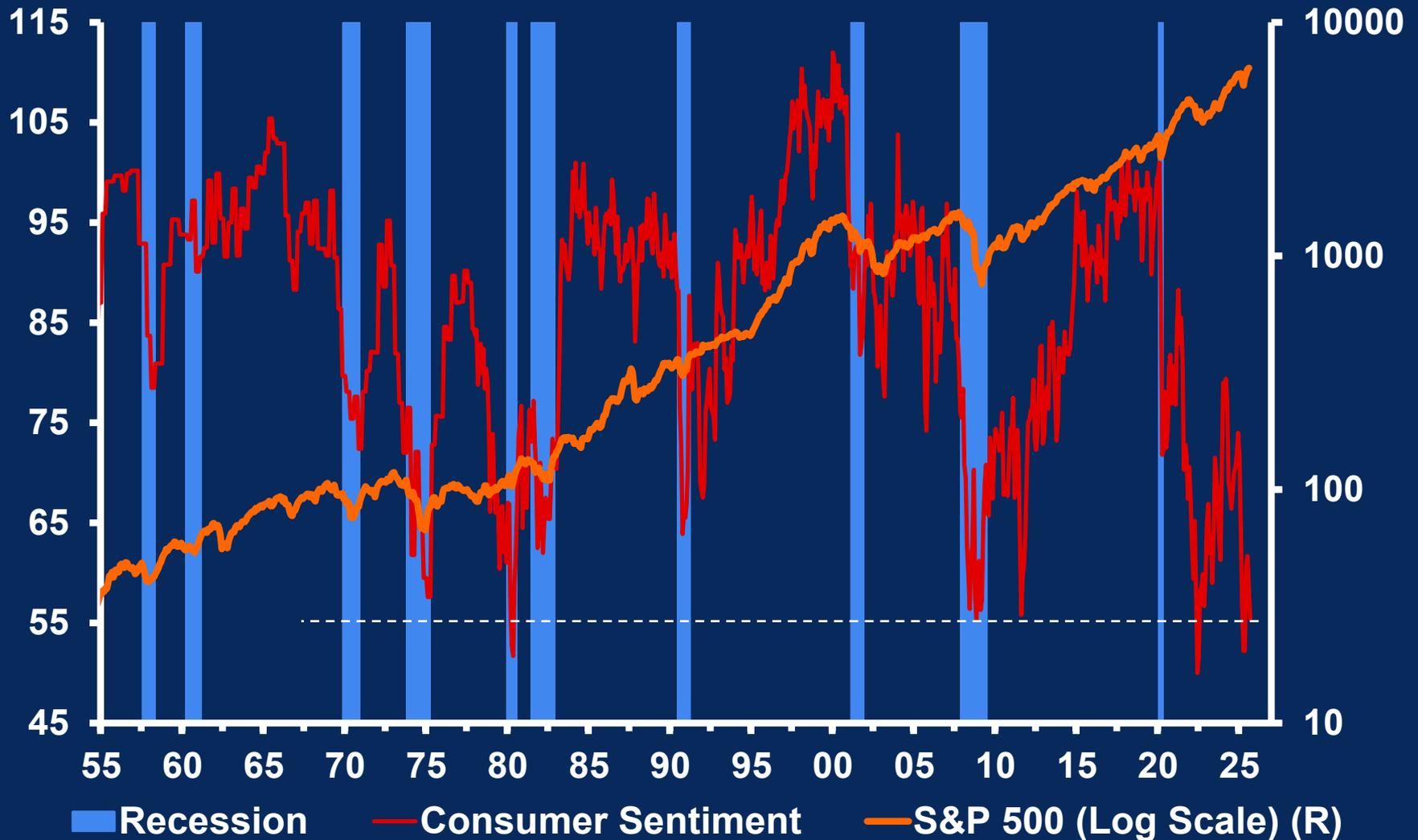
Clare Zempel, CFA, CBE
Economist and Investment Strategist

Livestream
September 16, 2025

Copyright © 2025 Clare W. Zempel

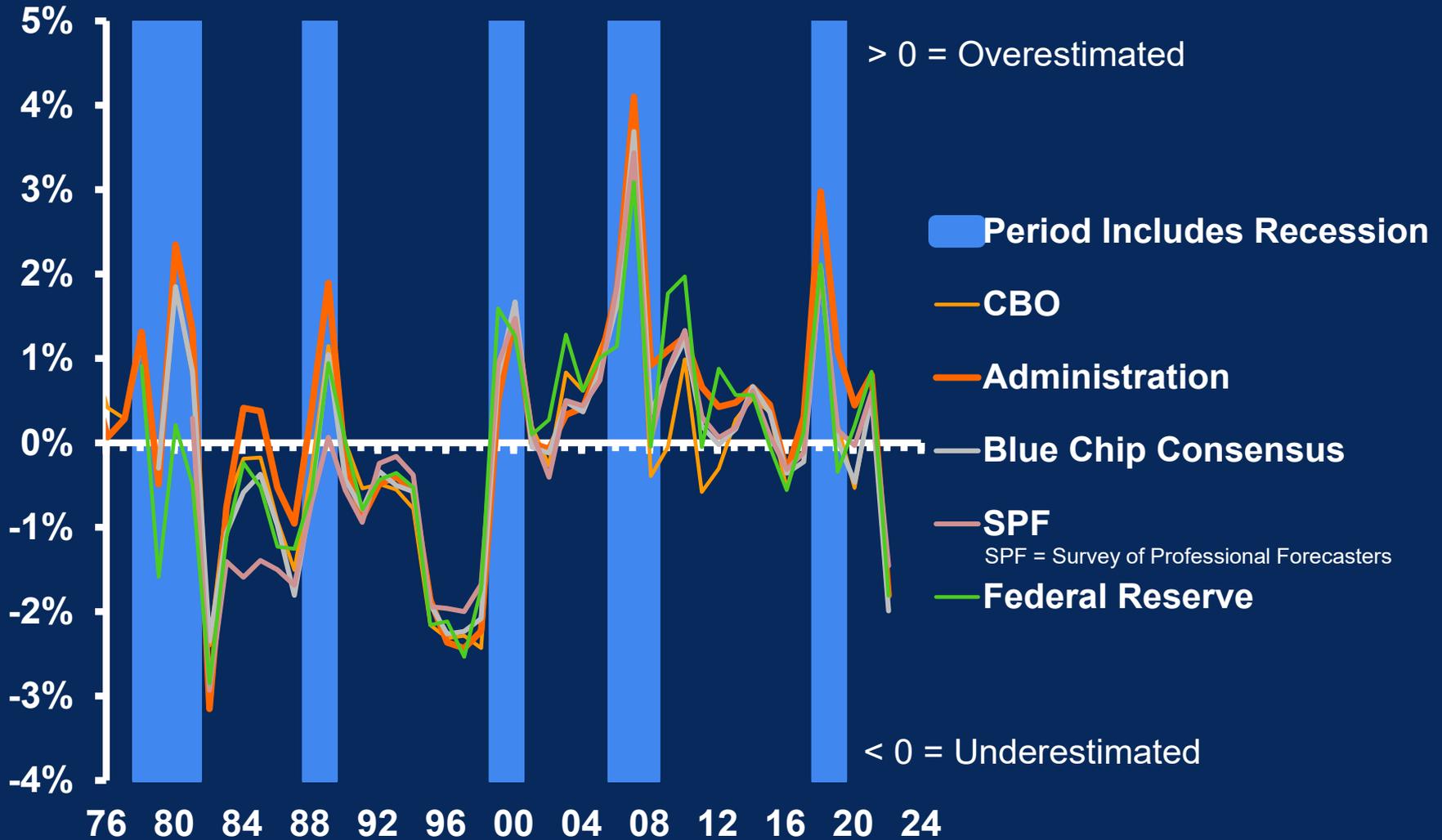
S&P 500 and Consumer Sentiment

(S&P 500 Index) (University of Michigan Index of Consumer Sentiment)



Real GDP Growth Forecast Errors

CBO (Congressional Budget Office) Analysis (2-Year Forecasts) (2025 Update)





WICPA Not-for-Profit Conference

The Economic and Market Outlook 2024 – 2028

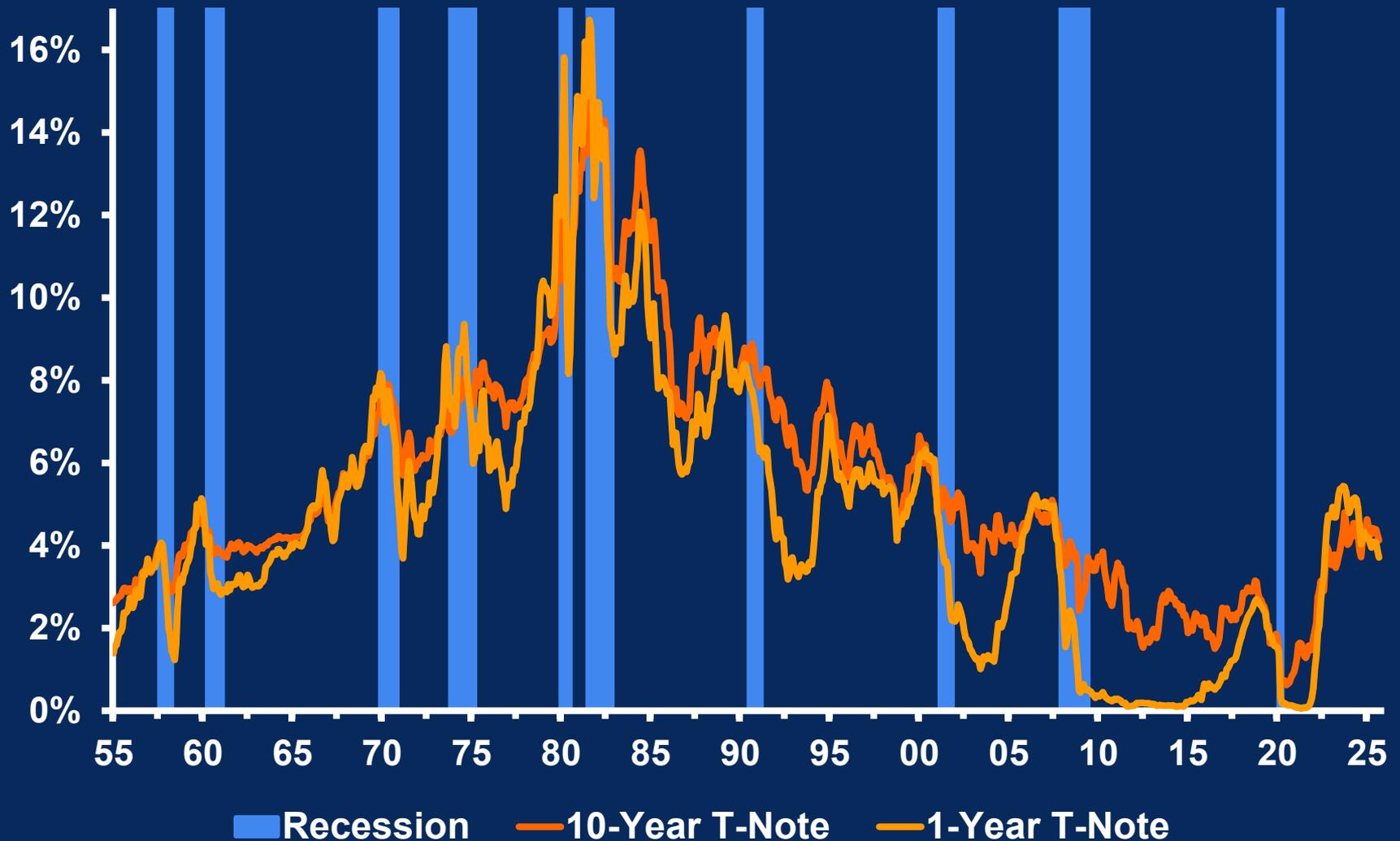
Zempel Zone Approach

Hard Data
Yield-Spread Inversion
Interest-Rate Changes
Applications

Interest Rates and Recessions

(Inversion = 1-Year > 10-Year)

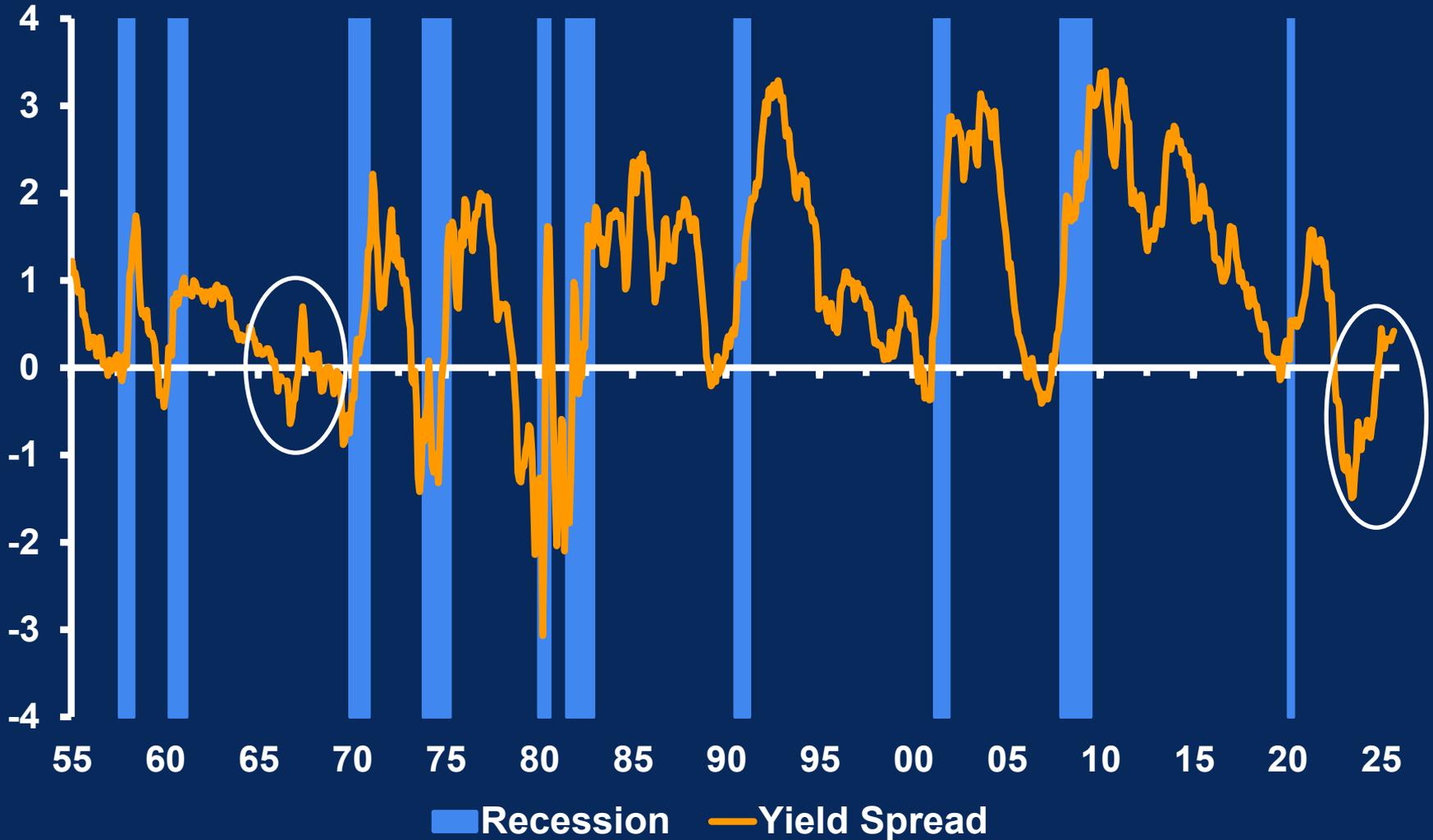
10 Recessions
Since 1955



Yield Spread and Caution Zones ©

(10-Year T-Note Yield Minus 1-Year T-Note Yield) (Percentage Points)

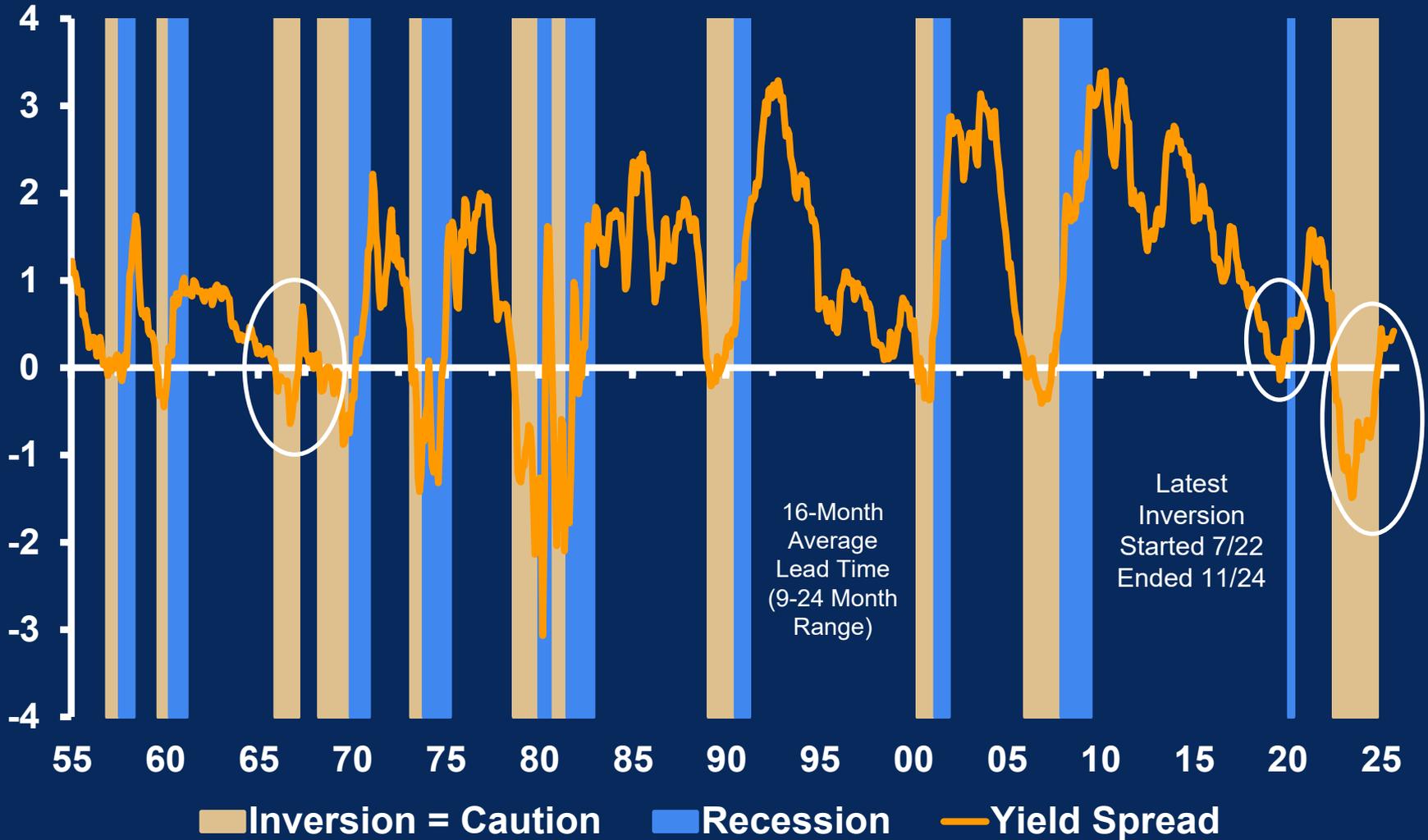
(Inversion = 1-Year > 10-Year)



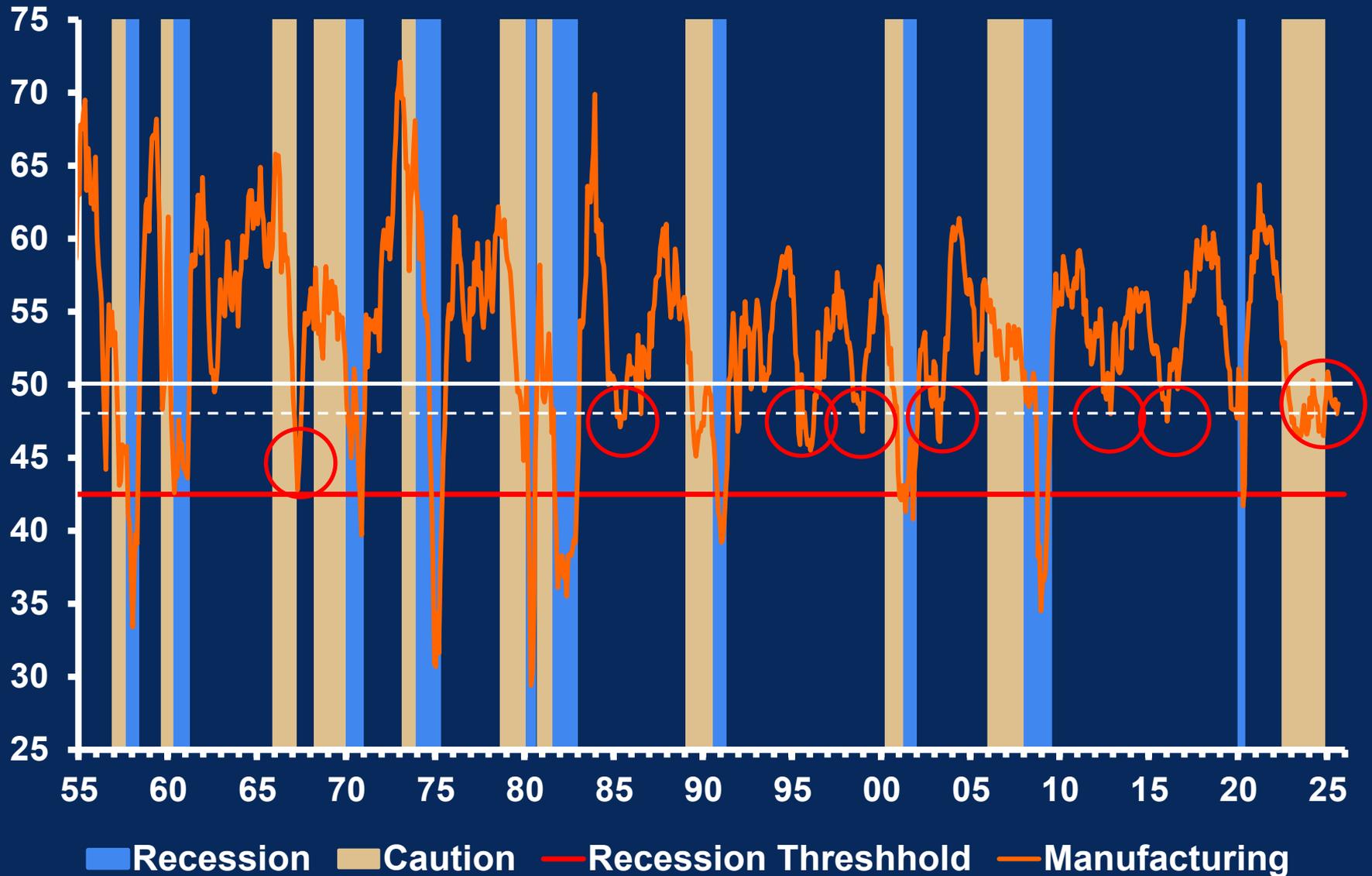
Yield Spread and Caution Zones ©

(10-Year T-Note Yield Minus 1-Year T-Note Yield) (Percentage Points)

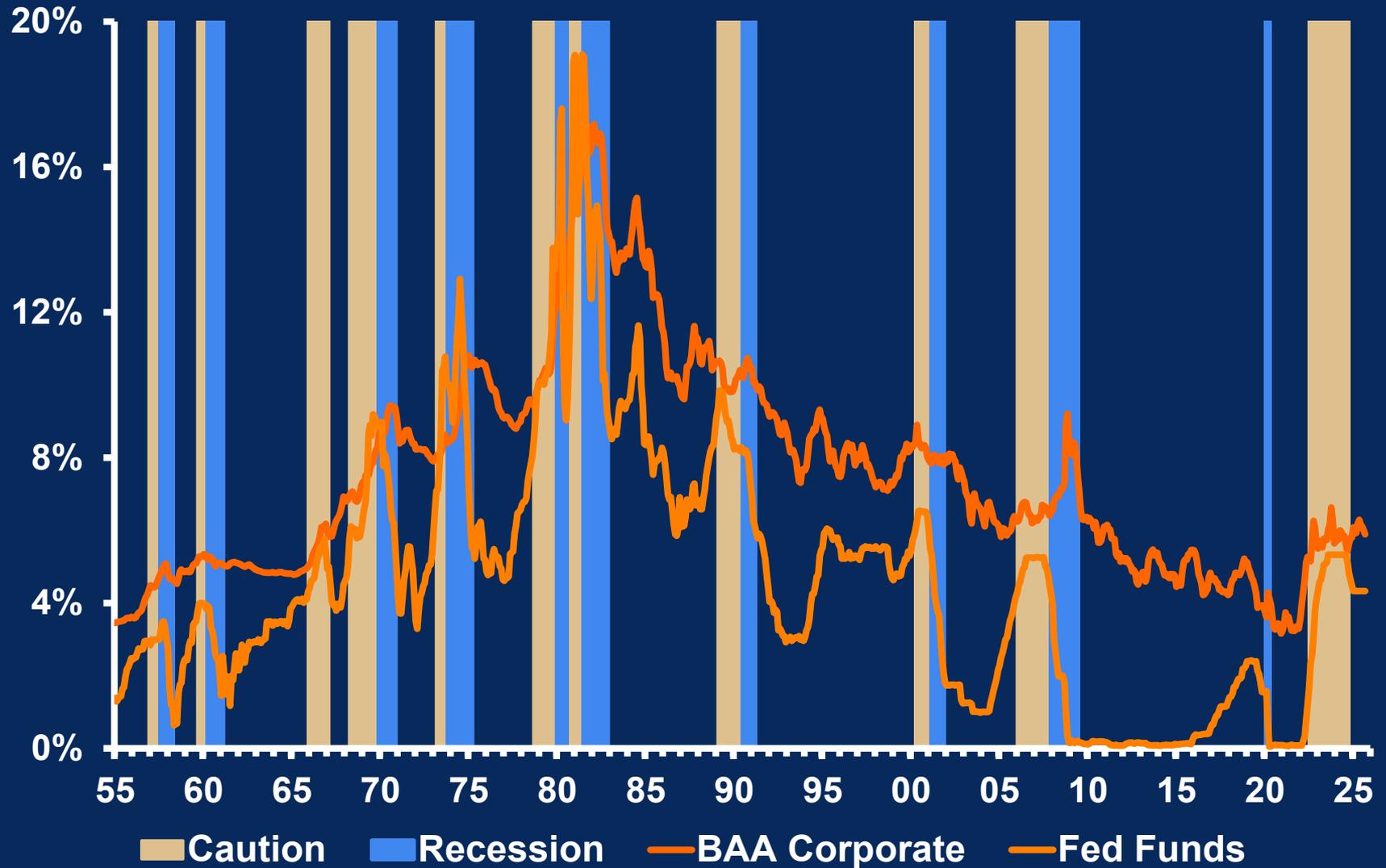
(Inversion = Caution Zone When Fed Funds Rate Is Rising)



ISM (PMI) Indexes (PMI = Purchasing Managers Indexes)



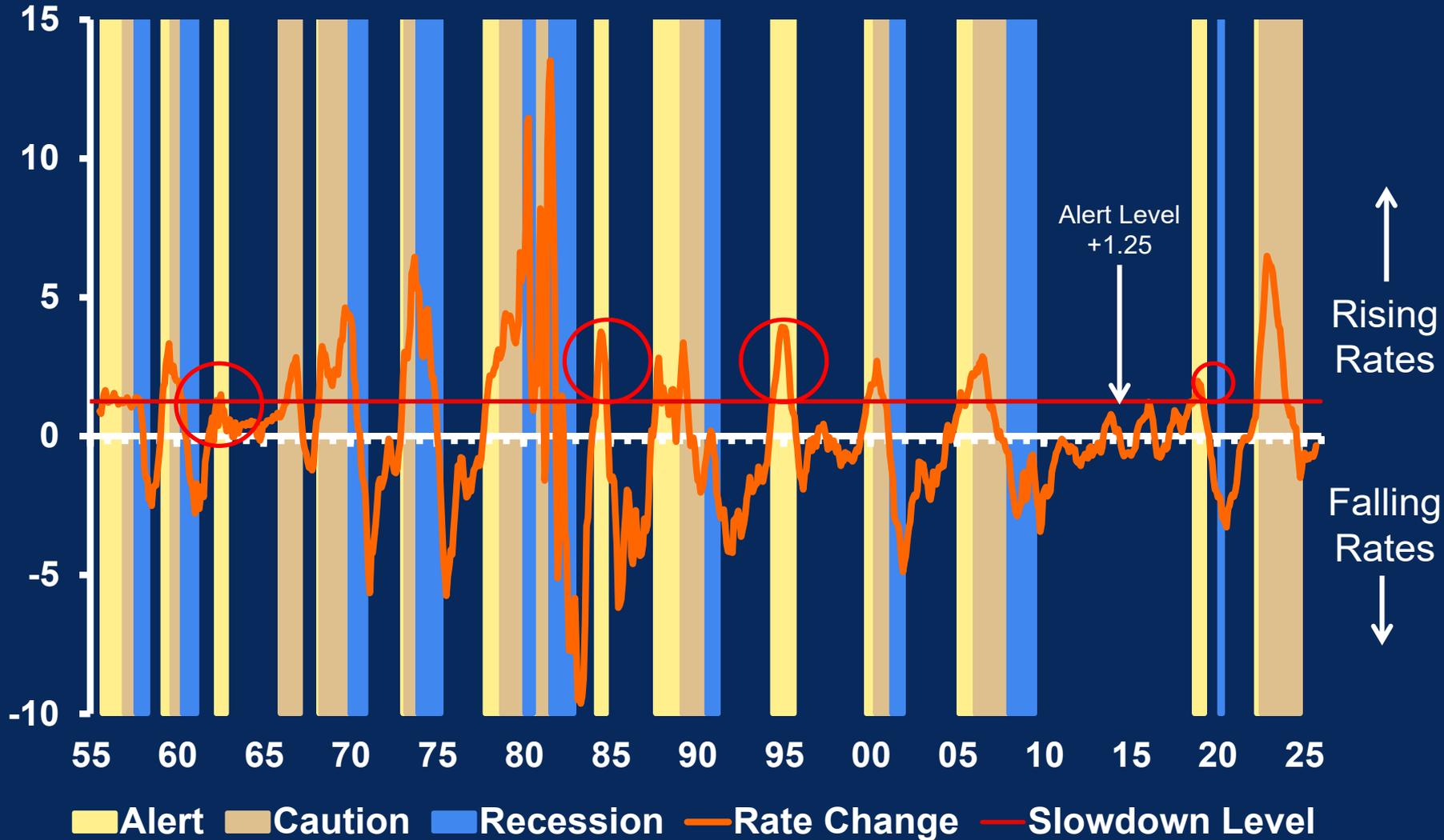
Interest Rates and Recessions



Rate Changes and Zempel Zones ©

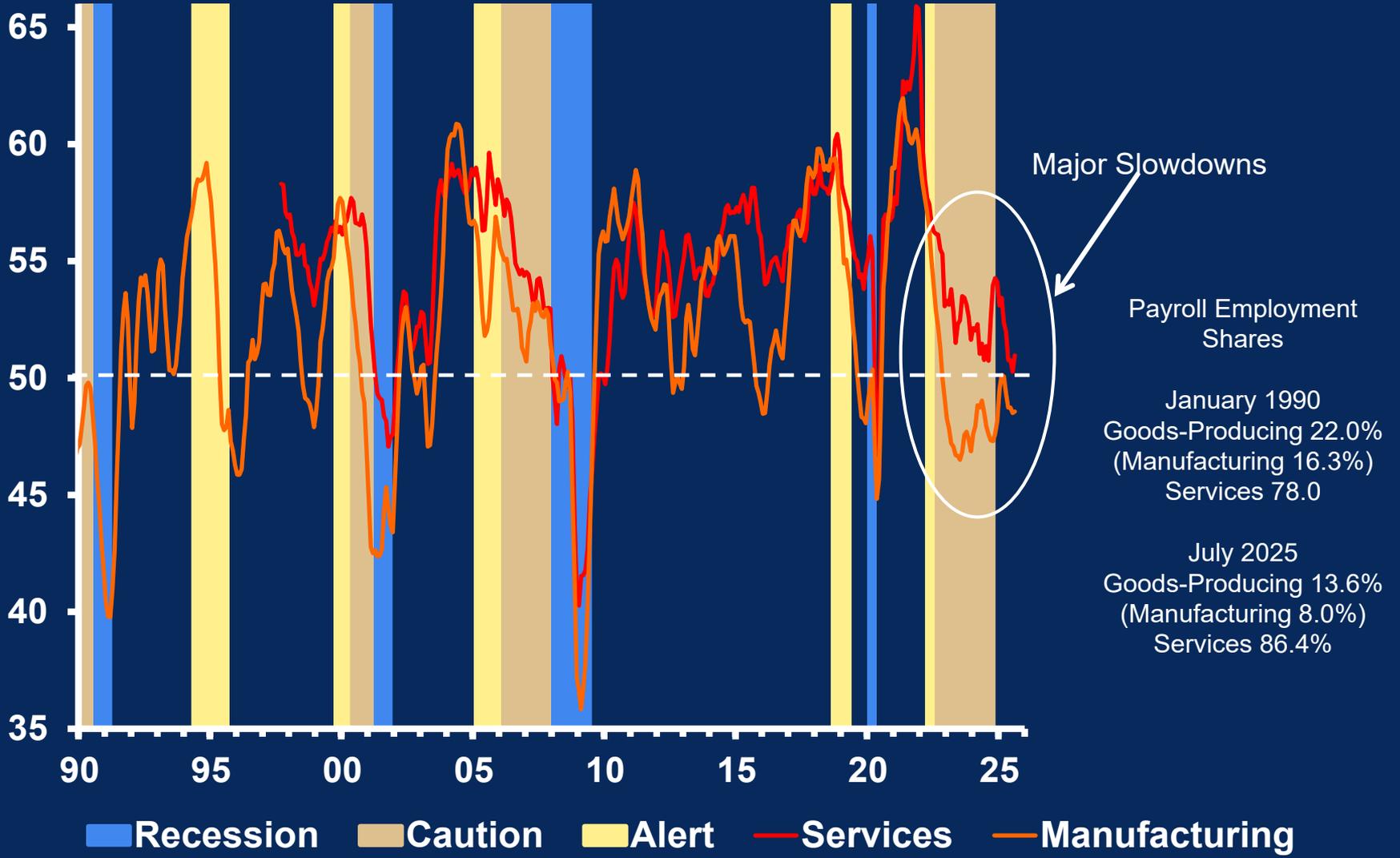
(BAA + Fed Funds) (Total 12-Month Change in Percentage Points)

(Alert Zone = When Rates Rise 1.25 Percentage Points)

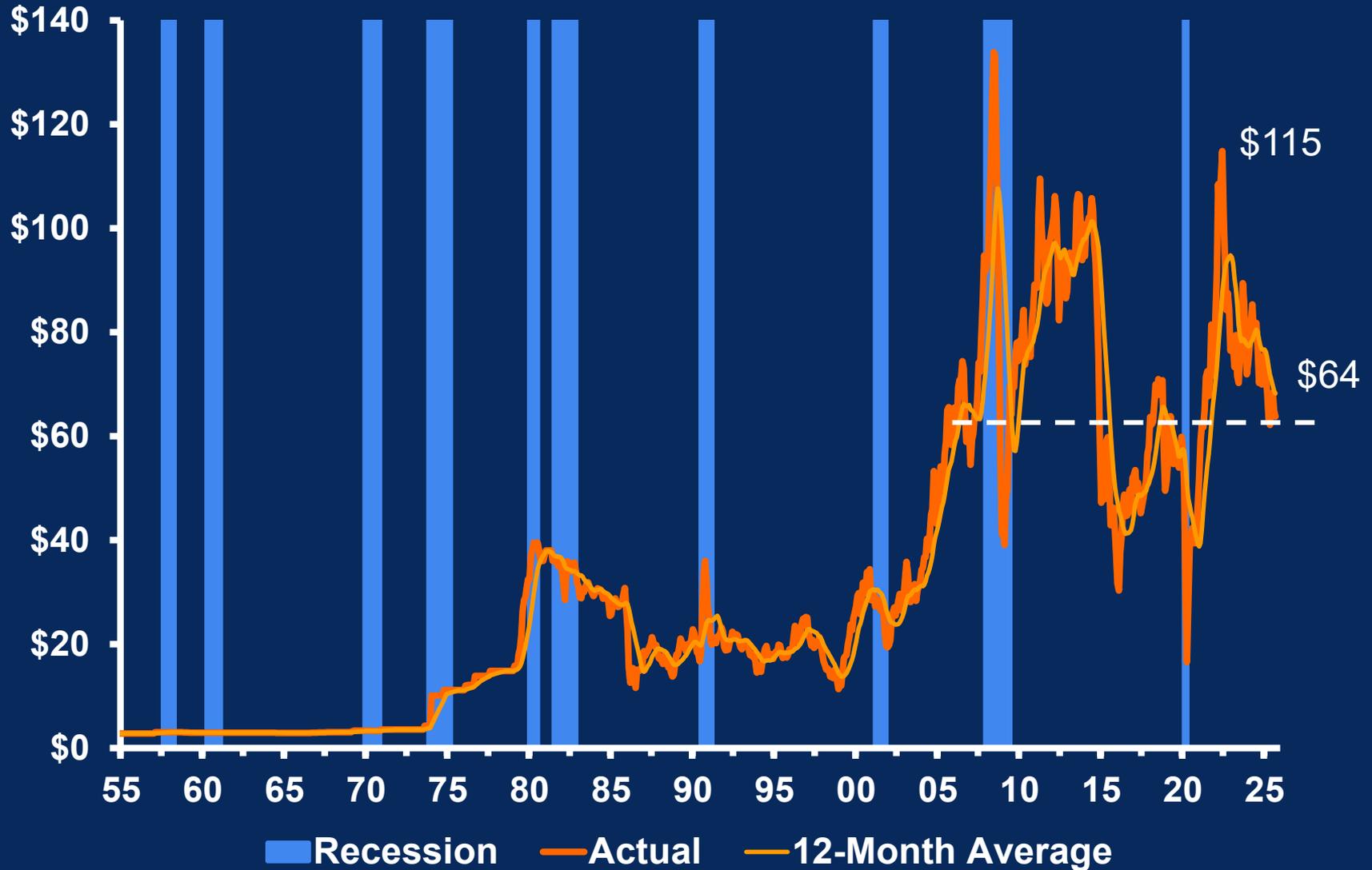


ISM (PMI) Indexes (PMI = Purchasing Managers Indexes)

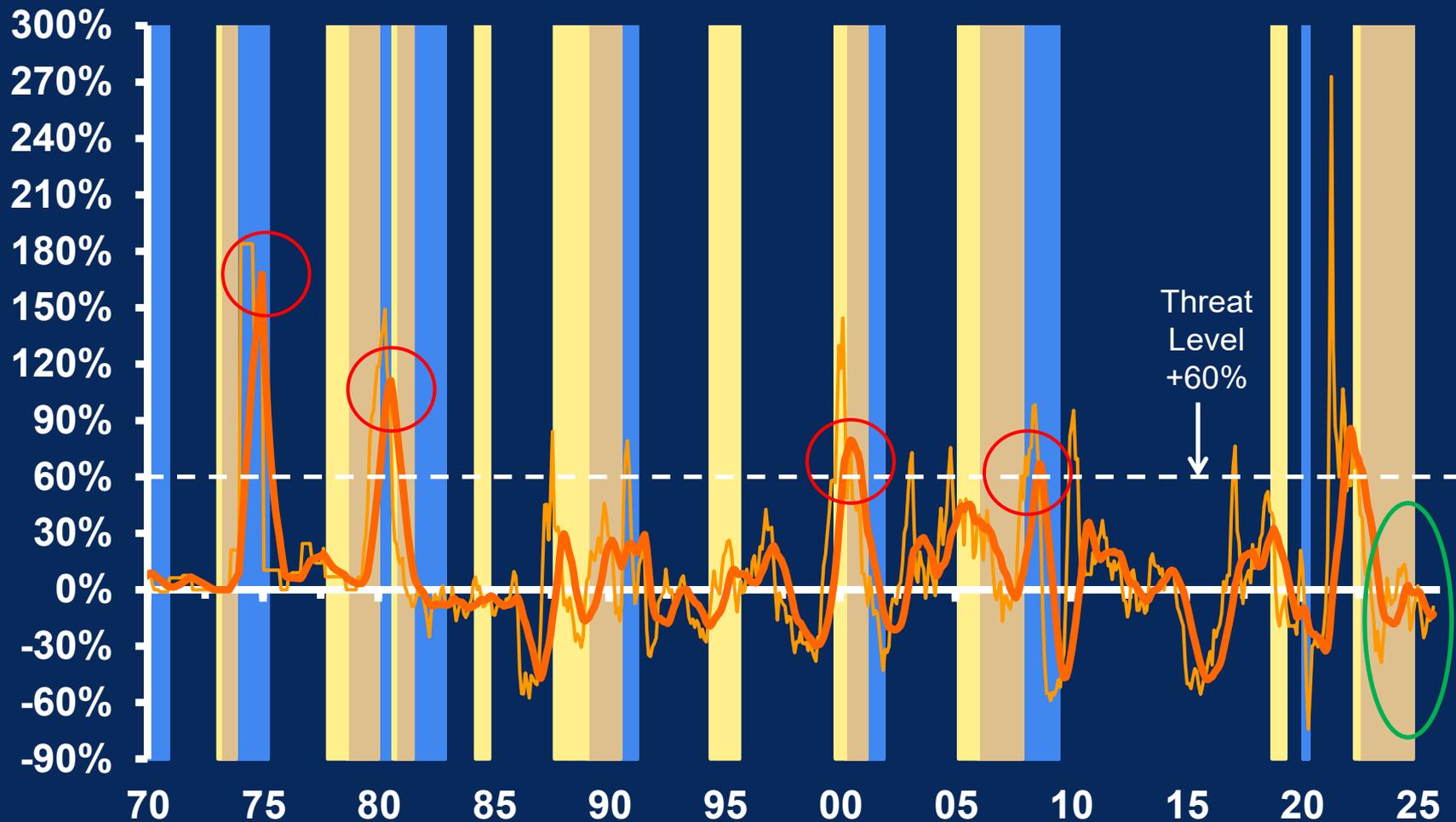
(3-Month Averages)



Oil Prices (WTI Spot)



Oil Prices (WTI Spot) (12-Month Changes)



■ Recession ■ Caution ■ Alert — Actual — 12-Month Trend



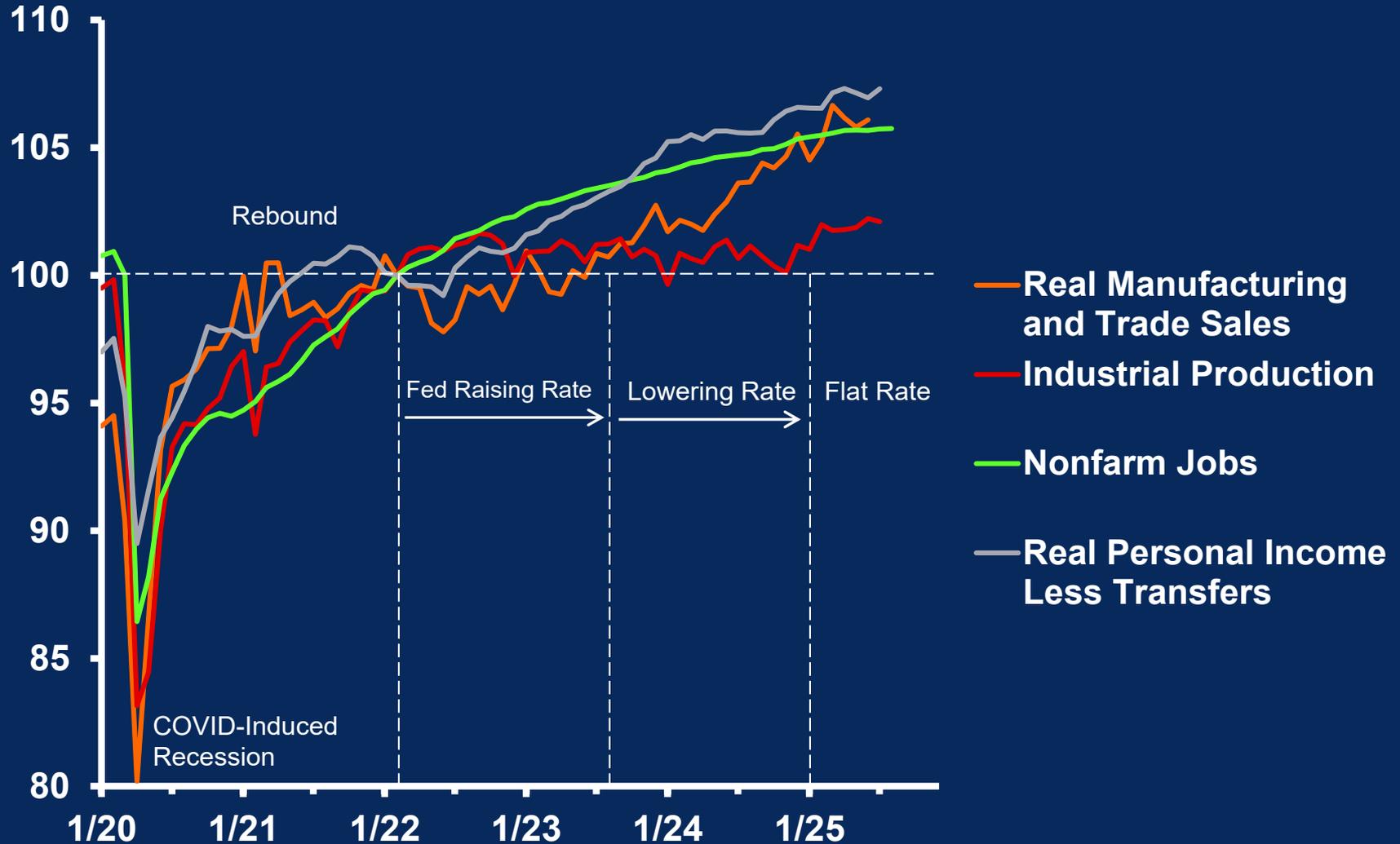
WICPA Not-for-Profit Conference

The Economic and Market Outlook
2025 – 2028

Has Recession Commenced?
How Could We Tell?

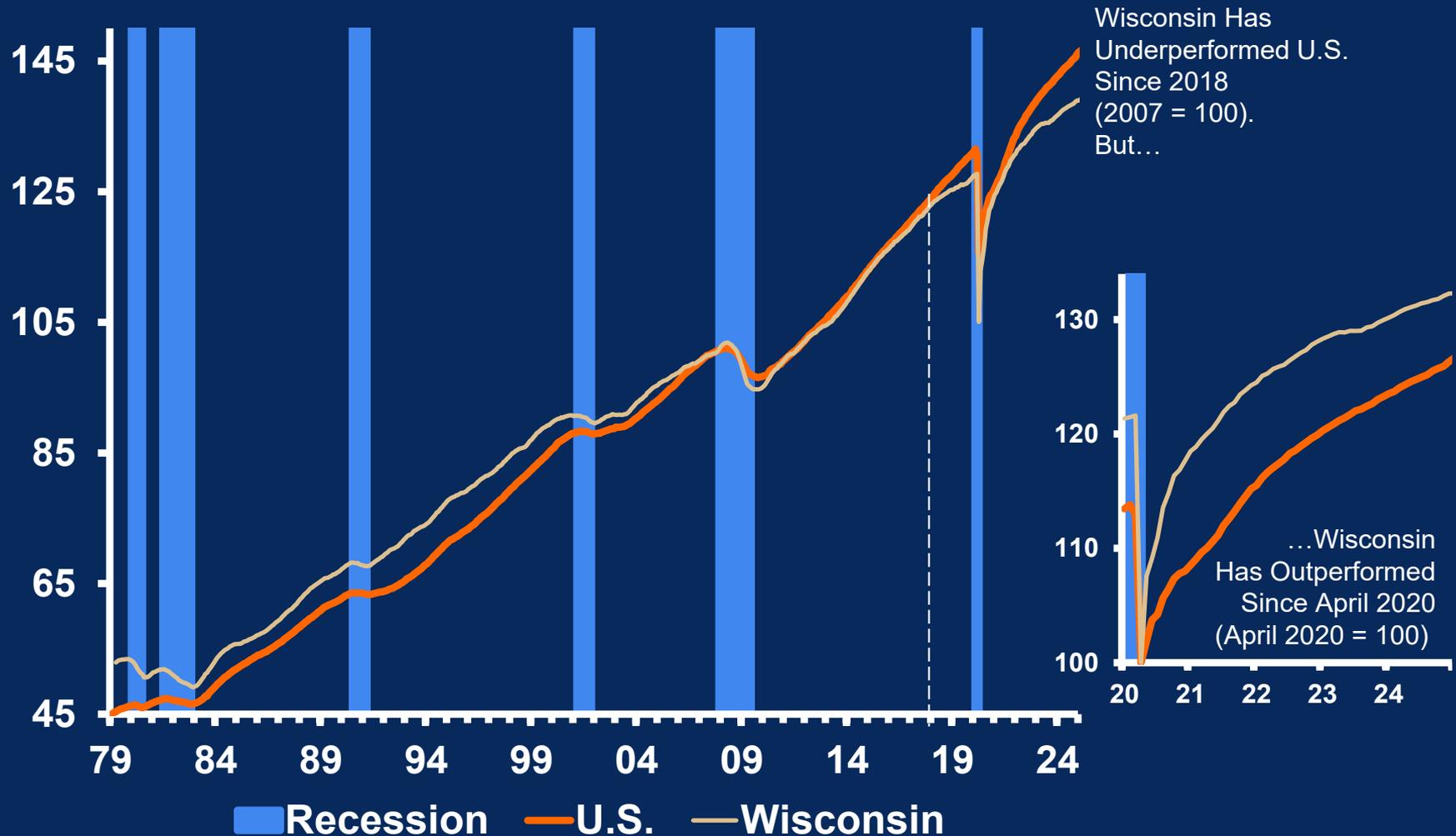
NBER Recession Watch – Four Key Numbers

(NBER = National Bureau of Economic Research) (February 2022 = 100)



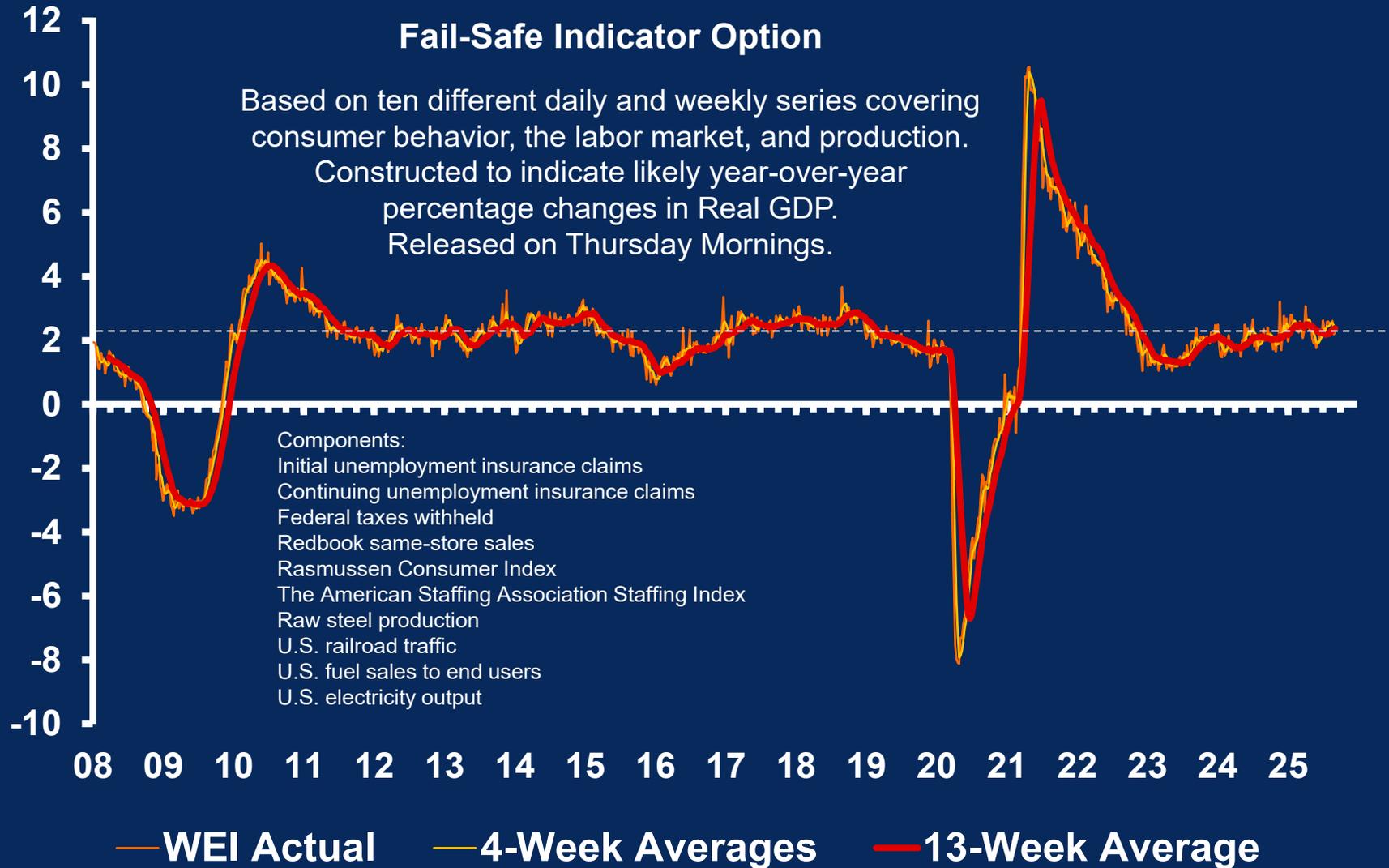
Coincident Economic Indexes

(Coincident Economic Activity Index) (Philadelphia Fed)



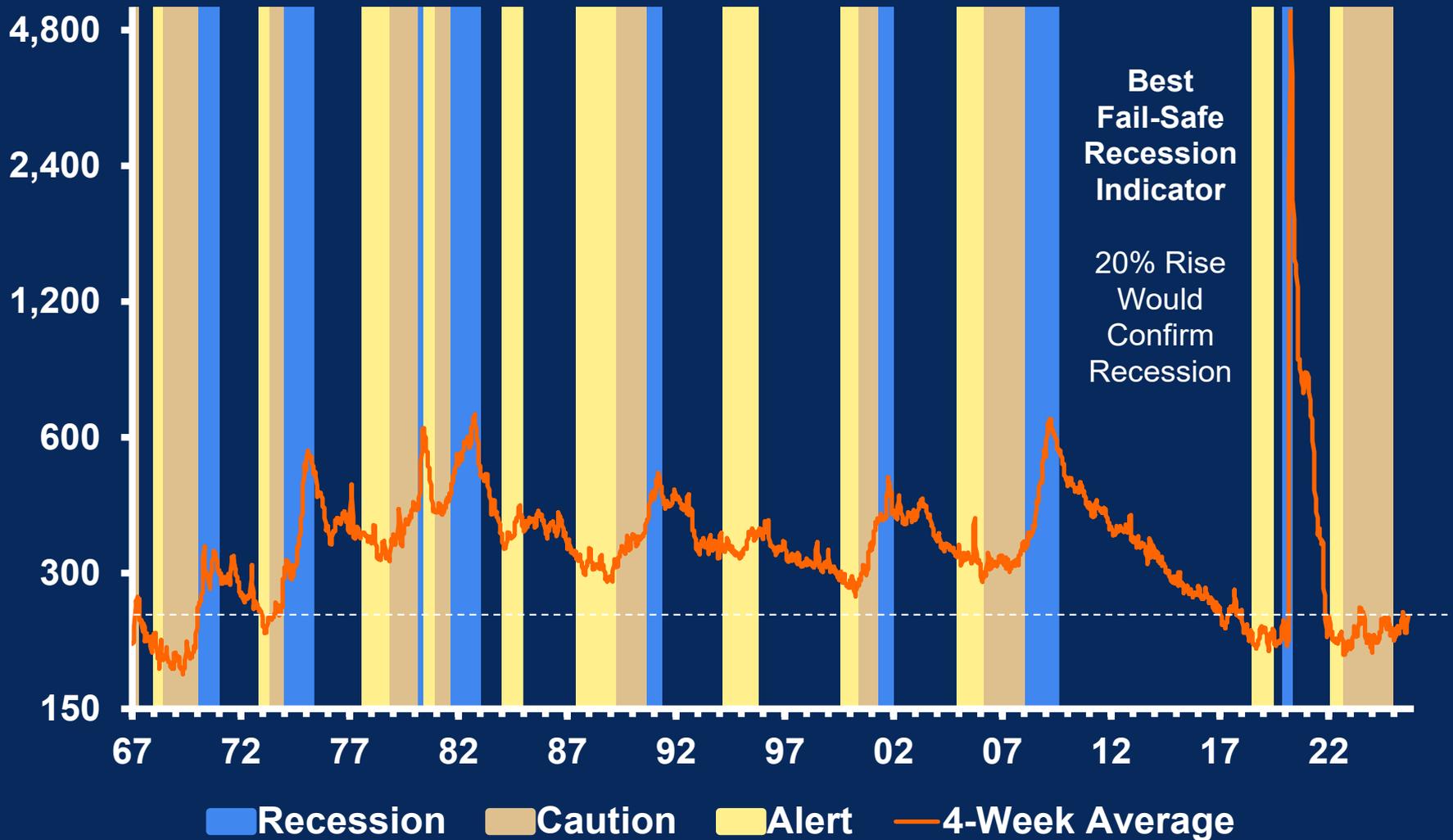
Dallas Fed's Weekly Economic Index

<https://www.dallasfed.org/research/wei>



Jobless Claims and Zempel Zones ©

(Initial Unemployment Insurance Claims) (Log Scale) (Weekly) (Thousands)





WICPA Not-for-Profit Conference

The Economic and Market Outlook 2025 – 2028

Zempel Zone Approach

Interest-Rate Increases Precede Inversions

Interest-Rate Increases Precede Slowdowns

Interest-Rate Increases Trigger Alert Zone

Yield-Spread Inversions Precede Recessions

Yield-Spread Inversions Trigger Caution Zone

Jobless Claims Spike Confirms Recession

Five Numbers ~ Three Calculations



WICPA Not-for-Profit Conference

The Economic and Market Outlook 2025 – 2028

Zempel Zone Applications

Alert Zone Actions

Expect Business Peaks – Monitor Yield Spread
Curb Expansion Plans

Caution Zone Actions

Prepare Recession Plans – Monitor Jobless Claims
Implement Recession Plans When (If) Claims Soar

No Zones Now

Expect Expansion



WICPA Not-for-Profit Conference

The Economic and Market Outlook 2025 – 2028

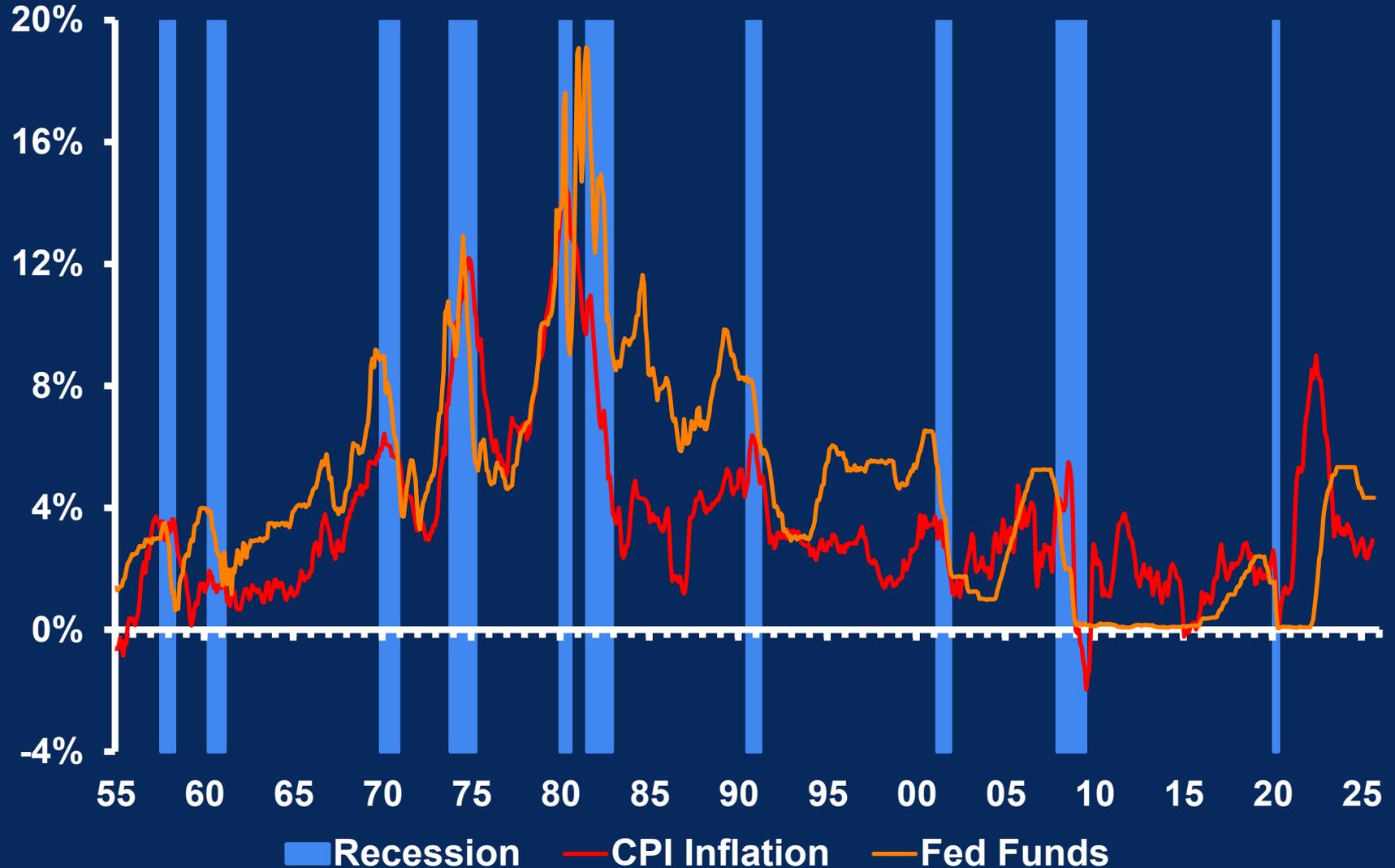
Has Recession Started? No

Why Not? Inflation Fell Much Faster Than Usual
Inflation Decline Bolstered Real Spending

Why Did Inflation Fall So Fast?
Supply Pressures Collapsed Post-2021
Fiscal-Monetary Policies Turned "Restrictive"

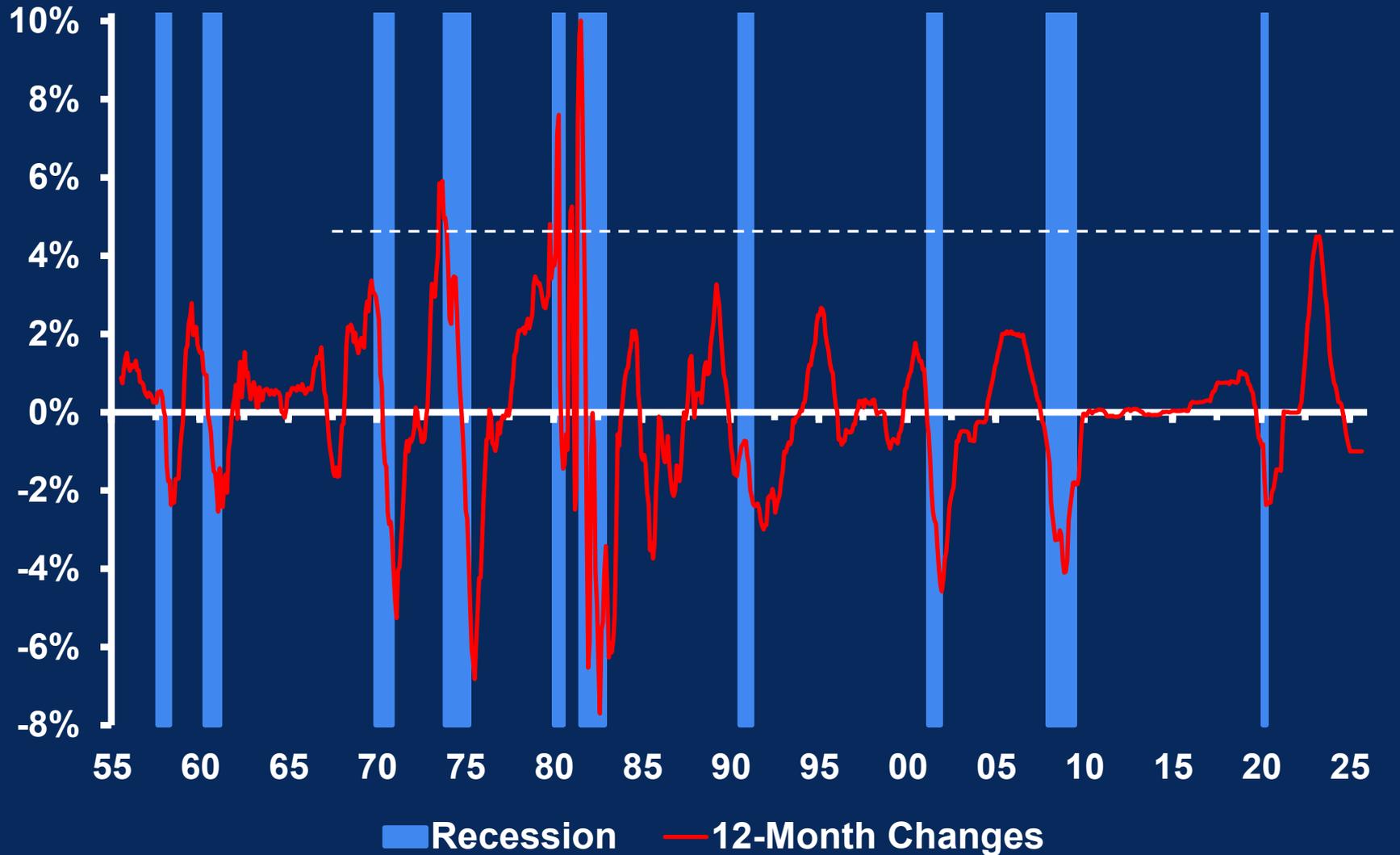
Interest Rates and Inflation

(CPI Inflation = 12-Month Change) (Fed Funds = Level)



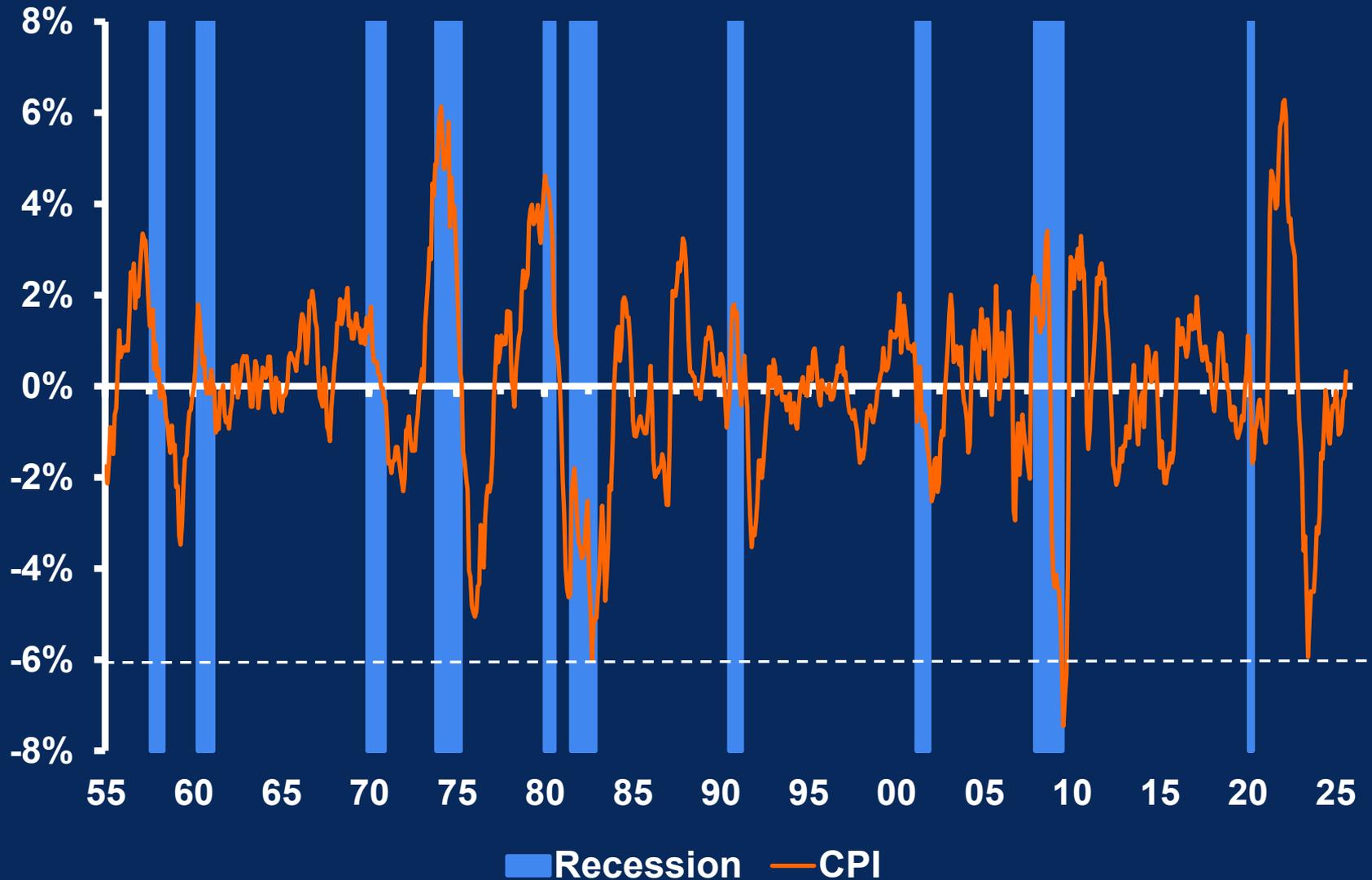
Fed Funds Changes

(12-Month Changes) (Percentage Points)



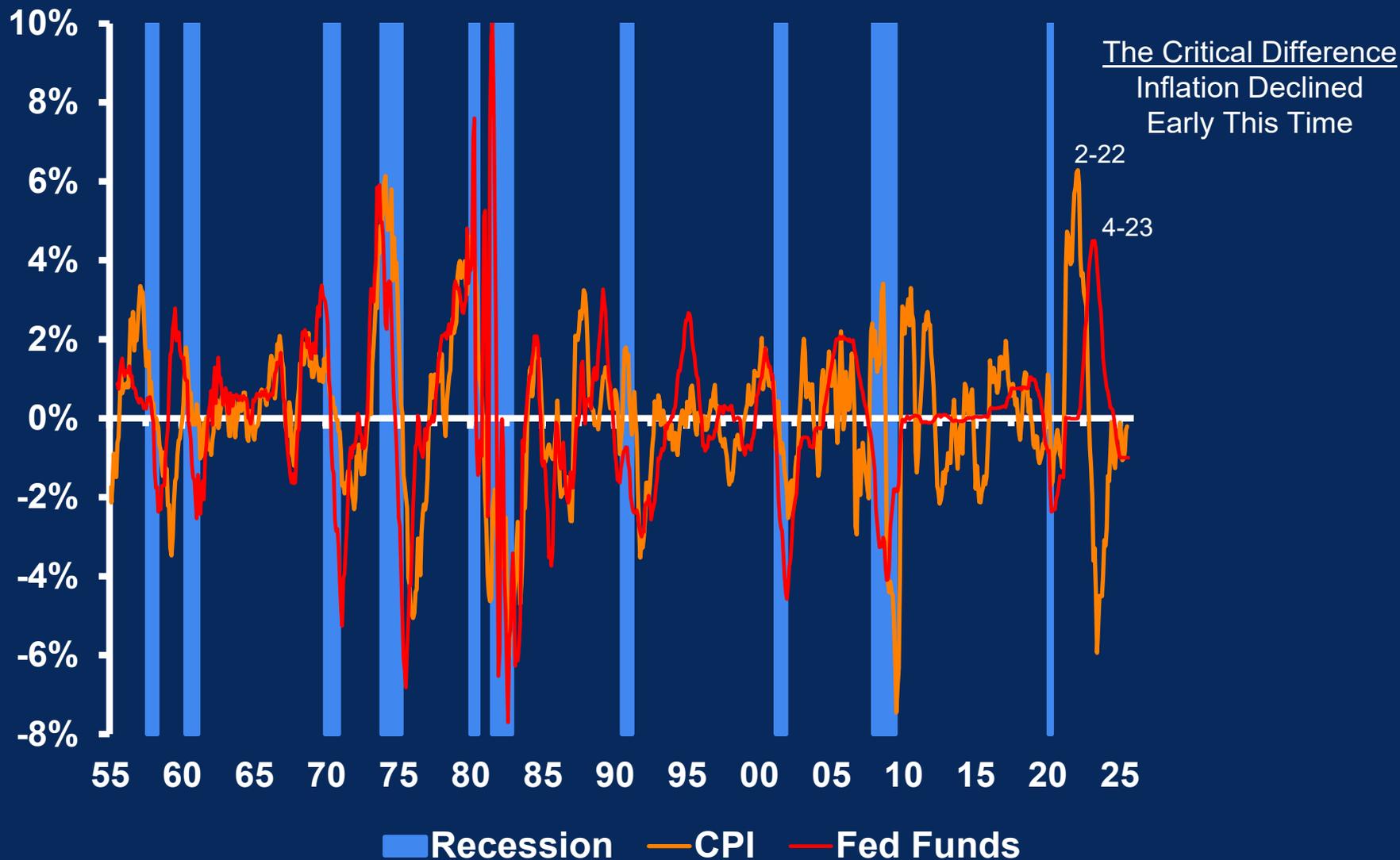
CPI Inflation Rate Changes

(12-Month Changes) (Percentage Points)



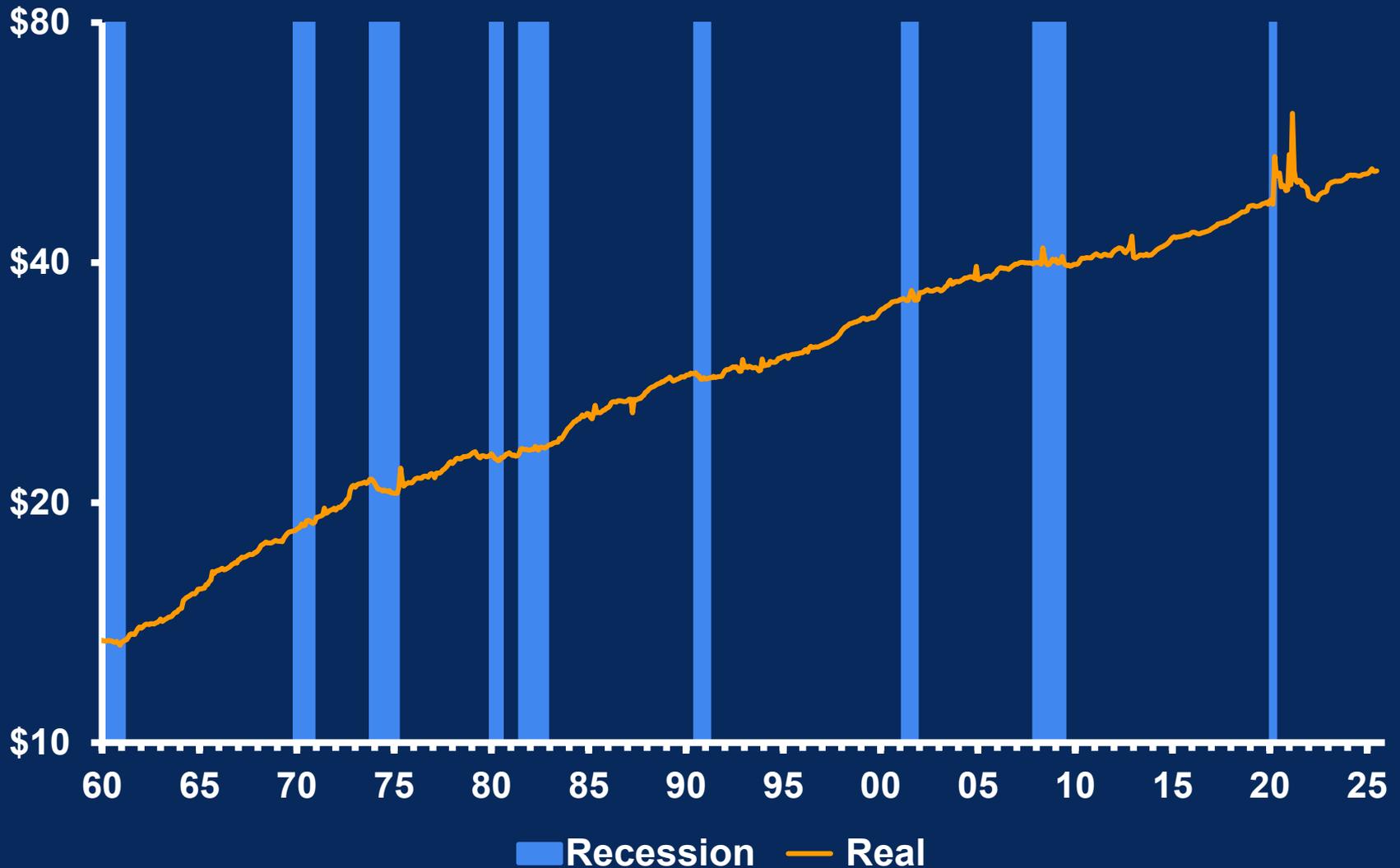
Fed Funds and CPI Changes

(12-Month Changes) (Percentage Points)

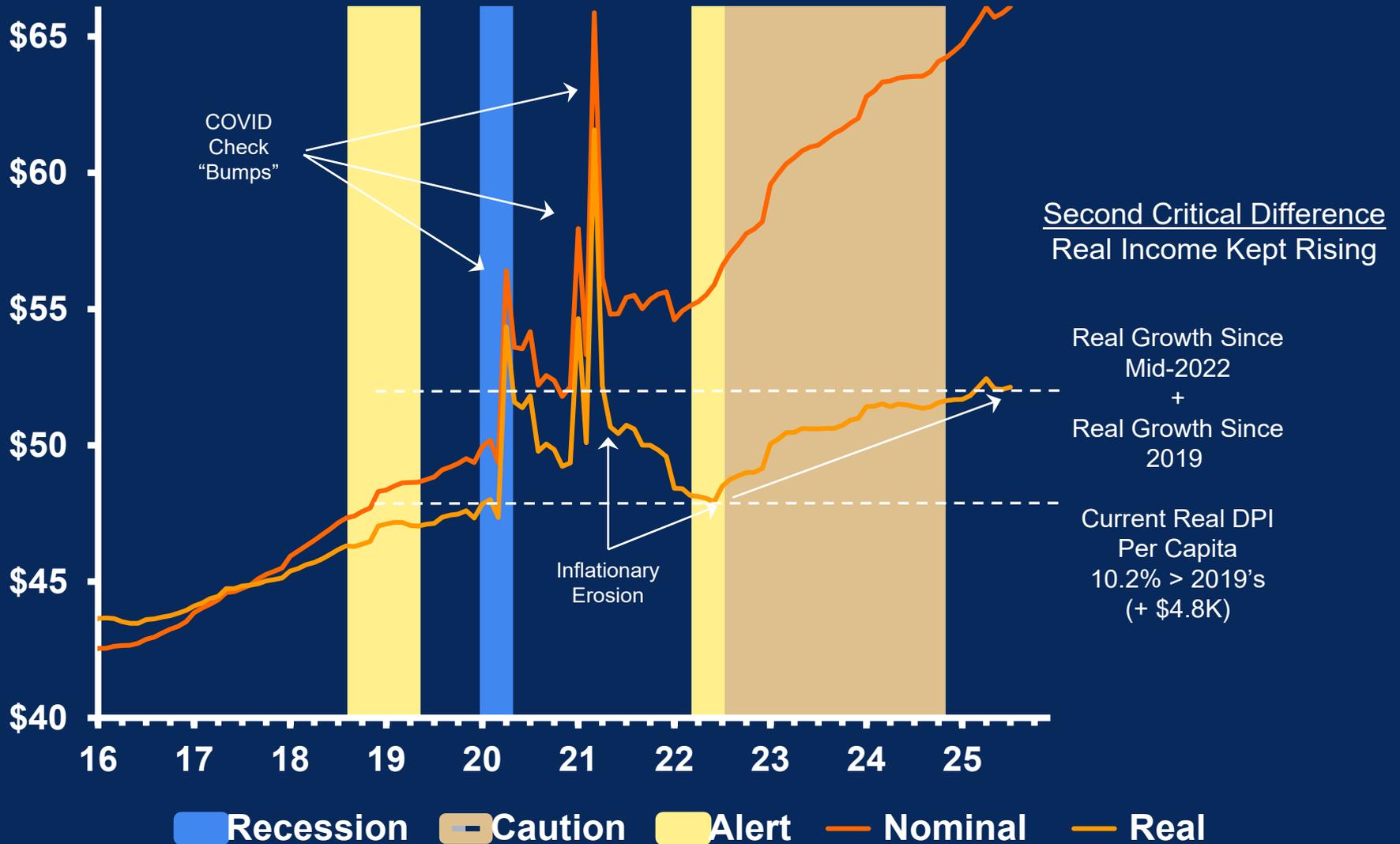


Real Disposable Personal Income

(Per Capita) (Thousand Dollars) (Log Scale)

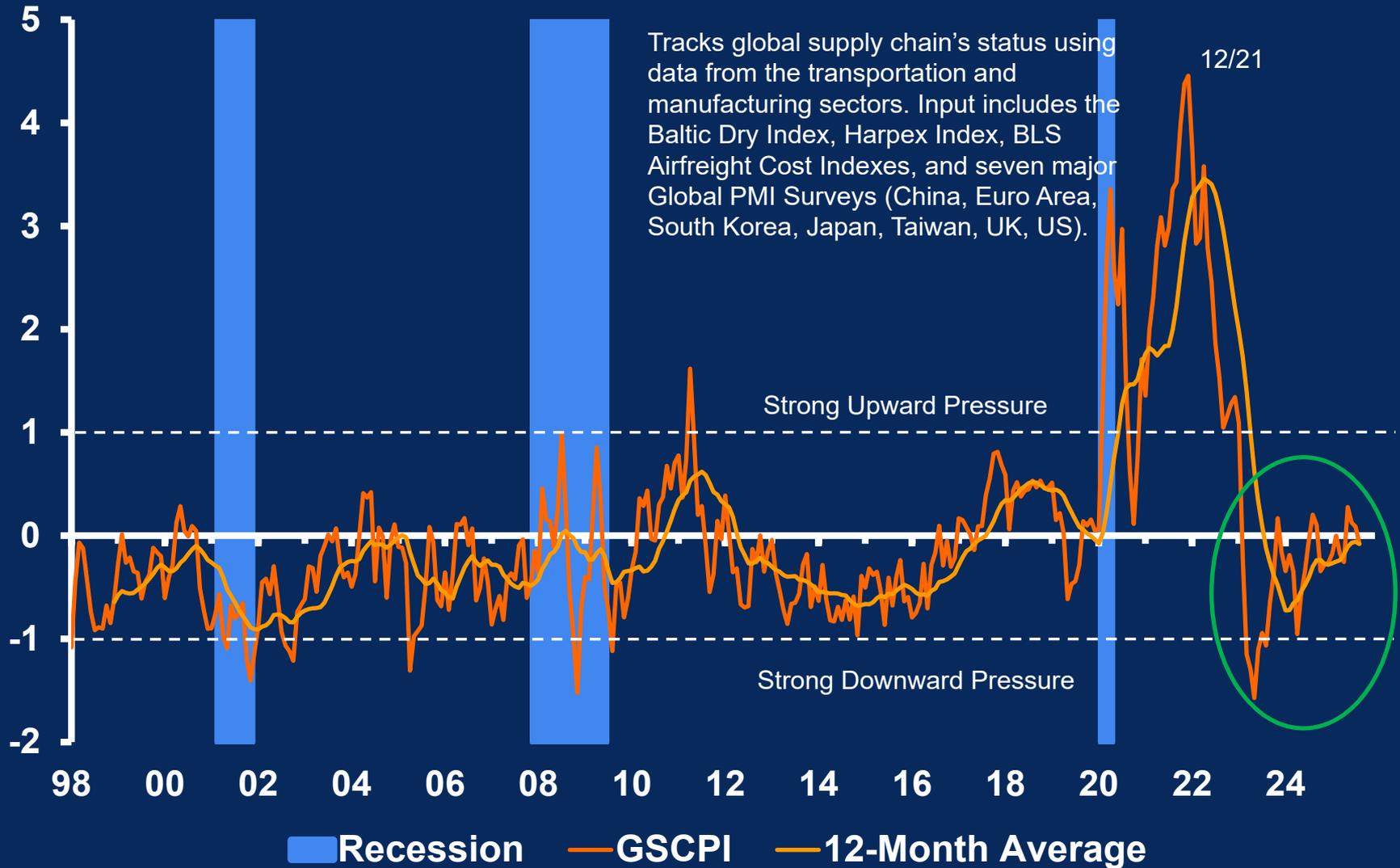


Disposable Personal Income and Zempel Zones © (Per Capita) (Thousand Dollars)



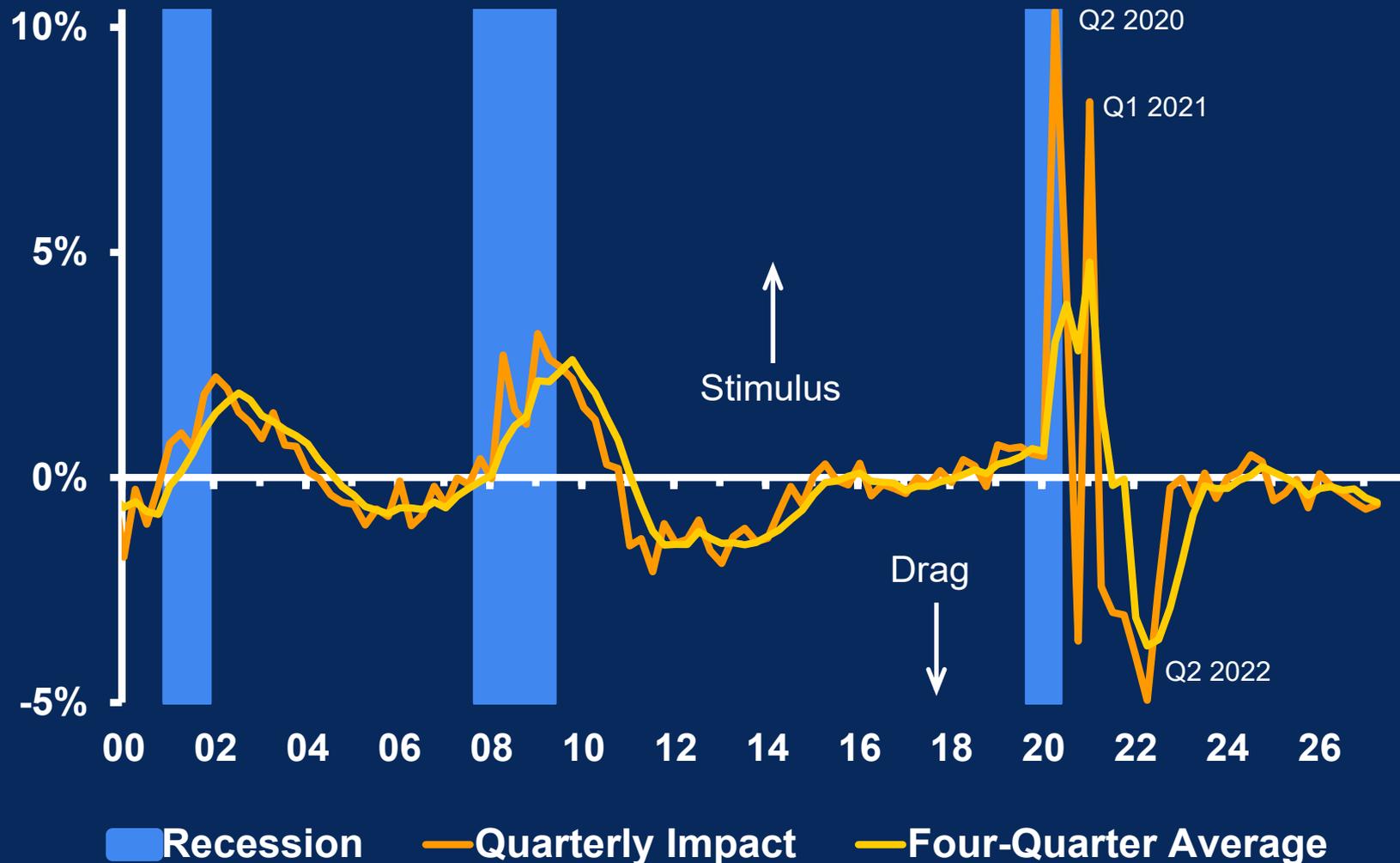
Global Supply Chain Pressure Index

(GSCPI) (Monthly) (New York Fed)



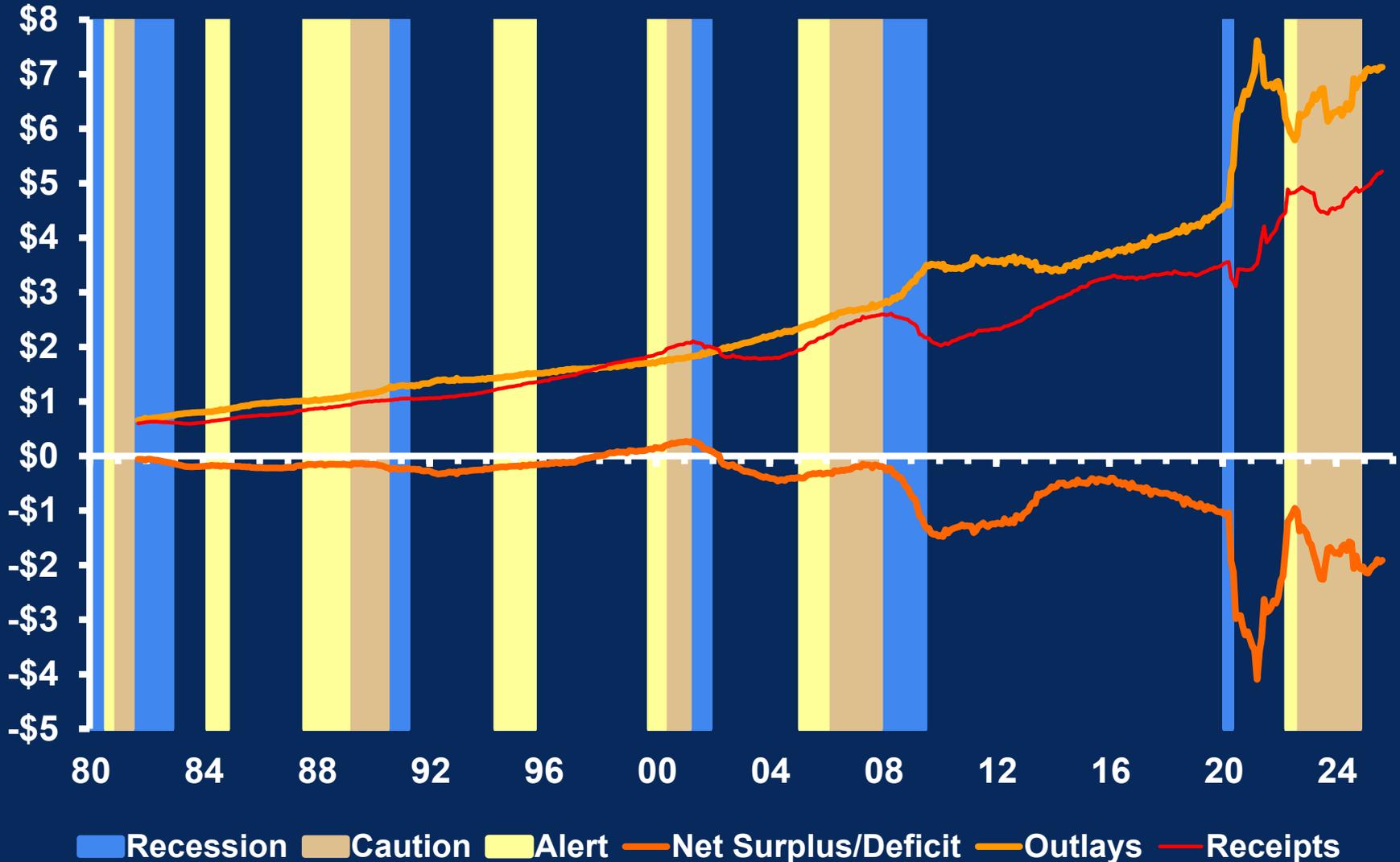
Hutchins Center Fiscal Impact Measure

(GDP Growth Contributions)



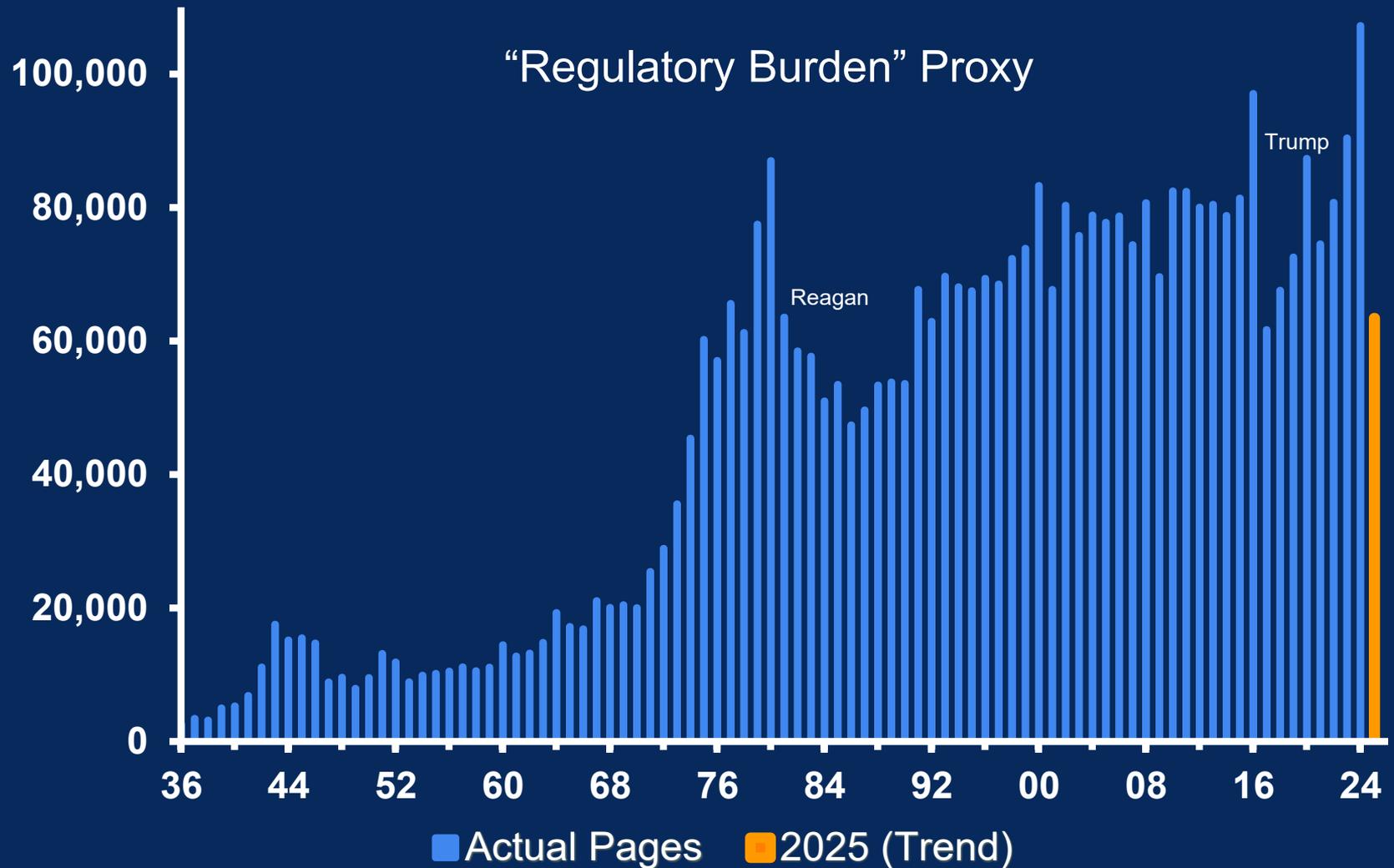
Federal Budget and Zempel Zones ©

(Trillions) (Monthly) (12-Month Totals)



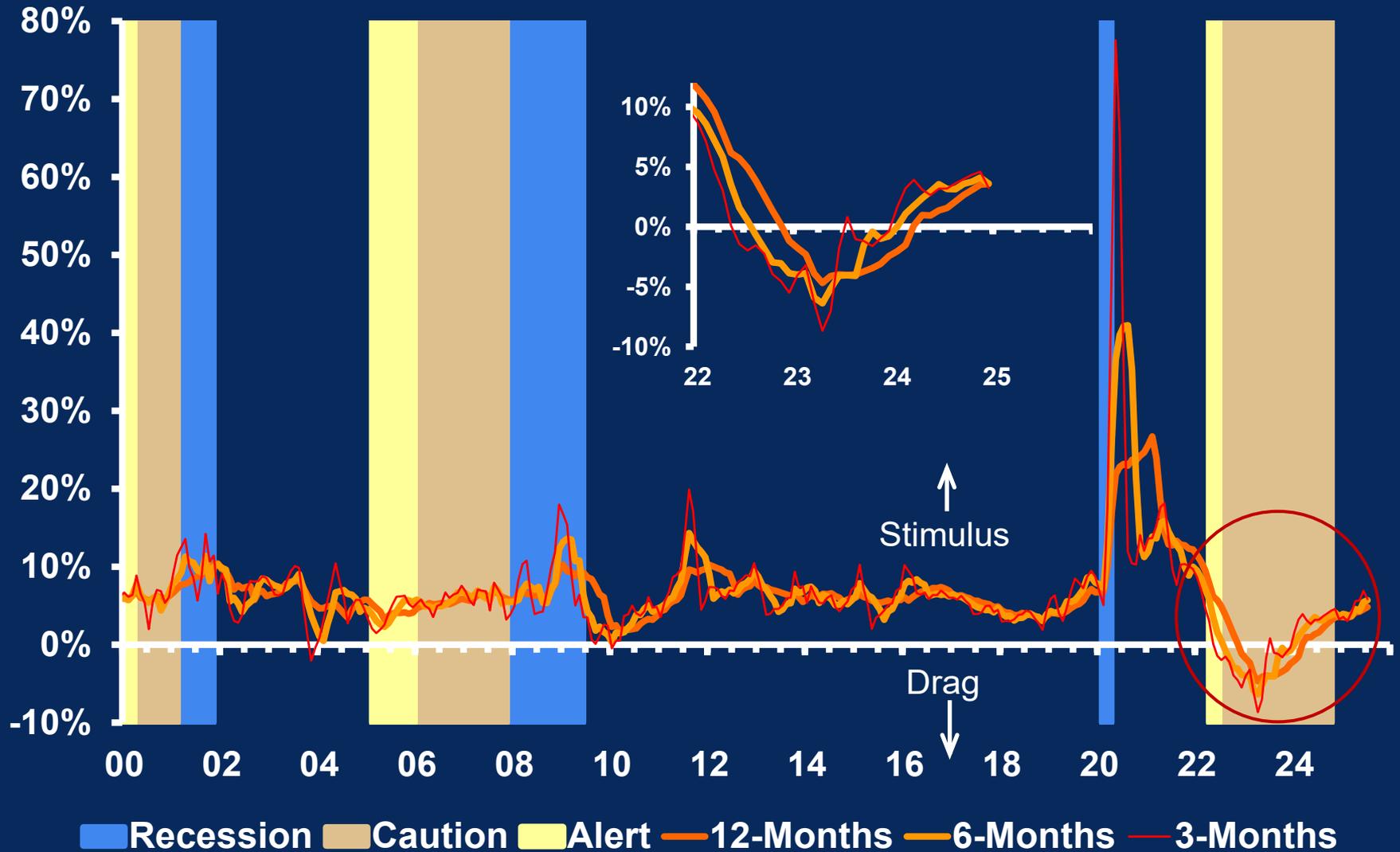
Federal Register Page Count

(Annual Totals in 1936-2025) (Competitive Enterprise Institute)



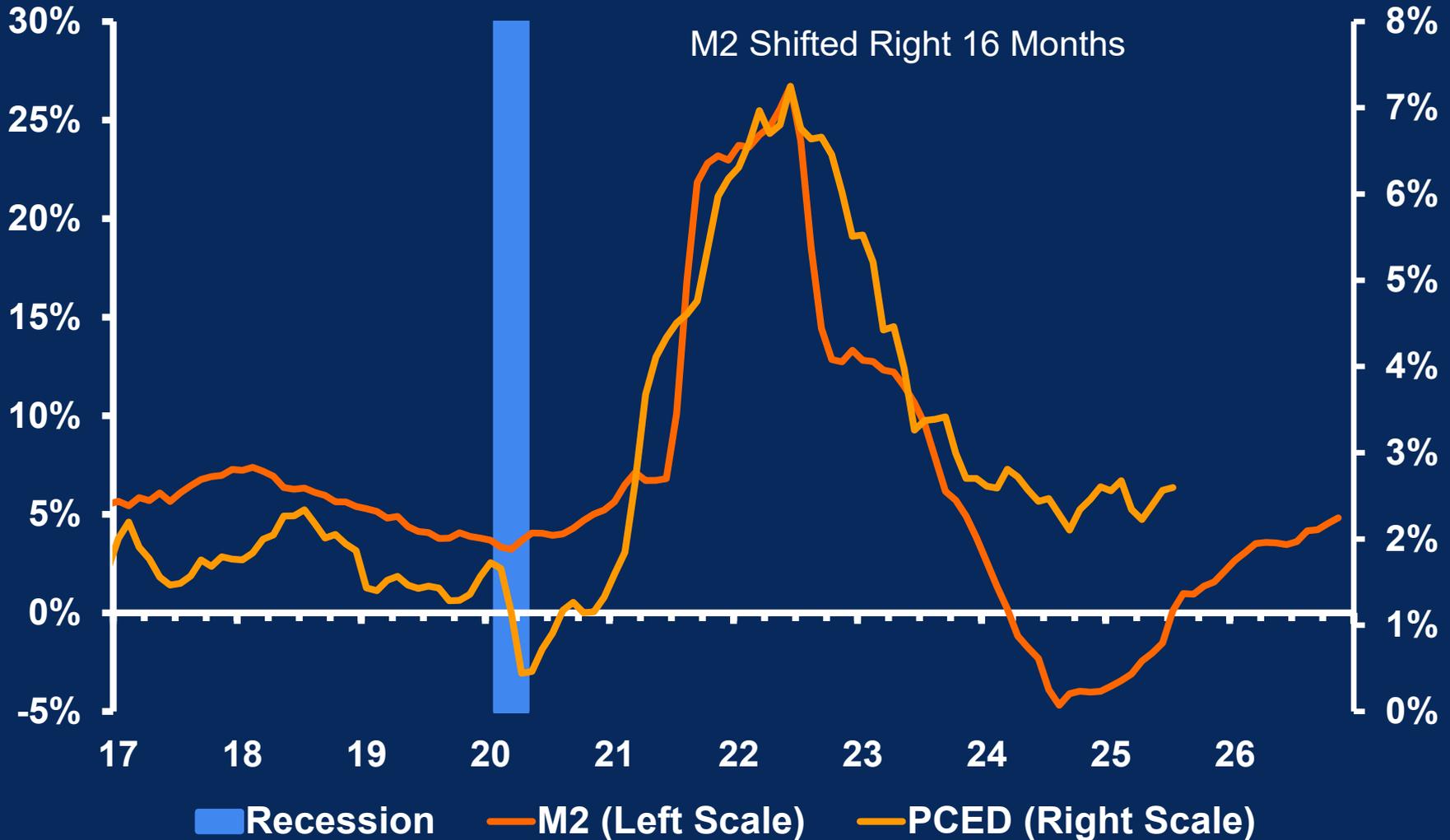
M2 Growth and Zempel Zones ©

(M2 Money Stock) (Monthly)



M2 Growth and PCED Inflation

(12-Month Changes)





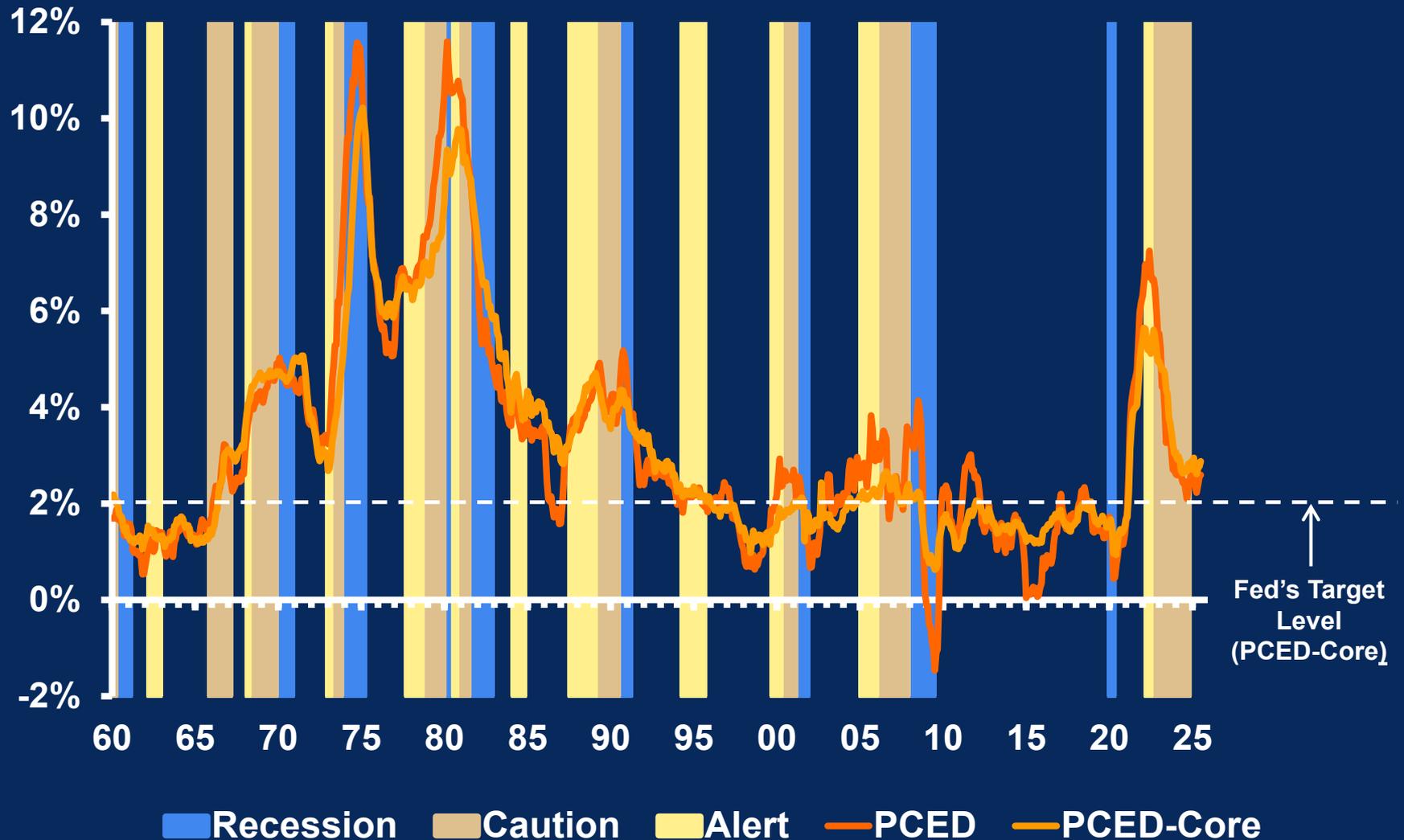
WICPA Not-for-Profit Conference

The Economic and Market Outlook 2025 – 2028

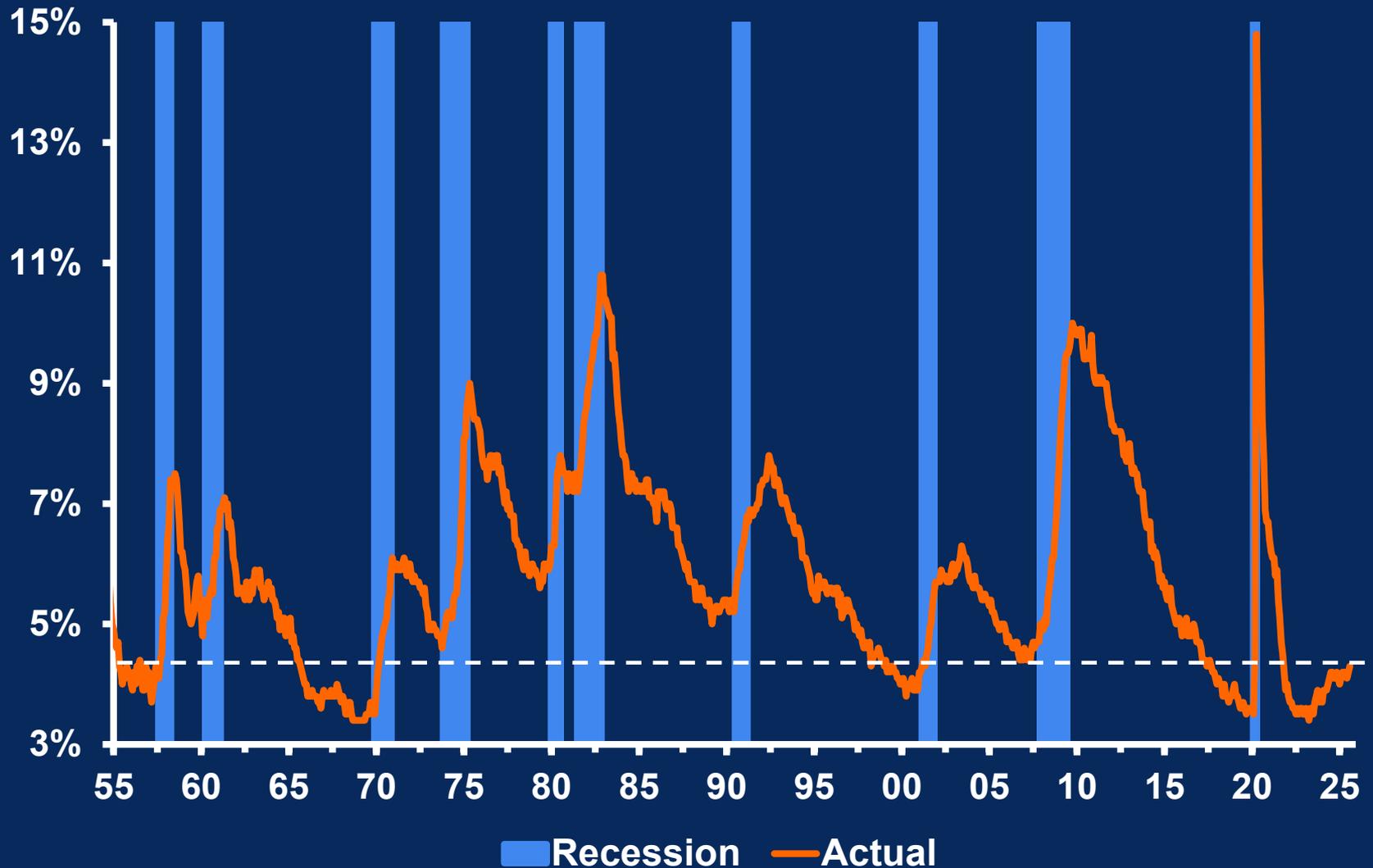
Will Inflation Remain “Low”? Yes, Excepting Tariff “Spike”
What Drives Long-Run Inflation? Spending
What Drives Spending? Macro Policies
Will Real Growth “Boom”? Not Soon
Where Are Interest Rates Headed? Lower

PCED Inflation and Zempel Zones ©

(PCED = Personal Consumption Expenditure Deflator) (12-Month Changes)

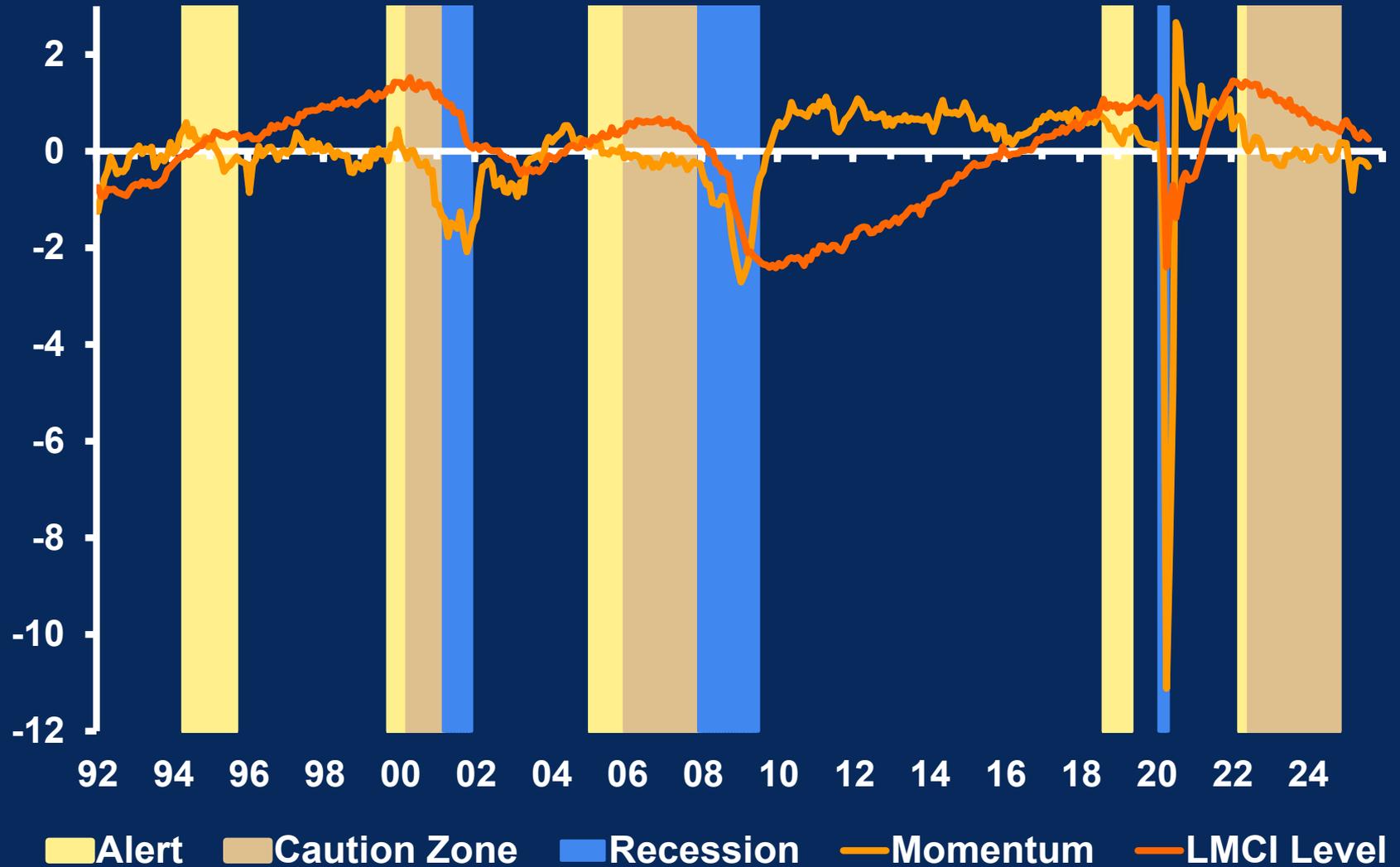


Unemployment Rate (Monthly)



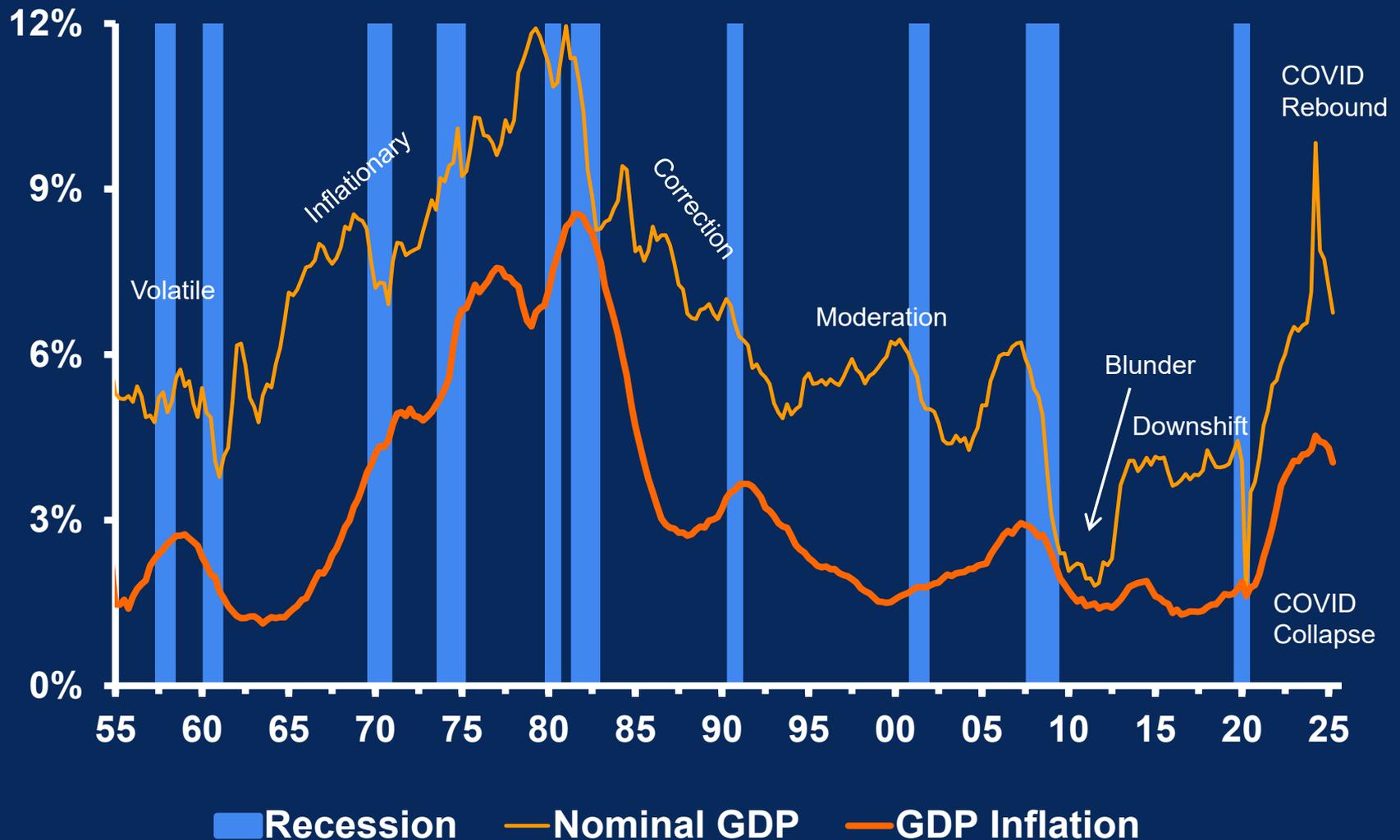
Fed Labor Market Conditions Indicators

(LMCI = Labor Market Conditions Index) (Kansas City Fed)

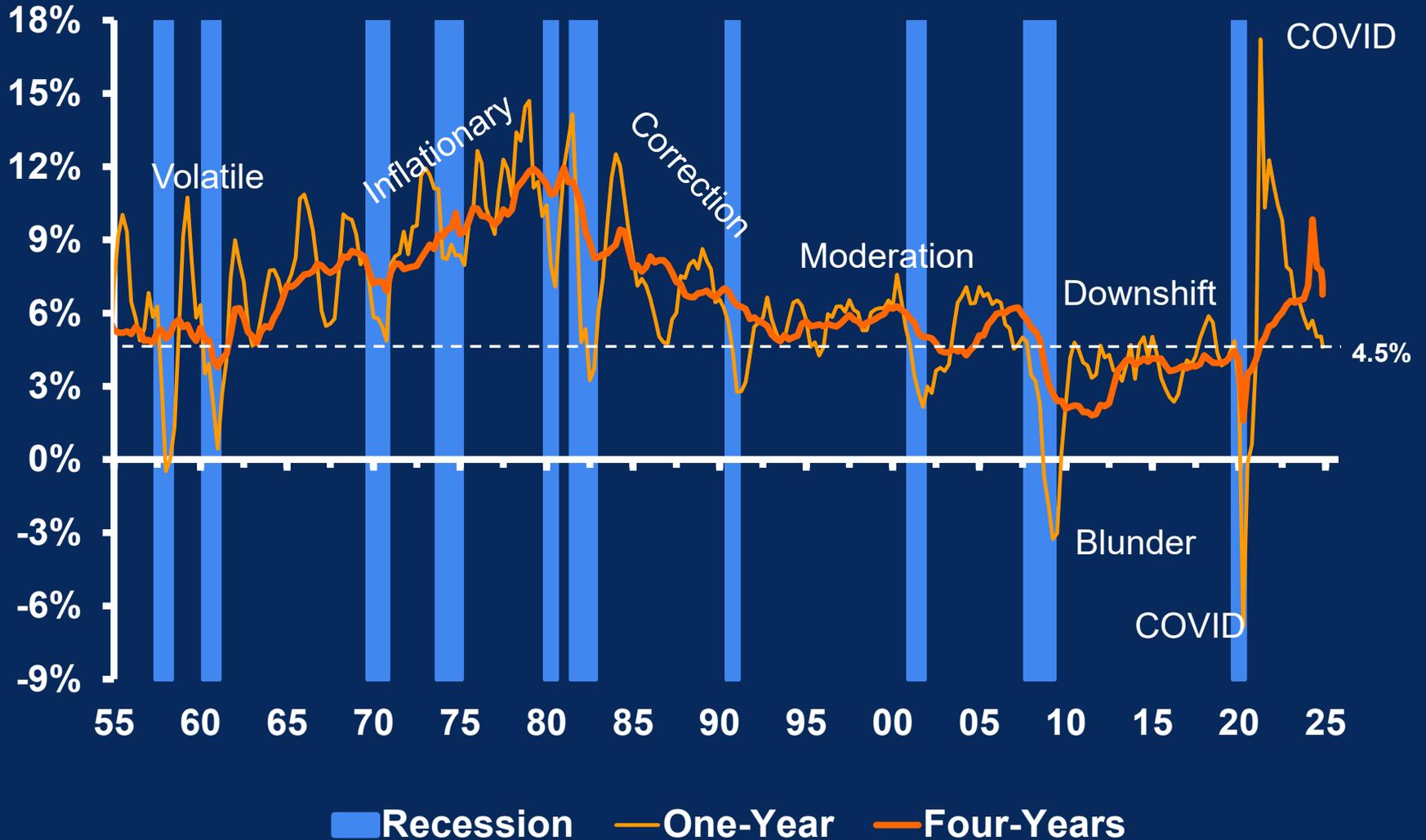


Nominal GDP Growth and Inflation

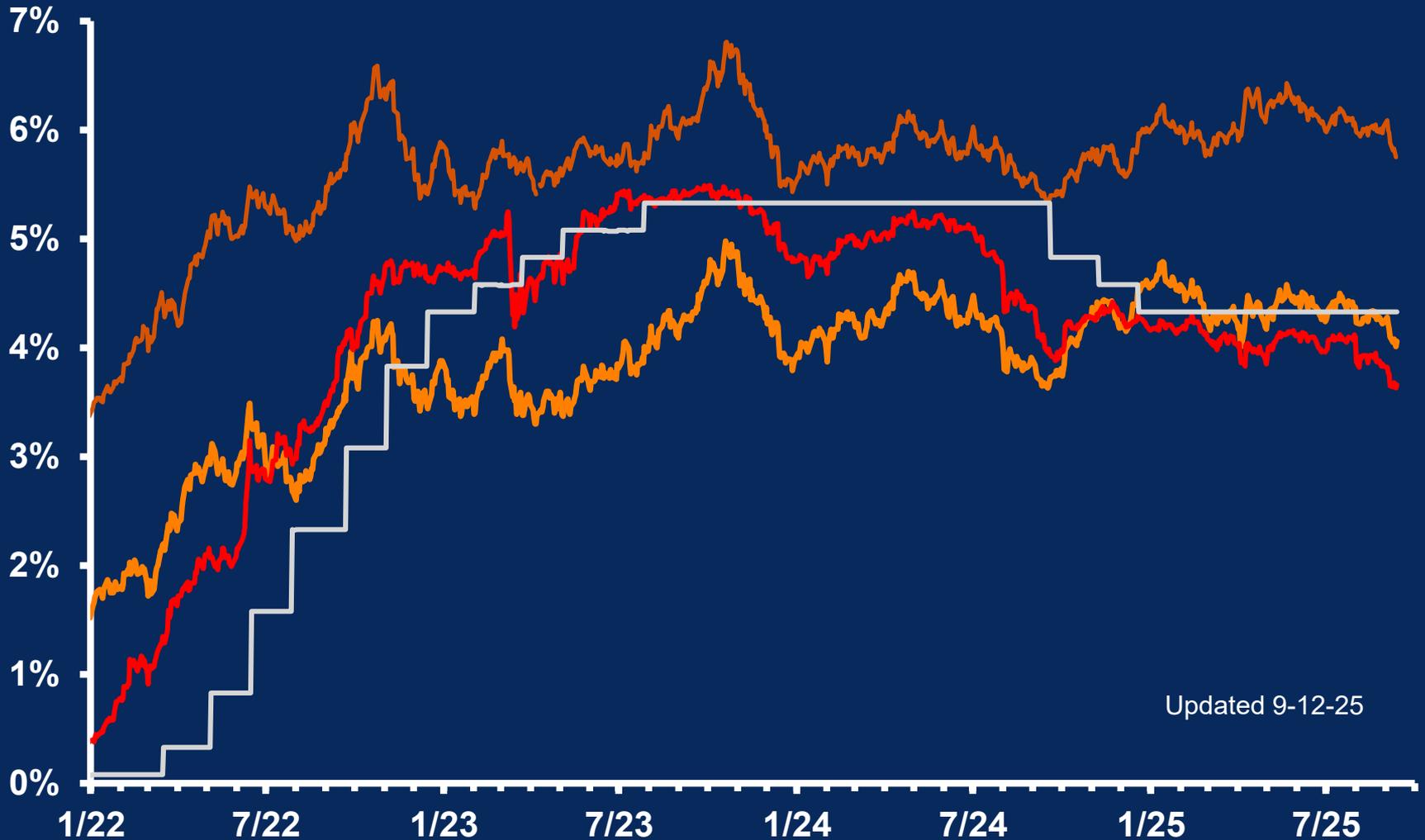
(Four-Year Growth Rates)



Nominal GDP Growth Rates



Selected Interest Rates (Daily)



Updated 9-12-25

— BAA Corporate Bond — 10-Year T-Note — 1-Year T-Note — Fed Funds



WICPA Not-for-Profit Conference

The Economic and Market Outlook 2025 – 2028

Fed's Inflation Target Achievable

Lower Inflation Makes Recession Unlikely

Fed Should/Will Ease Further Soon

Fiscal Policy Effects Unclear

2025-26 Prospects Positive But Sluggish ($4.5 = 2.5 + 2.0$)

2027-28 Productivity-Led Boomlet Possible ($5 = 3 + 2$)



WICPA Not-for-Profit Conference

The Economic and Market Outlook 2025 – 2028

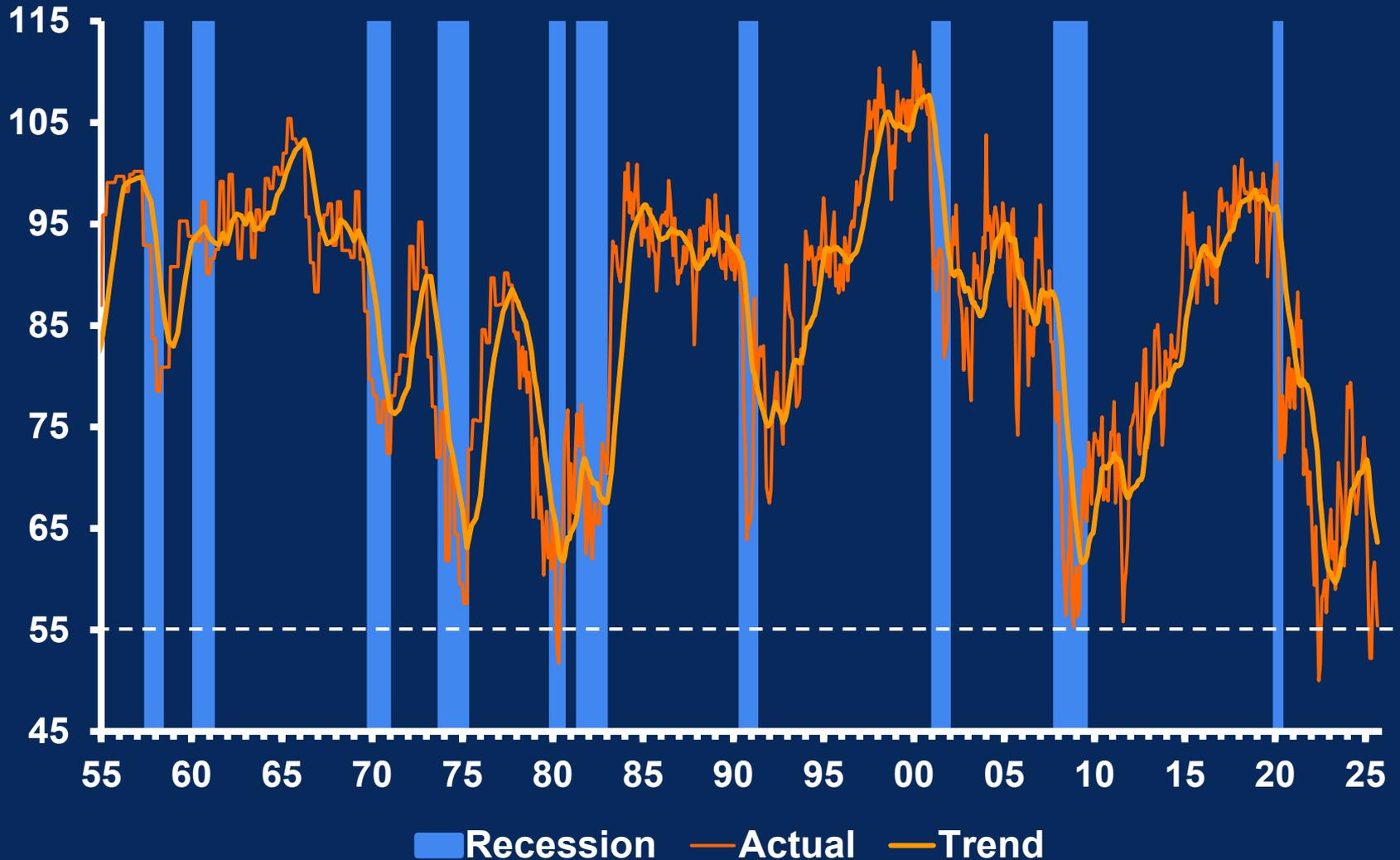
Economic Sector Performances (Top-Down View)

2025-26 Prospects Positive But Sluggish ($4.5 = 2.5 + 2.0$)

2027-28 Productivity-Led Boomlet Possible ($5 = 3 + 2$)

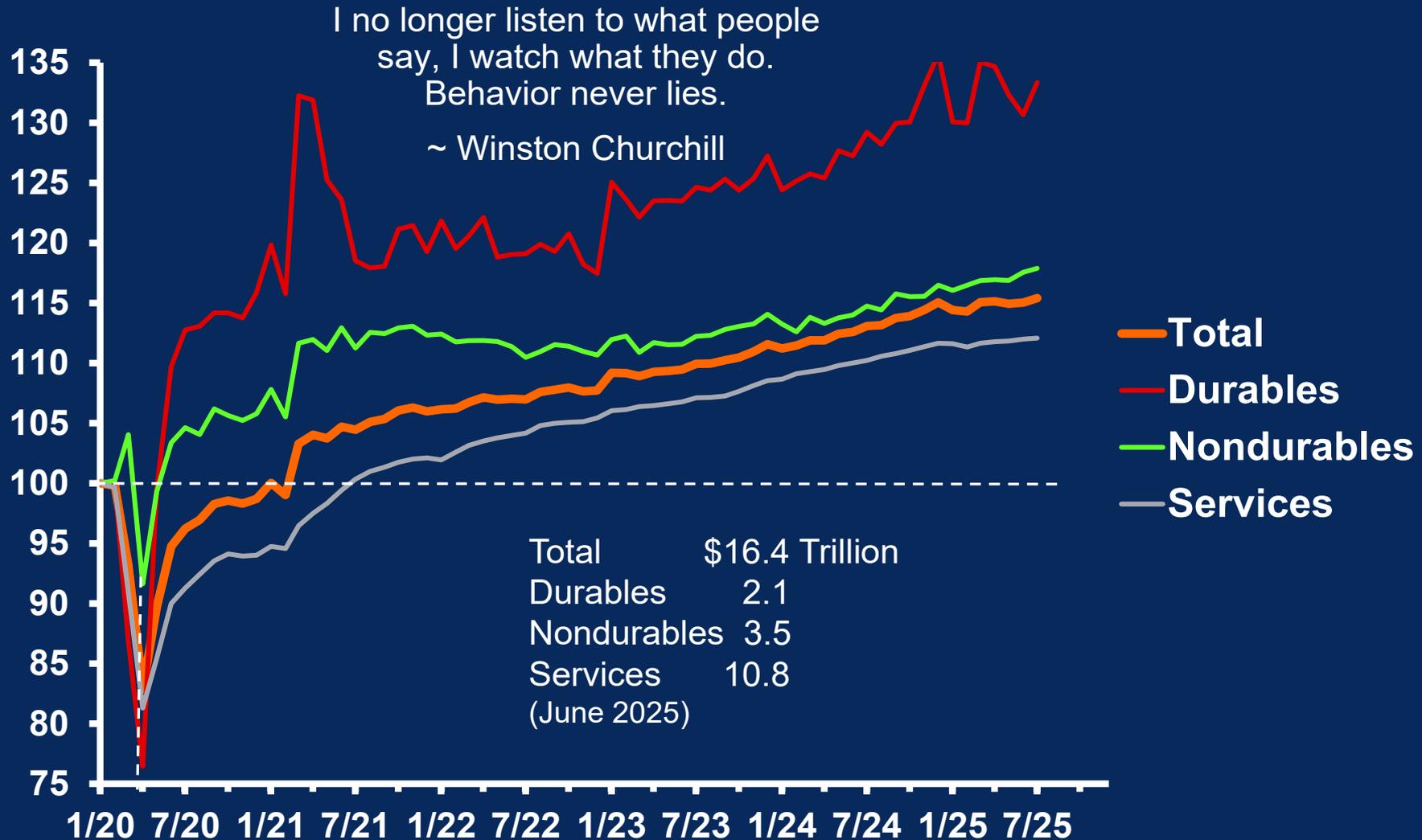
Consumer Sentiment and Zempel Zones ©

(Consumer Sentiment Index) (University of Michigan) (Monthly)

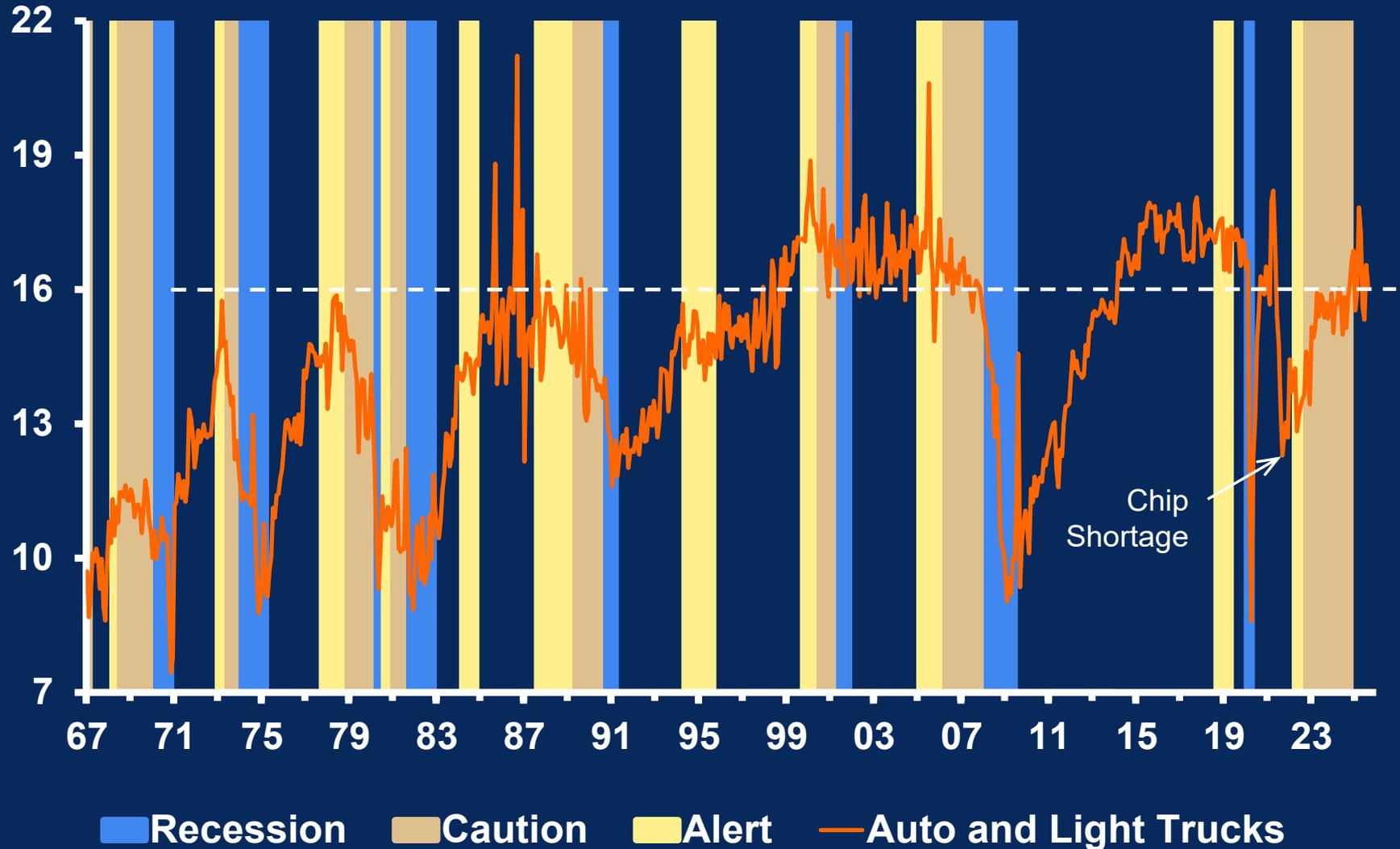


Real Personal Consumption Indexes

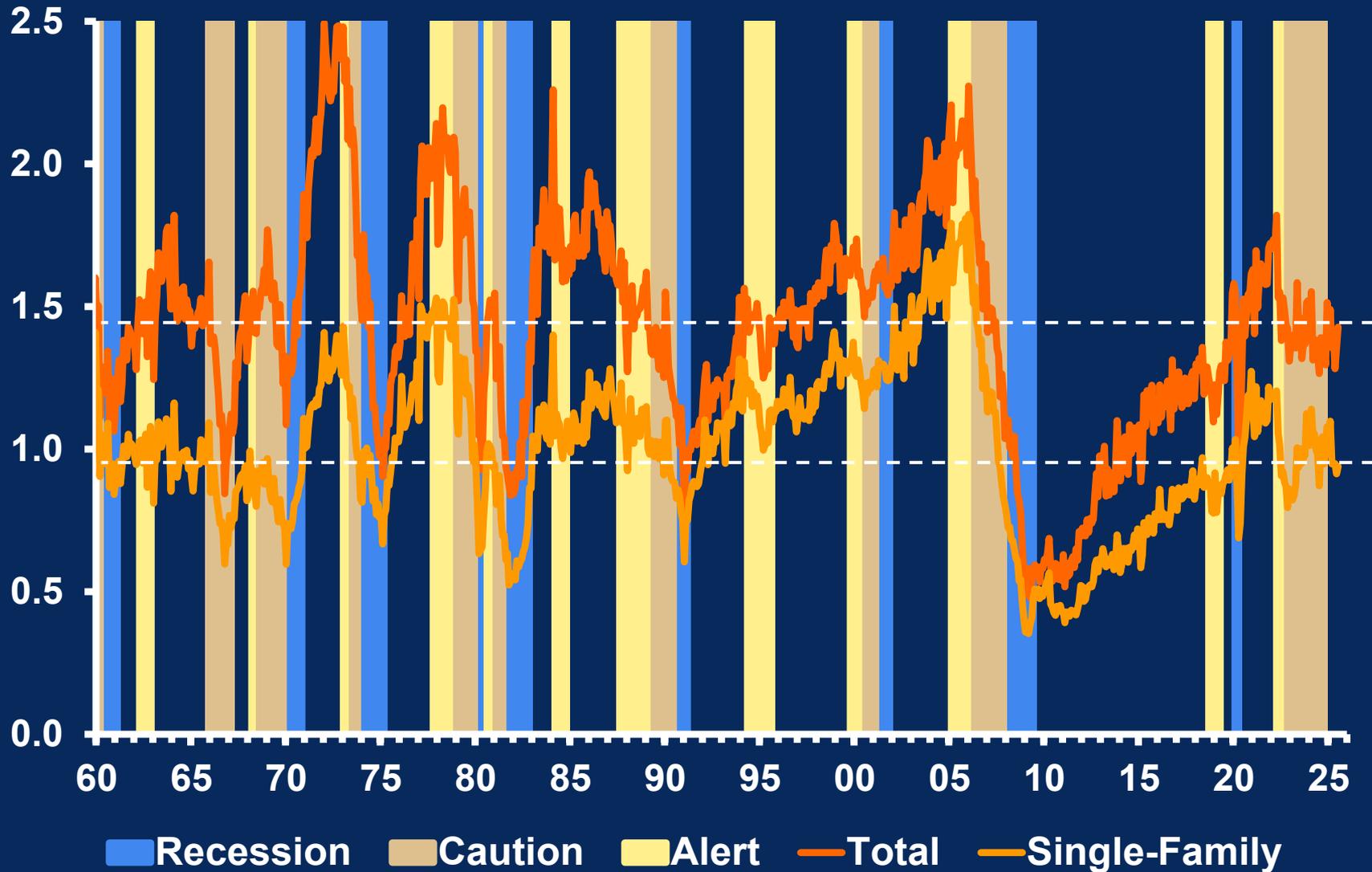
(January 2020 = 100)



Auto and Light Truck Sales (Million Units)

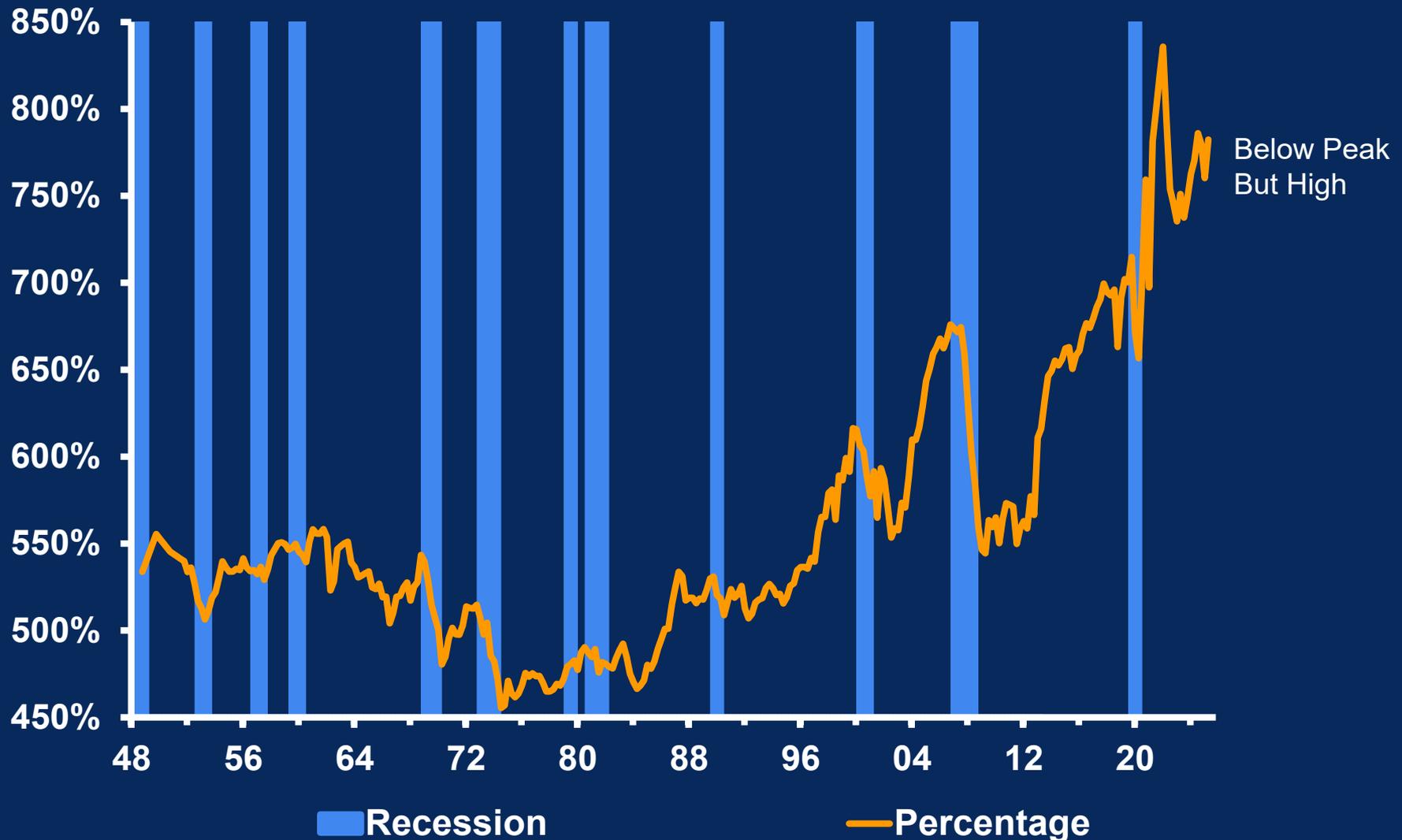


Housing Starts (Million Units)



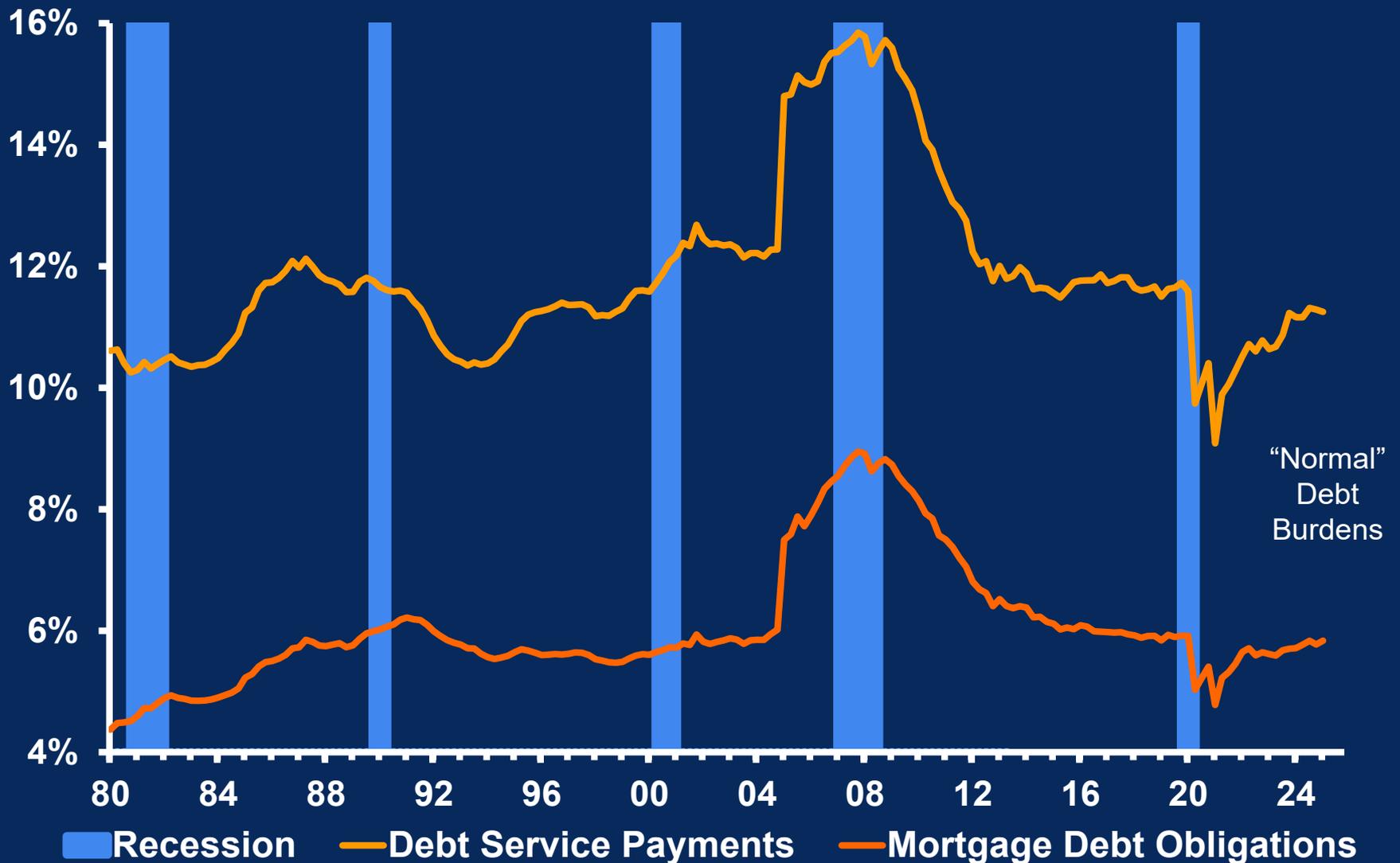
Net Worth (Percentage of DPI)

(Households and Nonprofit Organizations)



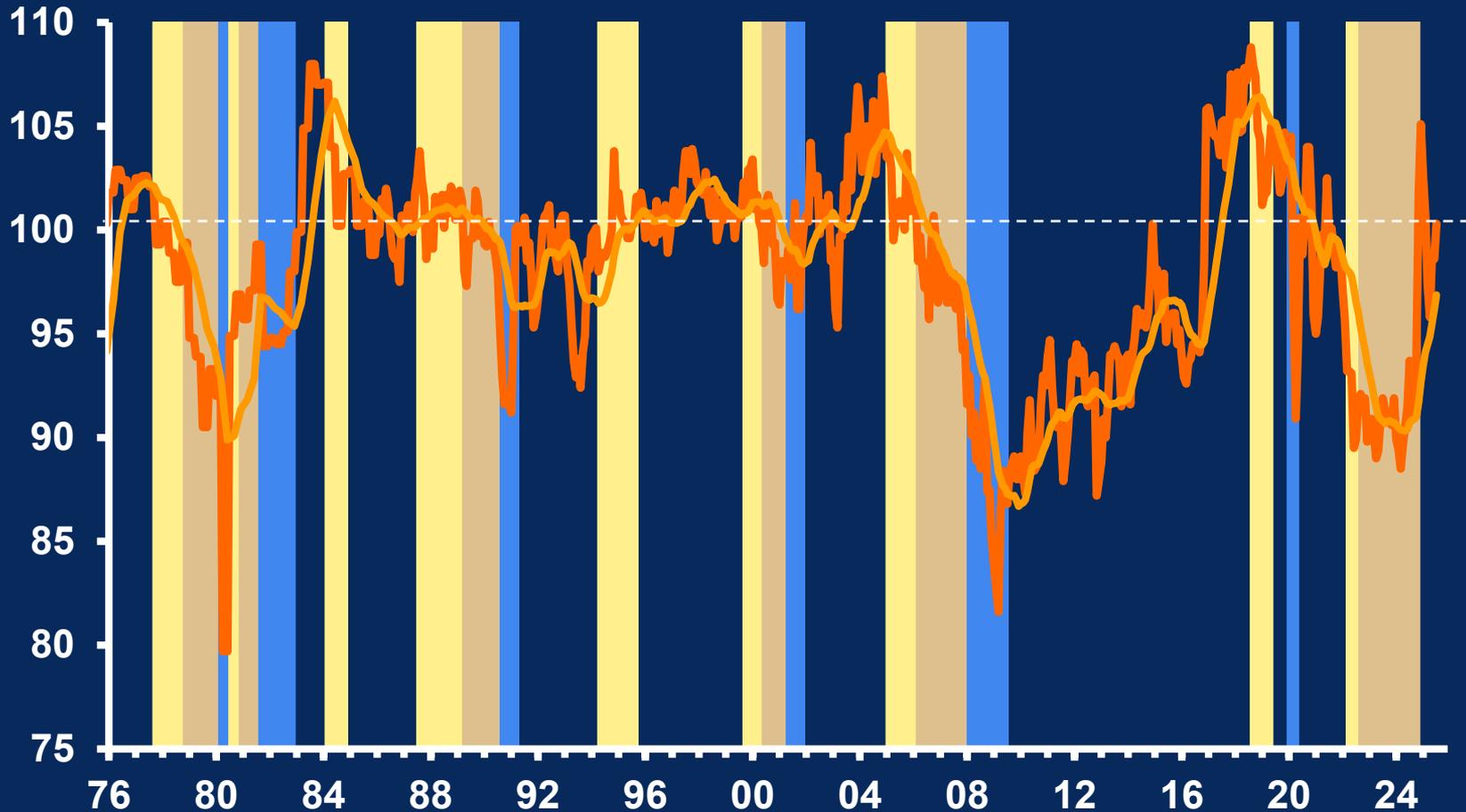
Household Debt Burdens

(Percent of Disposable Personal Income)



NFIB Optimism and Zempel Zones ©

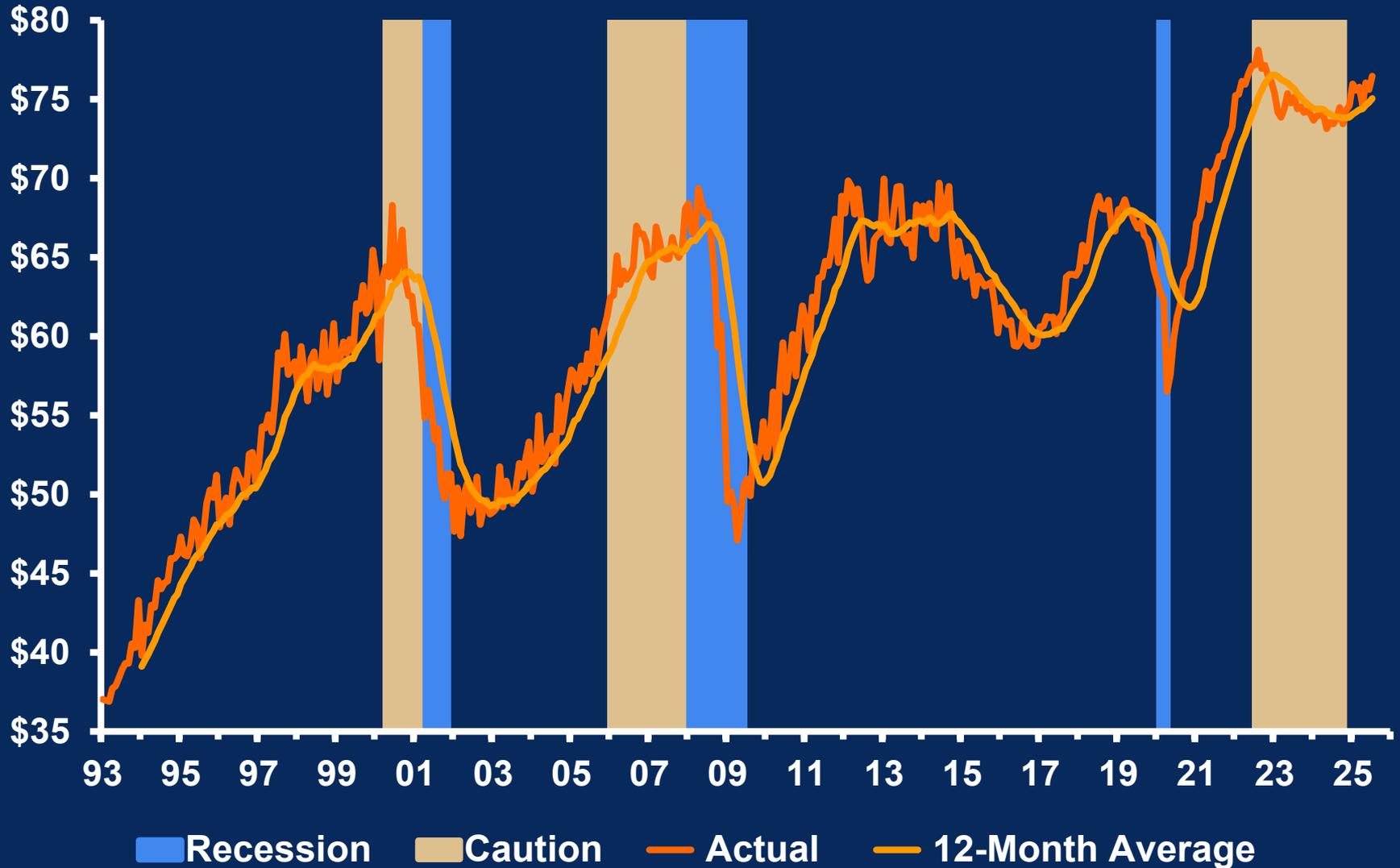
(Small Business Optimism Index) (Quarterly Then Monthly Since 1986)



Recession Caution Alert Actual Trend

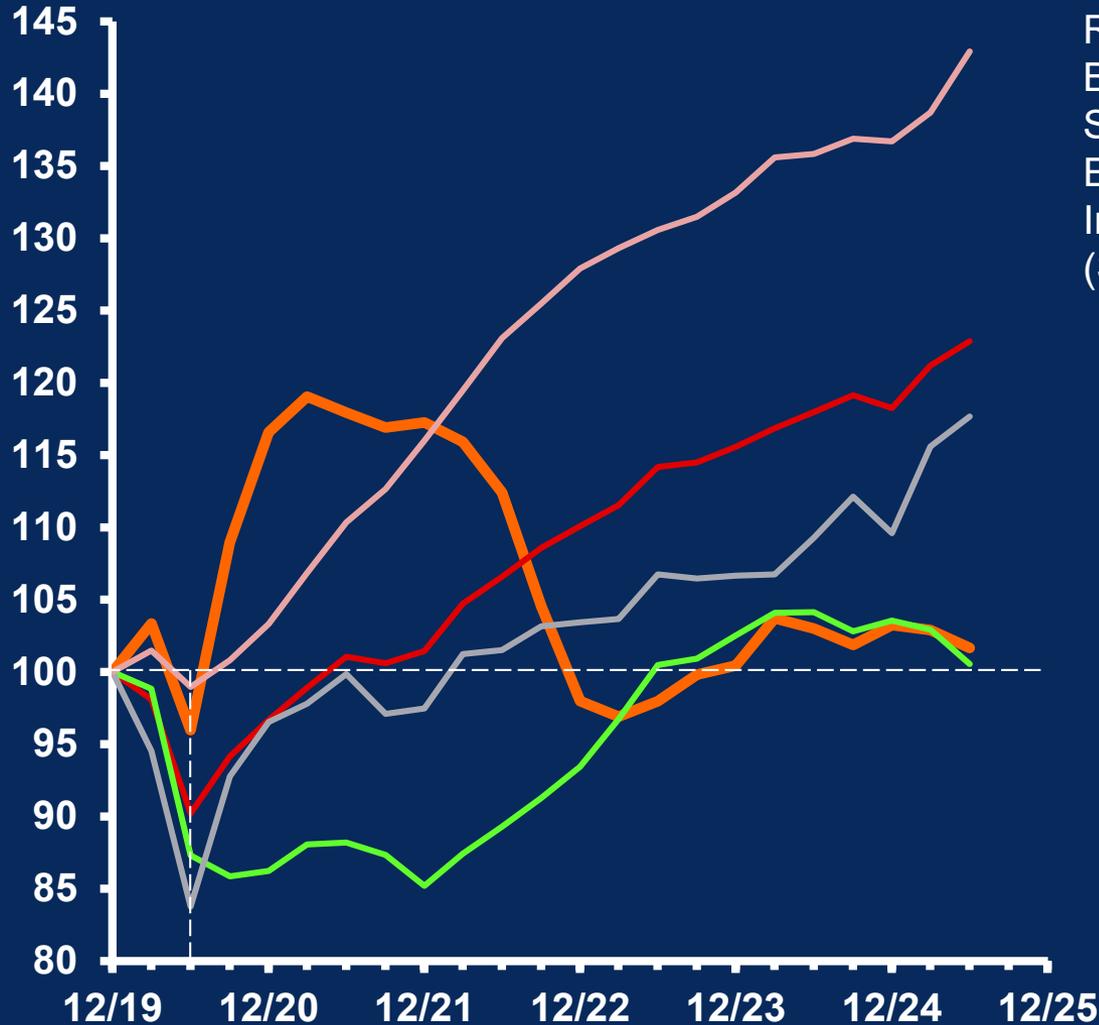
New Non-Defense Capital Goods Orders

Excluding Aircraft (Monthly) (Current Dollars) (Billions)



Real Investment Indexes

(Quarterly) (December 2019 = 100)

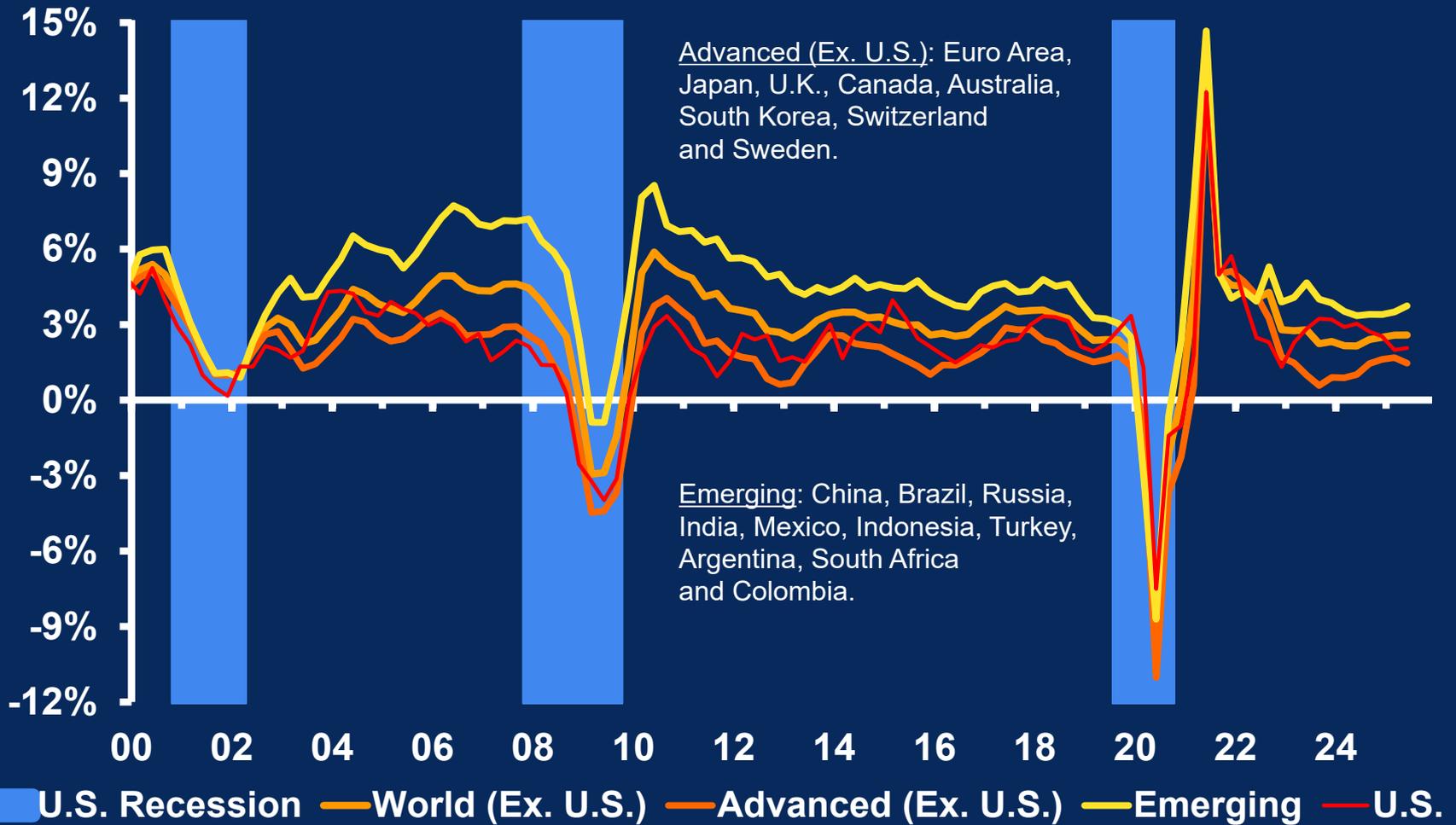


Residential \$0.8 Trillion
Business Total 3.5
Structures 0.7
Equipment 1.4
Intellectual 1.5
(Second Quarter 2025)

- Residential
- Business Total
- Business Structures
- Business Equipment
- Intellectual Property

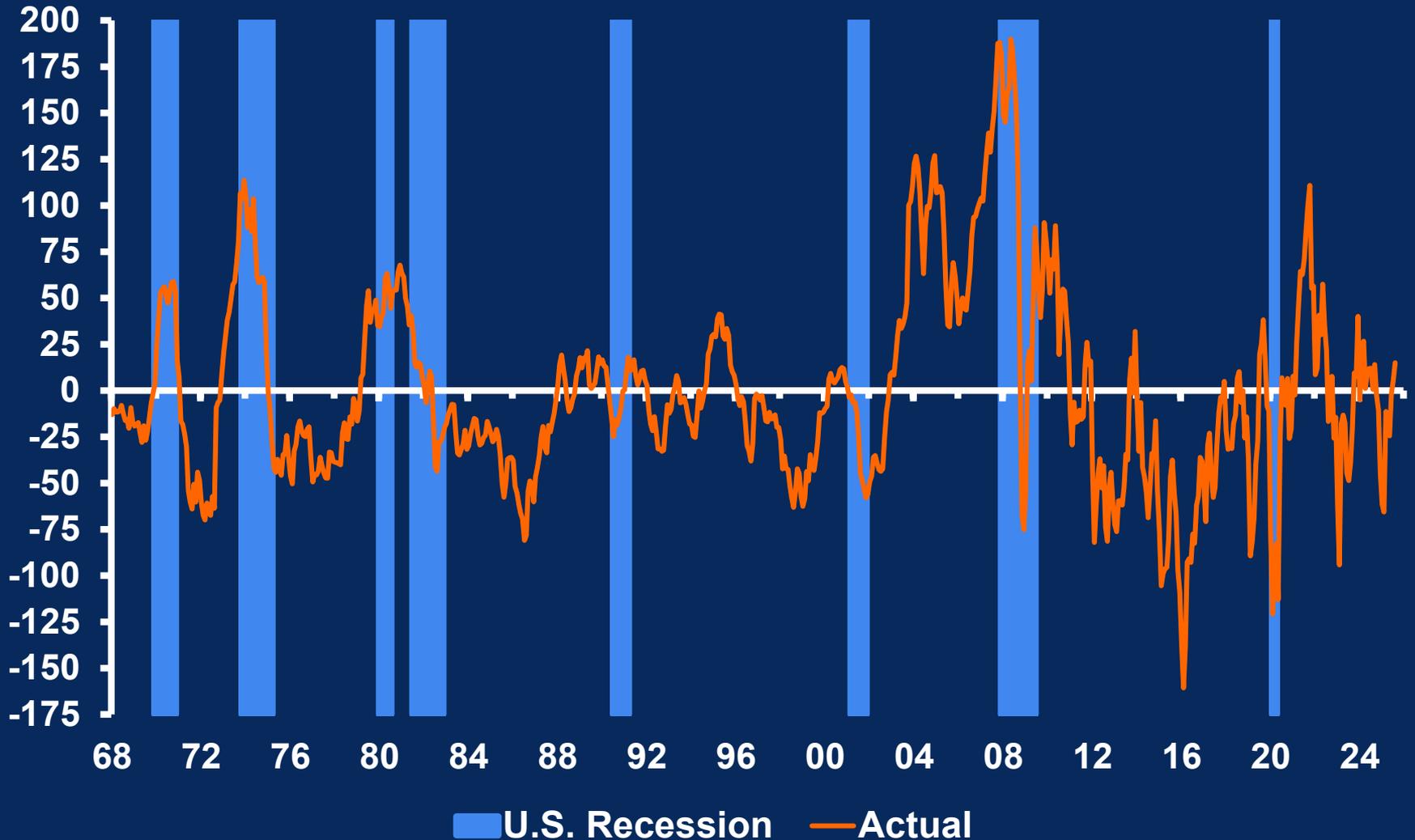
World Real GDP

Dallas Fed's Globalization & Monetary Policy Institute



Global Real Activity and Recessions

(Global Industrial Commodity Market Shipping Volume Proxy) (Deviations from Trend)
(Dallas Fed's Globalization & Monetary Policy Institute)

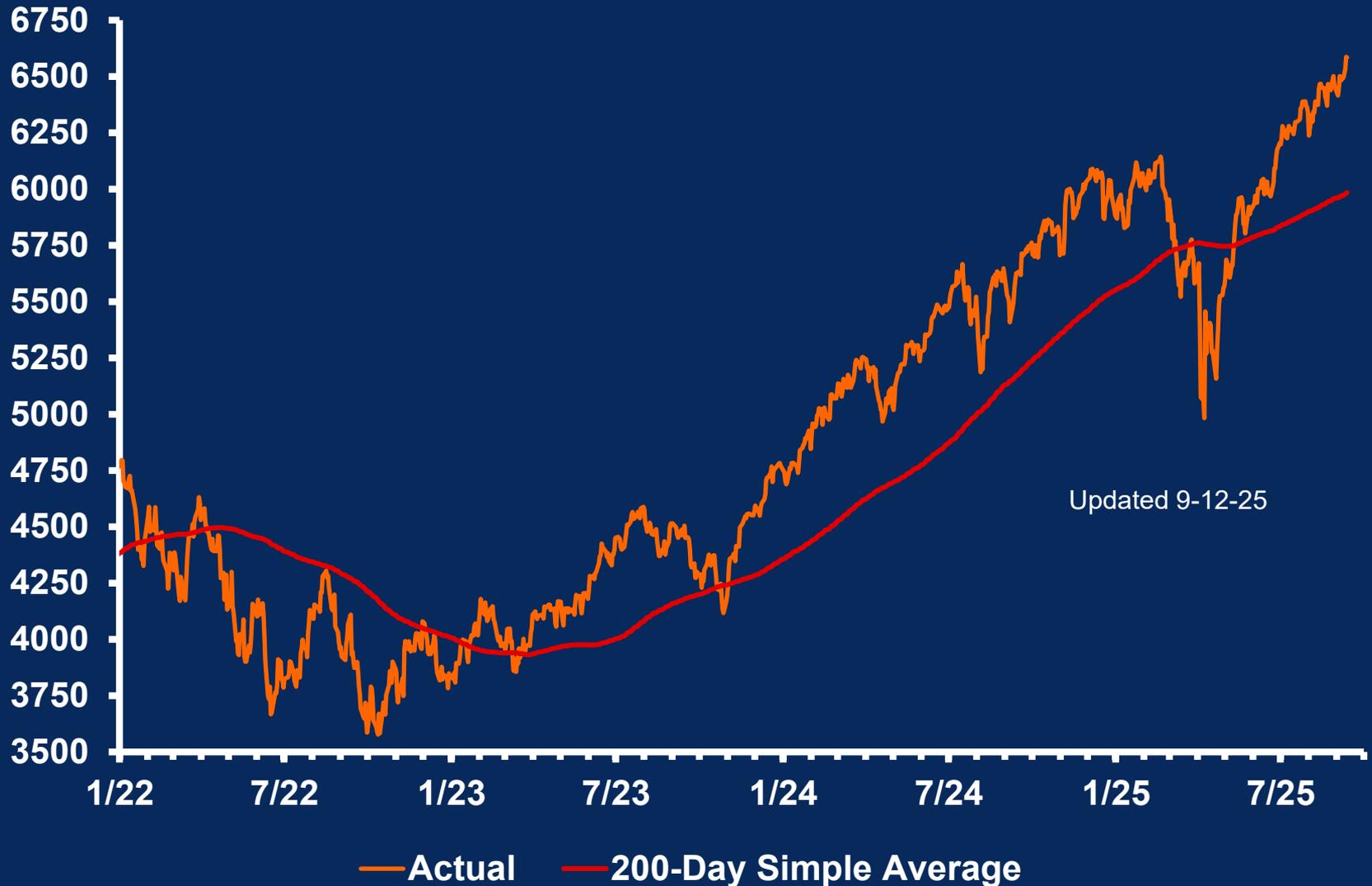


Dollar Exchange Rates

(Fed's New Trade-Weighted "Country" Indexes) (Monthly)

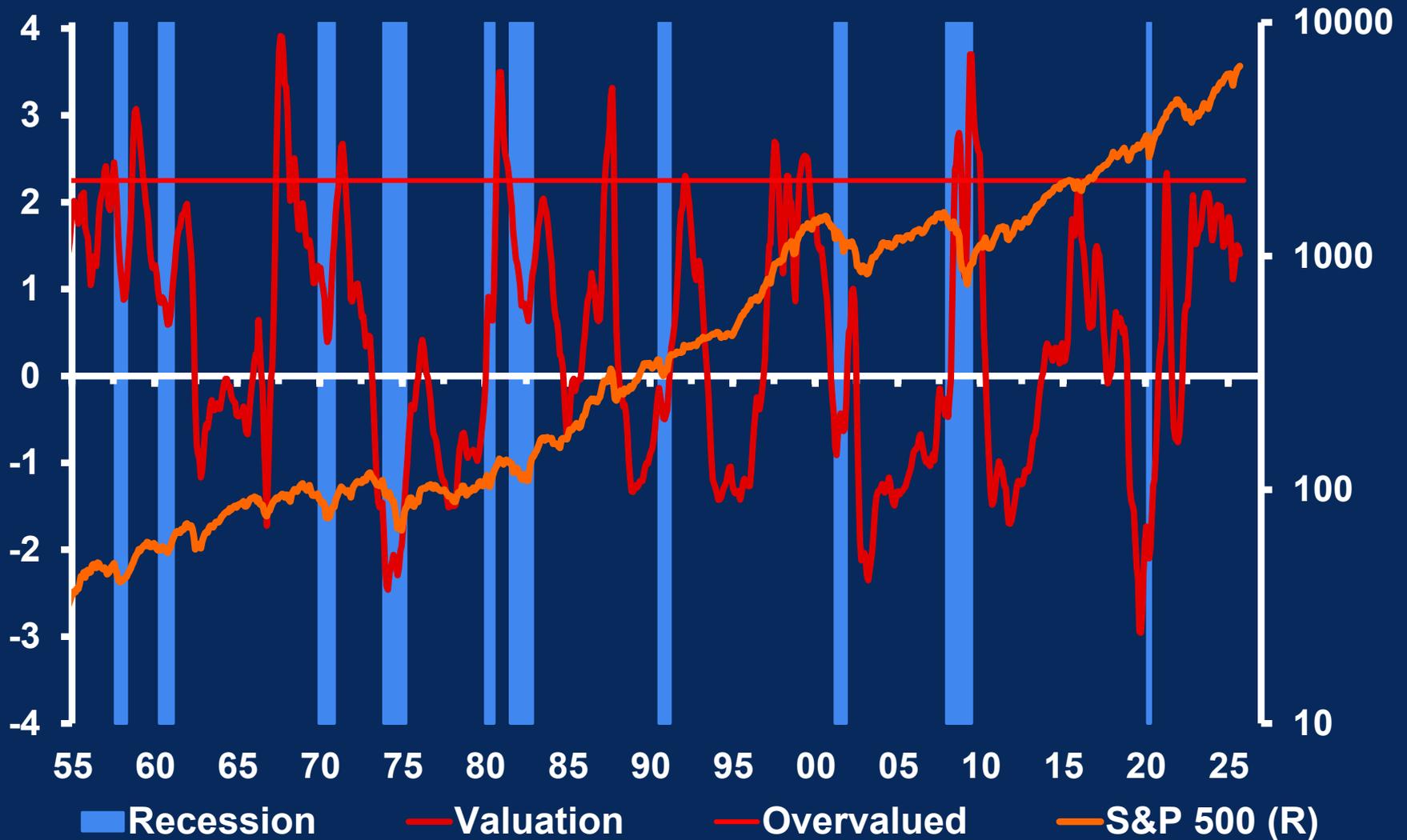


S&P 500 Common Stock Index (Days)



S&P 500 Valuation Index

(Operating Earnings) (Smoothed Valuation Index)





WICPA Not-for-Profit Conference

Stock Market Valuation Index Concepts

Ratio = Bond Yield / Earnings Yield

Earnings Yield = E/P

Valuation Index = Normalized Ratio

Bond Yield = Moody's BAA Corporate Bond Yield

E = Trailing Year Operating Earnings

P = S&P 500 Index

Normalization = $(\text{Actual} - \text{Mean}) / \text{Standard Deviation}$

Stock Market Model Components

Momentum

Interest-Rate Changes

Valuation Index



WICPA Not-for-Profit Conference

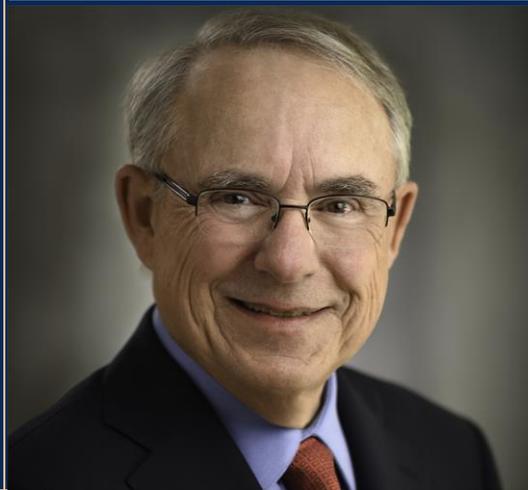
The Economic and Market Outlook 2024 – 2028

Summary

Fed's Inflation Target Achievable Post-Tariffs "Soon"
Lower Inflation Makes Recession Improbable
Fed Will Ease Further But Slowly
Future Fiscal Impact (Taxes/Tariffs/Regulations) Unclear
2025-26 Prospects Positive But Not Robust
Productivity Upturn Could Support 2027-28 "Boomlet"
Monitor Yield Spread
Track Interest Rate Changes
Watch Jobless Claims

Zempel's Best Advice





Questions...

Clare W. Zempel, CFA, CBE

Zempel Strategic

Applied Economics and Financial Market Analysis

www.zempelstrategic.com

CZempel@ZempelStrategic.com

(414) 351-1250

Copyright © 2025 Clare W. Zempel



We'll get you there.

CPAs | CONSULTANTS | WEALTH ADVISORS

Modern Accounting Systems for Nonprofits and Implementation Insights

September 16, 2025



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.

Speaker Introduction



Taylor Hartmann
Digital Growth Senior
Minneapolis, MN



National and International Reach

9,000

NEARLY 9,000 PEOPLE

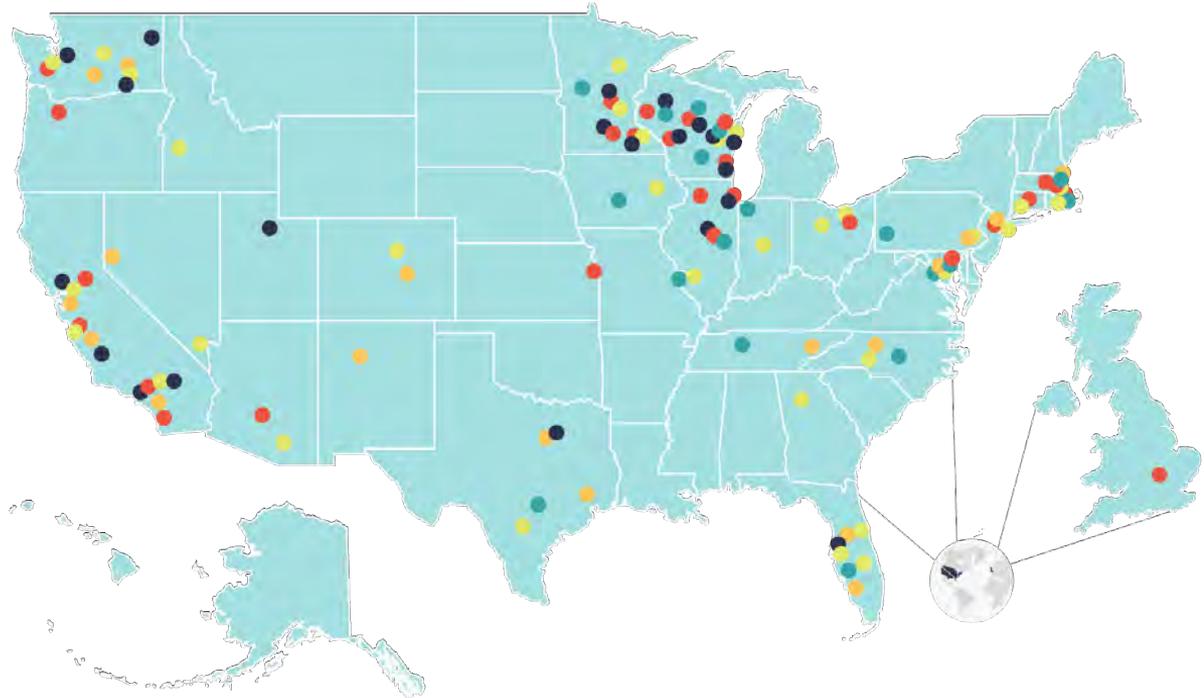
130+

LOCATIONS

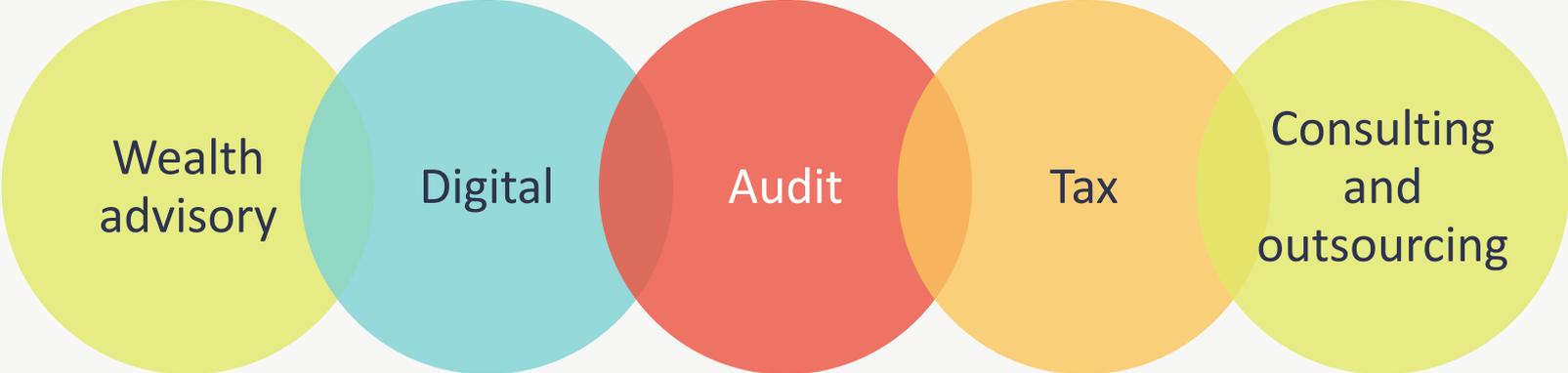
AN INDEPENDENT
NETWORK MEMBER OF

CLA Global

CLA (CliftonLarsonAllen LLP) is an independent network member of CLA Global. See [CLAglobal.com/disclaimer](https://claglobal.com/disclaimer).



Helping You is Our Passion.



Learning Objectives



Identify how to determine when you have outgrown your financial software



Identify modern systems to consider evaluating



Gain insights into implementation recommended practices



Identify common implementation challenges and explore ways to address them



Assess

Identify Major Pain Points and Recognize Where to Enhance

Working Smarter — What to Expect



What Is Driving You Toward Change?



What is your biggest pain point with your finance and operations today?



Are you receiving the data you need to run your business when you need it?



Do you wish you had a real-time dashboard to see daily cash flow or key performance indicators (KPIs)? How about budgeting? Forecasting?



Is your accounting team always behind due to too many manual processes? or massaging of data? Or waiting on data from other teams?



Do you have integration issues with other software that impacts accounting?



Where Do I Begin?

“Instead of focusing on solving a problem, start by focusing on different ways to *see* the problem.”

- Greg McKeown

- 1. Identify Gaps in Current Functionality**
Conduct a brainstorming session to uncover pain points and limitations in the existing system.
- 2. Envision Future Possibilities**
Explore and document forward-looking ideas—what the ideal system could look like.
- 3. Form a Cross-Functional Stakeholder Team**
Assemble a diverse group of stakeholders to collaboratively define desired software capabilities.
- 4. Secure Executive Alignment**
Engage senior leadership to review proposed enhancements and gain their support.
- 5. Partner with a Consultant**
Bring in an expert to help assess the most critical needs and translate them into clear functional requirements.



Optimization Approach and Methodology

You need a holistic plan to distill your goal for optimization into action. As Dale Carnegie said:

“An hour of planning can save you ten hours of doing.”

Discover

- Documentation review
- Interviews and walkthroughs
- Identify systems requirements

*Take the time to understand the root causes of the pain points that you are experiencing. Also take time to **envision** an ideal state.*

Assess

- Evaluation
- Observations
- Recommendations

Review issues, improvement opportunities, and critical success factors to align best practices and draft a conceptual target state.

Optimize

- Prioritize
- Implementation roadmap
- System selection and optimization

Prioritize opportunities to achieve the future state, create an actionable plan to get there, and determine the “quick wins.”

Structure • Process • Systems





Awareness

Recognize the Trends and Benefits of Modern Financial System Automation and Integration

Automation and Optimization



Digital Maturity Curve



Why Evaluate a Modern Finance System?

The business experiences

Overworked staff who are compensating for technology that is not fully utilized or integrated

Increased costs and resource requirements associated with maintaining on-premise hardware and software and/or manual paper-based processes

Reduced productivity and user satisfaction

Lack of real-time access and visibility to financial data

Challenges integrating multiple locations, business units, or currencies due to growth and expansion

The CFO experiences

Limited visibility to accurately and timely manage cash and budget

Increased manual effort to access critical financial information and reports

Increased exposure to a breakdown in controls

Reduced ability to provide strategic vision while bogged down in manual accounting tasks

The user experiences

Increased usage of spreadsheets with limited functionality

Limited ability to access financial data anywhere, anytime, from any device

Limited integration between systems, causing manual data re-entry



Are You Fully Leveraging the *Cloud*?

Consider these *6 questions*:

- | | |
|--|--|
| 1. Are we able to execute all operations remotely ? | Anytime, anywhere access with no VPN connection needed |
| 2. Is my team still engaged in manual inefficient or error-prone processes ? | Cloud drives higher ROI through time savings and process efficiencies |
| 3. Does my financial system need to integrate with other applications? | Payroll, fundraising software, billing, AP automation, expense management |
| 4. Are budget owners and program managers able to access to budget-to-actual reporting without the assistance of finance? | Cloud should drive real-time visibility |
| 5. Does my organization struggle with lengthy month-end closes ? | Streamline consolidations and closes; eliminate silos of data |
| 6. Do we need to closely manage costs of software ? | Cloud vendor amortizes costs allowing you to receive leading infrastructure allowing continuous backups, disaster recovery, and superior security for less |



Optimization: Requirements for *Success*

Modern Systems should:

Exceed your current needs; think ideal state

Work from the *start*; plan for success

Improve operational efficiencies

Reduce manual and routine tasks

Provide *insight* to run your business

Grow with your organization's needs

Begin with the *end* in mind



Solutions to Consider

1 Sage Intacct

2 Netsuite

3 Business Central

4 Abila/MIP

5 Blackbaud Financial Edge

6 Blackbaud NXT

Nonprofit Accounting Software
Buyer's Checklist





Implementation Insights Recognize Key Challenges and Success Factors in Rolling Out Modern Financial Systems

Best Practices and Considerations



Why It Matters

Modern financial systems offer automation, integration, and real-time insights—but successful implementation requires more than just technology. It demands strategic planning, stakeholder alignment, and a clear understanding of potential pitfalls.

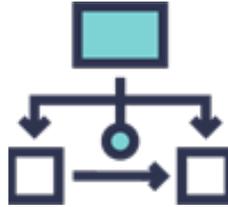


Common Challenges



Misaligned Implementation Partnership:

Partnering with a vendor who lacks nonprofit expertise or alignment with your goals can result in poor communication, unmet expectations, and a flawed rollout.



Limited Internal Resources and Competing Priorities:

Overextended teams and tight budgets often slow progress and reduce focus. Considering timing of the project and implementation resources.



Low Team Engagement in Training and Testing:

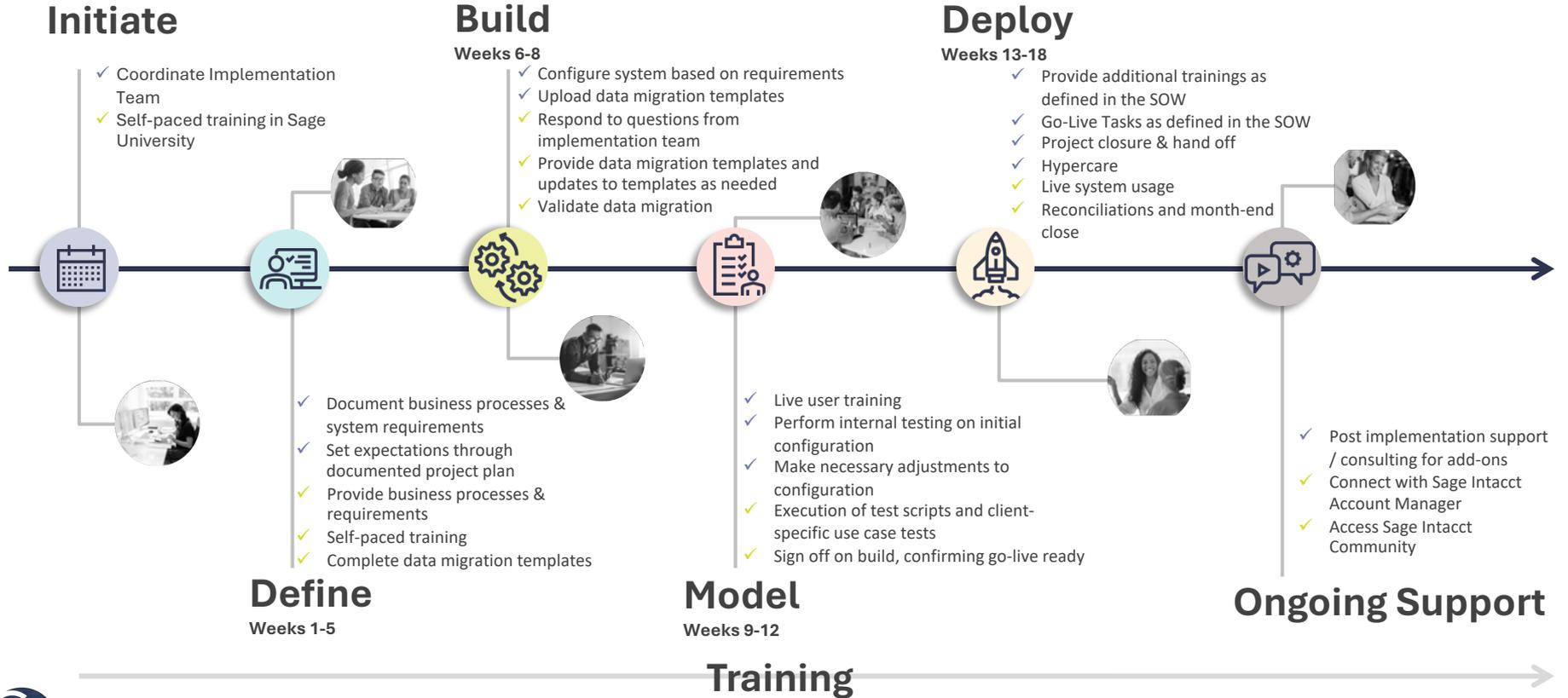
When team members aren't fully engaged, critical workflows may be missed and the organization may be unprepared for go-live, resulting in delays and rework.

Keys to a Successful Implementation

- 1. Engage a Partner with Deep Industry Specialization**
Choose a team that understands nonprofit operations, funding structures, and compliance needs.
- 2. Clearly Define Your Requirements**
Document your functional, reporting, and integration needs early to guide configuration and avoid scope creep.
- 3. Be Open to Best Practices in Process Automation**
Learn from your implementation partner's experience to streamline workflows and reduce manual effort.
- 4. Establish a Strong Internal Structure**
Set up your chart of accounts, dimensions, and approval processes to reflect your organization's operations.
- 5. Commit to Dedicated Training and Support**
Ensure your team has access to tailored training and ongoing support to build confidence and readiness.
- 6. Maintain Consistent Communication and Ownership**
Assign internal champions and keep stakeholders informed to sustain momentum and accountability.



Implementation Methodology and Sample Timeline





Case Study:
Alley Theatre's Financial
Makeover, Great Plains to
Sage Intacct

Nonprofit Success Story





Alley Theatre's Financial Makeover, Great Plains to Sage Intacct

The challenge

Alley Theatre, a renowned performing arts institution, found itself in need of a significant upgrade to its financial management system.

How CLA helped

In moving to Sage Intacct, CLA's digital team guided Alley Theatre toward a financial management structure providing a complete picture of its shows' economic impact.

Results achieved

Alley Theatre saw tangible financial gains, including reinstating a cancelled show after seeing its economic value, which was made clear in the new system's analytics.



“Working with CLA has been an incredibly positive experience for Alley Theatre. The transition from our outdated Great Plains system to Sage Intacct was seamless, thanks to their skillful guidance. CLA’s team helped us leverage the full capabilities of our new system, enabling us to track detailed revenue streams and make more *informed financial decisions.*”

— Tasha Criss, Controller, Alley Theatre



Thank You!



Taylor Hartmann
Senior, CLA Digital
Minneapolis, MN
612-464-5253
taylor.hartmann@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://www.claglobal.com/disclaimer).
Investment advisory services are offered through CliftonLarsonAllen Wealth Advisors, LLC, an SEC-registered investment advisor.