

CERINI & ASSOCIATES, LLP | CERTIFIED PUBLIC ACCOUNTANTS  
PRESENTS



# NFP ADVISOR

VOL. 29  
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A Chapter of  
The Arc  
New York

BRINGING A UNIQUE UNDERSTANDING OF KEY ISSUES FACING NOT-FOR-PROFIT ORGANIZATIONS



# FROM THE EDITOR - MATTHEW BURKE, CPA, CFE



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The cover photo represents how AHRC Suffolk is proudly celebrating 75 years of the Arc New York! The photo features children who attend school at our Educare Center and adults who participate in our Adult Day Habilitation Programs. This photo also shows the age progression our wide range of programs at AHRC Suffolk, allows for. We are proud to celebrate The Arc New York's 75 Year Milestone and will strive to continue providing primary support for individuals and their families regardless of age. We love having the opportunity to watch everyone grow and develop throughout the years! Visit our website to learn more about our programs and how you can help support our mission this year!

In this issue of the NFP Advisor, we look to new the new beginnings of Spring, an awakening for the nonprofit sector, following a long, cold, wet winter. It's amazing how far the nonprofit sector has come since the dark days of COVID four years ago when the world was turned upside-down. It's resilient and strong, but always under threat from changing regulations, government cut-backs, technology issues, and more. In this issue, we focus on some of the trends facing the sector, technology, tax credits, and an underappreciated area of nonprofit accounting and financial reporting.

The economy seems to be improving with nonprofit operations stabilizing, and the “*new normal*” taking root. With help from various government programs, most nonprofits are entering this period in stronger financial condition than when the world turned upside-down in early 2020. Even so, the sector has some trepidation as we await the 2004/25 State budget.

This issue of the NFP Advisor looks at 2024 emerging trends that are impacting all companies, and how they may apply specifically to nonprofits. We look back at 2023 and predict major trends that will be most impactful in 2024. The economic environment has changed, while the political one promises to be even more heated in the upcoming election cycle. Budget shortfalls in New York City and State, along with political polarization will continue to threaten funding. This year calls for strategic reevaluation to ensure efficiency, collaboration, oversight, diversity, equity, inclusion, and impact. Leveraging technology will be key, as will labor relations.

We follow our trend report with insights into how the **Inflation Reduction Act of 2022 (IRA)** offers tax credits for clean energy adoption, even for tax-exempt entities. The IRA introduced an “*elective pay*” option that could prove fruitful for nonprofits making clean energy investments. As with any new legislation and anything having to do with the IRS, there are pitfalls and cumbersome elements to overcome. We help explain the IRA and help guide you through the process of taking advantage of it.

As accountants, we'd be remiss to not delve into the world of nonprofit accounting within these pages. Joint costs, pivotal for nonprofits, encompass expenses from activities serving both program and fundraising goals at the same time. Proper allocation ensures transparent financial reporting. We provide guidance as to how to identify joint cost situations and then how to properly account for and disclose them.

And finally, with the AI craze reaching new heights each week, we provide an overview of an oft-used buzz term: data analytics. Data analytics are essential for enhancing nonprofit decision-making. They can offer insights into strategic decisions, resource allocation, program effectiveness, and donor engagement. By leveraging advanced techniques, nonprofits gain deeper insights, leading to better-targeted programs and improved outcomes. We provide practical examples of other organizations putting this modern technology to clever use and food for future thought.

Stay connected with us as we kick off Spring 2024. It's an active season for community events and endeavors as we collectively shake off the cold. We hope to see you at the [12th Annual Long Island Imagine Awards](#) on May 1, where we take part in honoring the organizations and individuals that we are so committed to serving. Remember to check our website regularly, follow us on social media, and tune in for the [Cerini Connection](#), a webinar series (*hosted by Ken Cerini*) discussing key issues facing the nonprofit sector. We're not just accountants. We're trusted advisors to the nonprofit sector. There are countless ways that we can help your organization thrive and overcome its challenges. Contact us for anything we may be helpful with.





# 2024 NONPROFIT TRENDS

**A**s we move deeper into 2024, we look at what we can expect for the nonprofit sector as the year progresses. In 2023, the sector grappled with multiple challenges... the end of the COVID era which meant an end of COVID funding, an increase in demand for services brought about by several years of high inflation, a tight labor market, continued increases in borrowing rates, the exponential growth of AI and cybercrimes, and an increase in regulations and government audits. 2023 did see an uptick in the stock market bringing with it an increase in donations, and an economy that was better than anticipated...

The headlines for 2024 will focus around some of the same themes... *the economy, technology, and the labor market.*

## THE ECONOMY:

- ▶ We anticipate a slow down in inflation, with inflation sitting between 2 and 3% for the year.
- ▶ We also anticipate a slow down in growth, we growth at only 1.5% to 2% as high interest rates, geopolitical concerns (*war in Ukraine, unrest in the Gaza, and the biggest election year in history with more than 60 countries holding regional, legislative, and presidential elections*), and what is anticipated to be a hotly contested presidential election, all create uneasiness in the marketplace.
- ▶ We expect growth in unemployment from the 3.7% we saw at the end of 2023 to 4.4% as the rise in AI, the cost of capital, and overall uncertainty in the marketplace take their toll on the workforce.
- ▶ While we expect to see some pull-back on interest rates, we are not expecting to see them until the second half of the year, and they are not going to be deep ... so don't look for pre-pandemic rates anytime soon. Expect banks to be more conservative with lending, restricting credit to lower quality lenders and requiring higher levels of collateral.
- ▶ The stock market is anticipated to see a rise, with an industry expectation of 10% for the S&P 500.

## SO WHAT DOES THIS MEAN FOR THE NONPROFIT SECTOR?

- ▶ NYC is anticipating budget shortfalls over the next 3 years of 6%, 8%, and 9%, respectively, while NY State is anticipated to have a \$4.3 billion budget shortfall for fiscal 2025. Both NY City and NY State will need to balance these shortfalls, and that will most likely come in the form of cuts. You will need to consider this when developing budgets and strategizing your operations for the next year. We will have a clearer picture when the NY State budget is released in April. NY City has already made two cuts (*one in December and another in January*). It appears for now, that a third cut that was supposed to happen in April 2024 has been cancelled. Even so, contract signing and cash flow at the local level (*counties and NY City*) have been heavily delayed.
- ▶ The loosening of the labor market should result in the ability to finally hire much needed staff, however organizations need to be cautious to see how their funding shapes up. Unfortunately, the loosening of the labor market could also result in an increased demand for services.
- ▶ Fundraising tends to follow the stock market. With an anticipated bull market for 2024, we anticipate an uptick in donations during 2024. Unfortunately, with the polarized position on policies and issues during this year's election (*immigration, climate change, abortion, education/cultural wars, and crime*) coupled with geopolitical issues, while donations may be up, they may not necessarily find their way to local charities.
- ▶ Nonprofits will need to be more creative and targeted in their approach to fundraising.
- ▶ Nonprofits need to be strategic in their thought process and re-assess their mission, their relevancy, their business models, etc. Everything should be on the table and open for discussion.

## TECHNOLOGY:

- ▶ AI continues to be the fastest growing sector in the marketplace. It is causing us to rethink the way we operate, deliver service, fundraise, and more. While 89% of nonprofits agree that AI will improve efficiency, only 28% say they use it in any meaningful way. A Goldman Sachs study said that AI tools could impact more than 300 million full-time jobs worldwide.
- ▶ Cybercrimes are up... through the first half of January 2024, there was a cyber-attack every 39 seconds.
- ▶ With the need for nonprofits to be more streamlined and nimble due to constricted funding, we are seeing an increase in data integration and workflow automation.

(CONTINUED ON NEXT PAGE)





**SO HOW DOES THIS IMPACT  
THE NONPROFIT SECTOR?**

- ▶ The sector needs to embrace AI as a tool in all aspects of their operations.
  - ▶ *In fundraising, AI can be used to identify potential donors, create personalized marketing and social media campaigns and content, make next step recommendations, donor journey mapping and more.*
  - ▶ *From an operations perspective, AI can be used for business simulations to optimize your operations from a staffing, resource allocation, and performance perspective.*
  - ▶ *AI can automate simple tasks such as summarizing meeting notes, organizing and cleaning data, crating documents and policies, developing reusable templates and outlines. Organizing files, and more.*
  - ▶ *It is anticipated that by 2030, 30% of work hours across the US economy could be automated with AI and 50% of nonprofit activities (not jobs) can be automated using AI, leading to more efficient and productive organizations.*
- ▶ There is an increase in cyber-attacks within the nonprofit sector, as historically the sector has been behind the technology curve. Nonprofits need to implement stronger policies (for example AI usage policy), increased internal training, regular updates, and vigilance. This will require a greater investment by the sector.
- ▶ Nonprofits need to find ways to better automate systems so that all systems are effectively communicating. This will save time, decrease errors, and provide for more timely information. This is essential, as nonprofits will need to make decisions quicker and will need information flow to make that happen.

**THE LABOR MARKET:**

- ▶ Although we anticipate a softening of the labor market with increased lay-offs (according to a survey by ResumeBuilders, 40% of companies are considering layoffs by 2024), nonprofits will still need to reconsider their salaries, benefit packages, and leadership culture in order to attract and retain staff.
- ▶ In PNP Staffing’s 2024 annual nonprofit salary study, 91% of nonprofits reported having to increase salaries in 2024 and 35% reported that they could not meet the expected salary demands for top talent and common staff positions.
- ▶ The nonprofit turnover rate (19%) is 58.3% higher than for other companies (12%).

**WHAT SHOULD NONPROFITS DO?**

- ▶ Nonprofits need to retool their leadership to align with their workforce. Leaders need to be better trainers, more empathetic, more transparent, provide more timely and relevant feedback, and offer greater level of accessibility.
- ▶ Nonprofits need to work with their staff on career development and growth, laying out paths for advancement for staff members. Among workers who left nonprofit jobs during 2021, 44% said they left because nonprofits didn’t offer enough opportunities for career growth or professional development and 38% of young nonprofit professionals think they will need to move organizations to get a promotion.
- ▶ Nonprofits need to benchmark their salaries and benefits to determine how they compare to not just industry standards but also those of industries that would look for staff with similar skillsets. This includes providing staff with work flexibility, a greater work life balance, a healthy workplace, and more.

2024 needs to be the year that nonprofits think strategically about their business and operations. There are about 3,500 nonprofits on Long Island and about 35,000 in the NY City metropolitan area.

*Are they all necessary?*

*What are they doing by way of collaboration and consolidation?*

*Is their proper oversight and leadership?*

*How are they addressing DEIA at all levels of the organization?*

*Are they impactful?*

*How can they become more efficient and effective?*

**KEN CERINI, CPA, CFP, FABFA  
MANAGING PARTNER**





# INFLATION REDUCTION ACT

## CLEAN ENERGY TAX CREDITS FOR TAX-EXEMPT ENTITIES

**I**nflation Reduction Act of 2022 (“IRA”) offers various tax credits to incentivize individuals, businesses, and tax-exempt organizations alike to transition to clean energy sources. While tax credits are a great incentive for tax-paying individuals and businesses, tax-exempt and governmental entities are generally unable to claim such credits because they do not typically pay federal income tax. A great feature of the IRA is that it enables tax-exempt and other qualifying entities that have no tax liability to take advantage of these credits through a process called elective pay. Through the elective pay option, the IRS treats the amount of any qualifying credit as a tax payment, and any overpayment of tax results in a refund to the qualifying entity. Although the availability of the credit and the elective pay option were made clear, the mechanism by which qualifying entities would ultimately claim these credits remained uncertain until recently.



During December 2023, the IRS announced the opening of an IRA Pre-Filing Registration Tool that qualifying entities must use if they intend to select the elective pay option. The Pre-Filing Registration Tool is a web-based registration portal. The pre-filing registration process will provide entities with a required registration number that is reported on the entity’s annual tax return on which the elective pay election is made. The IRS also issued Publication 5884, an IRA Pre-Filing Registration Tool User Guide and Instructions, with step-by-step instructions for completing the registration process, including screenshots. The process begins by verifying the personal identity of the individual filing the registration through an IRS ID.me account. Registrants can easily create an ID.me account if they don’t already have one, but be sure to have photo identification on hand. Once a registrant’s personal identity is verified, the next step is to create a clean energy account for the entity that intends to claim the credit. Remember to have the entity’s **Employer Identification Number (“EIN”)**, full legal name, and address readily available. Once the entity’s clean energy account is created, you will complete the IRA credit registration. Registrants will be required to report a variety of information and supporting documents that are unique to the specific clean energy credit being claimed, as well as general entity information such as the tax period, entity type, banking information, and tax returns typically filed. Supporting documentation can be uploaded, if required, within the registration portal. For a complete list of supporting documents required, refer to the Pre-Filing Registration Tool User Guide and Instructions.

Keep in mind that the tax credit must be claimed on the tax return covering the year in which the credit was earned. The credit is considered earned when the clean energy investment project has been completed and placed in service. Taxpayers should complete and submit the pre-filing registration no earlier than the beginning of the tax year in which they will earn the credit. Unsurprisingly, the IRS expects processing delays and has cautioned taxpayers to register using the Pre-Filing Registration Tool at least 120 days prior to when the entity plans to file its tax return on which it will make the elective pay election. The IRS may request additional information upon review of the filing, so the IRS recommends visiting the entity’s clean energy account weekly to keep track of the status of the registration filing and any follow up comments or requests, which will be posted to the clean energy account dashboard. Registrants can also opt to receive email notifications when there is a status change to the registration filing. Once the filing is approved, the registration number will be available on the entity’s clean energy account dashboard.

As mentioned above, the registration number is required to be filed on the entity’s tax return in the year in which the elective pay election is made. For entities that normally file a Form 990, Return of Organization Exempt from Income Tax, the entity will also be required to file a Form 990-T, Exempt Organization Business Income Tax Return. The election for elective pay will be made within Form 990-T, Part III, Tax and Payments, line 6g. The annual tax return must also include all relevant source credit forms, showing the computation of the credit, and Form 3800, General Business Credits, which summarizes the credit and will link the entity’s registration number with the credit computation. The elective payment election must be made on a timely filed return, which includes the available six-month extension request made on Form 8868, Application for Automatic Extension for Time to File an Exempt Organization Return. While the IRA offers the opportunity for tax-exempt entities to take advantage of clean energy tax credits using elective pay, there are hoops the entity needs to jump through before such credits can be claimed and monetized. You need to consider both when your clean energy project was or will be completed and placed in service, and when you intend to file your claim for the associated tax credits. Next, ensure you complete the pre-filing registration process as far in advance as possible, to ensure that you receive the registration number in time to file your elective pay election on the applicable required annual tax return.

Some helpful links to the IRS website and IRS releases and other content related to this process are included below for reference:

- ▶ [For a complete list of available IRA clean energy credits, click here.](#)
- ▶ [For more information regarding the elective pay option, click here.](#)
- ▶ [For more information regarding the IRA Pre-Filing Registration Tool, click here.](#)
- ▶ [To access the IRA Pre-Filing Registration Tool, click here.](#)



LAUREN GRANDINETTI  
SUPERVISOR







# HOW TO ACCOUNT FOR JOINT COSTS IN NONPROFIT ORGANIZATIONS

A GUIDE TO APPLYING THE ACCOUNTING STANDARDS FOR ACTIVITIES THAT INCLUDE BOTH PROGRAM AND FUNDRAISING COMPONENTS

## WHAT ARE JOINT COSTS AND WHY ARE THEY IMPORTANT?

Joint costs are the costs of conducting activities that have more than one purpose or function, such as program, management and general, or fundraising. For **nonprofit organizations (NFPs)**, joint costs can arise from events, publications, campaigns, or other activities that both serve their mission and provide fundraising opportunities. For example, a healthcare NFP may send a newsletter that educates the public about a disease and also solicits donations for research and treatment.

Joint costs are important because they affect how NFPs report their expenses by function in their financial statements. NFPs are required to present their expenses by function (*such as program, management and general, and fundraising*) and by natural classification (*such as salaries, rent, and supplies*). Functional expenses provide information about how NFPs use their resources to accomplish their missions and how efficiently they operate. NFPs are also subject to scrutiny from ratings agencies, donors, and the media, who use the percentage of expenses devoted to programming as a key indicator of NFP performance and accountability.

Therefore, NFPs need to ensure that they allocate joint costs appropriately and consistently, following the accounting standards and guidance that apply to this complex area. This article will explain the criteria, methods, and disclosures for accounting for joint costs in NFPs.

## WHAT ARE THE CRITERIA FOR ALLOCATING JOINT COSTS?

Not all activities that include both program and fundraising components qualify for joint cost allocation. NFPs need to evaluate three criteria related to the purpose, audience, and content of the activity to determine if joint cost allocation is permitted. These criteria are based on the **FASB Accounting Standards Codification (ASC)** Subtopic 958-720, *Not-for-Profit Entities—Other Expenses*, which incorporates the guidance from the AICPA **Statement of Position (SOP)** 98-2, *Accounting for Costs of Activities of Not-for-Profit Organizations and State and Local Governmental Entities That Include Fund Raising*.

The purpose criterion is met if the purpose of the activity includes accomplishing program or management and general functions, and these functions meet the definitions in the ASC. Program functions should call for a specific action by the audience that benefits either the recipient individually or society as a whole. For example, a program function could be to educate the audience about a social issue, to advocate for a policy change, or to provide a service or assistance. Management and general functions are those that support the overall operations and governance of the NFP, such as administration, accounting, human resources, or board activities.

The purpose criterion can be assessed using three tests: the compensation-or-fees test, the separate-and-similar-activities test, and the other-evidence test. The compensation-or-fees test is a negative test that fails the purpose criterion if a majority of the compensation or fees for any party’s performance of any component of the activity is tied to contributions raised. For example, if a commission-based fundraiser is involved in any part of the activity, the purpose criterion is not met. The separate-and-similar-activities test can be used to meet the purpose criterion if a similar program or management and general activity is conducted separately and on a similar or greater scale. For example, if an NFP sends a newsletter that includes a fundraising appeal and also sends a similar newsletter without a fundraising appeal, the purpose criterion is met. The other-evidence test requires considering all available evidence, both positive and negative, to determine if the purpose criterion is met based on the weight of the evidence.

The audience criterion is met if the audience is selected based on its need to use or reasonable potential to use the action called for by the program or management and general component of the activity. For example, an NFP that provides legal services to low-income individuals may send a brochure that explains its services and also asks for donations to a list of potential clients who qualify for its assistance. The audience criterion is not met if the audience is selected based on its likelihood to contribute to the NFP, such as prior donors or wealthy individuals. The audience criterion may also not be met if the audience is too broad or general, such as the public at large, and does not have a specific need or potential for the program or management and general component.

The content criterion is met if the activity supports program or management and general functions by calling for a specific action by the audience that benefits either the recipient or society, and by explaining the need for and benefits of the action. For example, an NFP that promotes environmental conservation may send a video that shows the effects of climate change and also urges the audience to sign a petition and make a donation. The content criterion is not met if the activity only educates the audience about a cause or issue and does not call for a specific action. The content criterion may also not be met if the activity is incidental to the fundraising component, such as a thank-you note or a token gift.

## HOW TO ALLOCATE JOINT COSTS?

Once an NFP determines that an activity meets the criteria for joint cost allocation, it needs to identify the joint costs and the allocation method. Joint costs are the costs of conducting the activity that are not identifiable with a particular component or function. For example, the cost of printing and mailing a brochure that includes both program and fundraising components is a joint cost. The cost of the staff time spent on preparing the program component of the brochure is not a joint cost and should be charged to program expenses.

The allocation method should be rational, systematic, and consistent, and should result in a reasonable allocation of joint costs. The ASC provides some examples of allocation methods, such as the physical-units method, the relative-direct-cost method, and the stand-alone joint-cost-allocation method. The physical-units method allocates joint costs based on the number of units of output, such as lines or square inches. The relative-direct-cost method allocates joint costs based on the relative direct costs of each component. The stand-alone method allocates joint costs based on what each component would cost if conducted separately. NFPs should choose the method that best reflects the benefits and costs of each component and apply it consistently to similar activities.

## WHAT ARE THE DISCLOSURE REQUIREMENTS FOR JOINT COSTS?

NFPs that allocate joint costs are required to disclose the following information in their financial statements, according to ASC Paragraph 958-720-50-2:

- ▶ *The types of activities for which joint costs have been incurred, such as newsletters, events, or campaigns.*
- ▶ *A statement that joint costs have been allocated among program, management and general, and fundraising functions.*
- ▶ *The total amount of joint costs allocated during the period.*
- ▶ *The amount of joint costs allocated to each functional expense category.*

NFPs are also encouraged, but not required, to disclose the amount of joint costs for each kind of joint activity, if practical. For example, an NFP may disclose the joint costs allocated for each newsletter, event, or campaign that it conducted during the period.

## IN SUMMARY

Joint cost accounting is a challenging and critical area for NFPs that conduct activities that include both program and fundraising components. NFPs need to follow the accounting standards and guidance that provide the criteria, methods, and disclosures for allocating joint costs. By doing so, NFPs can ensure that they report their functional expenses accurately and transparently, and that they demonstrate their efficiency and effectiveness in fulfilling their mission.

MAHNAZ CAVALLUZZI, CPA  
DIRECTOR







# THE ROLE OF DATA ANALYTICS IN NONPROFIT DECISION-MAKING

**N**onprofit organizations, driven by their altruistic missions, often grapple with multifaceted challenges in achieving their goals. In today's era of data abundance, the role of data analytics in nonprofit decision-making has surged in importance. Data analytics offers nonprofits a potent tool to move beyond intuition and anecdotal evidence, providing actionable insights to inform strategic decisions, optimize resource allocation, and ultimately enhance impact and sustainability.

## HARNESSING DATA ANALYTICS FOR STRATEGIC DECISION-MAKING:

Data analytics empowers nonprofit leaders to gain deeper insights into their operations, beneficiaries, and stakeholders. Advanced analytics techniques such as predictive modeling, machine learning, and data visualization unveil hidden patterns, trends, and correlations within data sets. For instance, a youth empowerment organization could employ demographic analysis to identify underserved communities and tailor programs accordingly.

Moreover, data analytics facilitates real-time assessment of program effectiveness, enabling organizations to gauge impact and refine strategies promptly. A health-focused nonprofit, for example, might leverage data analytics to monitor initiative progress and identify avenues for improvement, resulting in better health outcomes for target populations.

## OPTIMIZING RESOURCE ALLOCATION:

Nonprofits often operate within tight budgetary confines, necessitating efficient resource allocation. Data analytics enables organizations to optimize resource distribution by pinpointing areas of high impact and cost-effectiveness. Through historical data analysis and cost-benefit evaluations, nonprofits can strategically allocate resources to maximize value.

Consider a conservation organization utilizing data analytics to prioritize efforts based on factors like biodiversity, ecosystem services, and threat levels. By concentrating resources on areas of significant conservation value, the organization can amplify environmental impact within budget constraints.

## ENHANCING PROGRAM EFFECTIVENESS:

Data analytics plays a pivotal role in enhancing program efficacy by offering insights into performance metrics, participant outcomes, and stakeholder feedback. Through data-driven evaluation and continuous monitoring, nonprofits can identify areas for improvement and implement evidence-based interventions.

For example, an educational nonprofit may analyze student performance data to assess teaching methodologies and identify at-risk students requiring additional support. By tailoring programs based on data insights and feedback, the organization can improve learning outcomes for students.

## STRENGTHENING DONOR ENGAGEMENT:

Donors are vital to nonprofit sustainability, making donor engagement imperative for long-term success. Data analytics aids nonprofits in understanding donor preferences, behaviors, and motivations, enabling targeted fundraising efforts.

For instance, organizations could segment donors based on demographics, giving history, and communication preferences, then personalize fundraising appeals accordingly. By delivering tailored messages, nonprofits can foster deeper donor connections and increase support.

## FOSTERING ORGANIZATIONAL SUSTAINABILITY:

Beyond program effectiveness and donor engagement, data analytics contributes to overall organizational sustainability. By enhancing operational efficiency, streamlining processes, and mitigating risks, nonprofits build stronger, more resilient entities.

Consider a nonprofit optimizing supply chain management through data analytics, reducing overhead costs and identifying areas of inefficiency. By reallocating resources towards mission-driven activities, the organization can increase its impact and sustainability.

## BEST PRACTICES AND PRACTICAL EXAMPLES:

Several nonprofits exemplify successful data analytics integration into their operations:

### 1. CHARITY: WATER:

This nonprofit employs data analytics to track water project impacts, ensuring transparency and accountability to donors. By providing real-time data on project outcomes, charity: water maintains donor trust and facilitates informed decision-making.

### 2. FEEDING AMERICA:

Utilizing data analytics, this nationwide food bank network identifies food insecurity hotspots, optimizes distribution routes, and targets hunger relief efforts effectively. By leveraging data insights, Feeding America maximizes food distribution impact and serves vulnerable communities more efficiently.

### 3. KIVA:

As a microfinance nonprofit, Kiva utilizes data analytics to assess borrower creditworthiness and predict loan repayment rates. By analyzing borrower data, Kiva minimizes default risks and maximizes loan impact, empowering entrepreneurs worldwide.

### 4. DONORSCHOOSE:

This crowdfunding platform for education uses data analytics to match donor preferences with classroom needs, facilitating targeted giving. By personalizing donation opportunities, DonorsChoose enhances donor engagement and supports educational initiatives effectively.

## CONCLUSION:

In today's data-driven landscape, the role of data analytics in nonprofit decision-making is paramount. By leveraging data insights, nonprofits can make informed strategic decisions, optimize resource allocation, enhance program effectiveness, engage donors effectively, and foster organizational sustainability. As nonprofits continue to integrate data analytics into their operations, they will be better equipped to create lasting impact and effect positive change in the communities they serve.

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New York City Imagine Awards  
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