

MAY 5-7, 2025



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# Financial Planning When Your Grant is at Risk

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# A G E N D A

## ➤ Grant Agreement Logistics

- Understanding Grant Terms & Conditions
- Maintain Compliance (restricted use of grant, reporting requirements)
- Communicate with your Federal Agency and/or Private Donors

## ➤ Understanding Funding Disbursement Structures

- Advance vs. Reimbursement Funding
- Submit Drawdowns Promptly
- Track Milestones for further fund releases

## ➤ Contractual Flexibility Provisions

- Inventory both grant and vendor contracts for possible renegotiation
- Understand cancellation terms to reduce costs
- Contact grantors and other funding partners to release restrictions on donor restricted funds for general operating purposes

# *Understanding Grant Terms & Conditions*



- Contract Start and End Dates
- Purpose of grant – restricted vs. operating grant
- Review Budget Line Items
- Maximum amount funded



## *Maintain Compliance*

- ❖ Restricted vs Operating Purpose
  - ❖ Spending Guidelines
  - ❖ Code Grant Expenditures by Grant in accounting records
  - ❖ Contact Grantor when changes to your program activities or delivery of services occur
- ❖ Reporting Milestones
  - ❖ Take note of milestone dates
  - ❖ Use reporting template, if applicable
  - ❖ Pull in your internal/external finance team for running grant financial spending reports and for research into any itemized spending



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# *Communicate with your Federal Agency and/or Private Donors*

- Stay Connected with your Federal Agency and Office of Management and Budget on Updates during this time of Financial Uncertainty
  - ❖ [whitehouse.gov/omb/news](https://www.whitehouse.gov/omb/news)
  - ❖ Communications and Contacts clause in most federal agency grant contracts with department name, program director name, mailing address, phone/fax numbers and email
- Communicate with your Private Donors
  - ❖ Disseminate real time information to your private donors on federal grants/other grants landscape and future freeze/pauses or changes in funding
  - ❖ Engage your board of directors and any partners having relationships with your private donors for additional communications

# *Understand Funding Disbursement Structures*



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## ➤ Advance vs. Reimbursement

- Advance is liability until expended
- Reimbursable – expend own monies first and then submit drawdown/invoices
- Installment payments
- Milestone payments
- Any other triggers for fund releases (i.e., conditional grants)

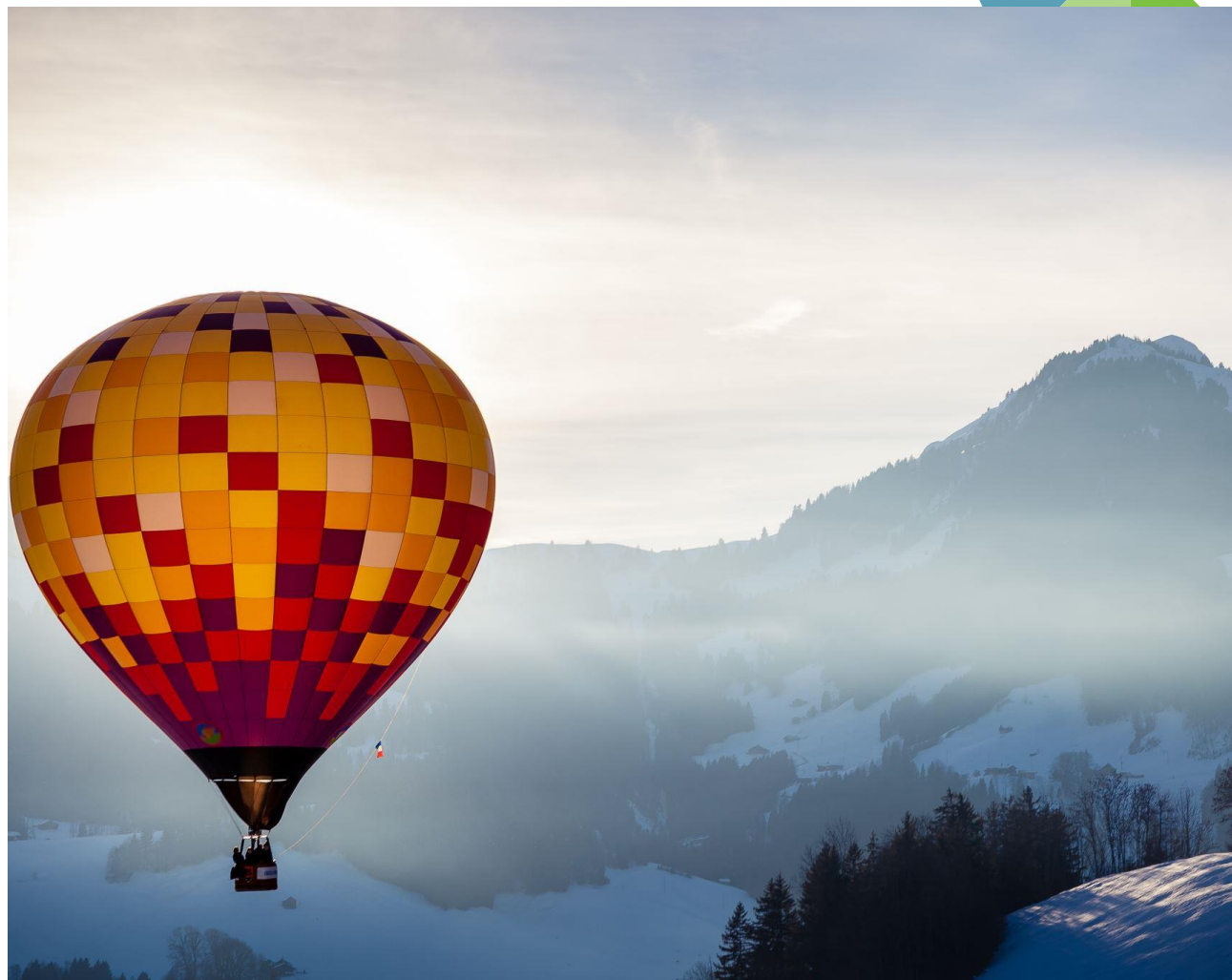
# *Contractual Flexibility Provisions*

- Inventory both Grant and Vendor Contracts
- Look for renegotiation clauses and cancellation terms
- Submit amended budgets
- Inquire into releasing restrictions on funding for general operating purposes or for a more emergent need
- Disseminate real time information to your grantors and vendor partners as any future risks comes to fruition (i.e., federal funding pause, etc.)



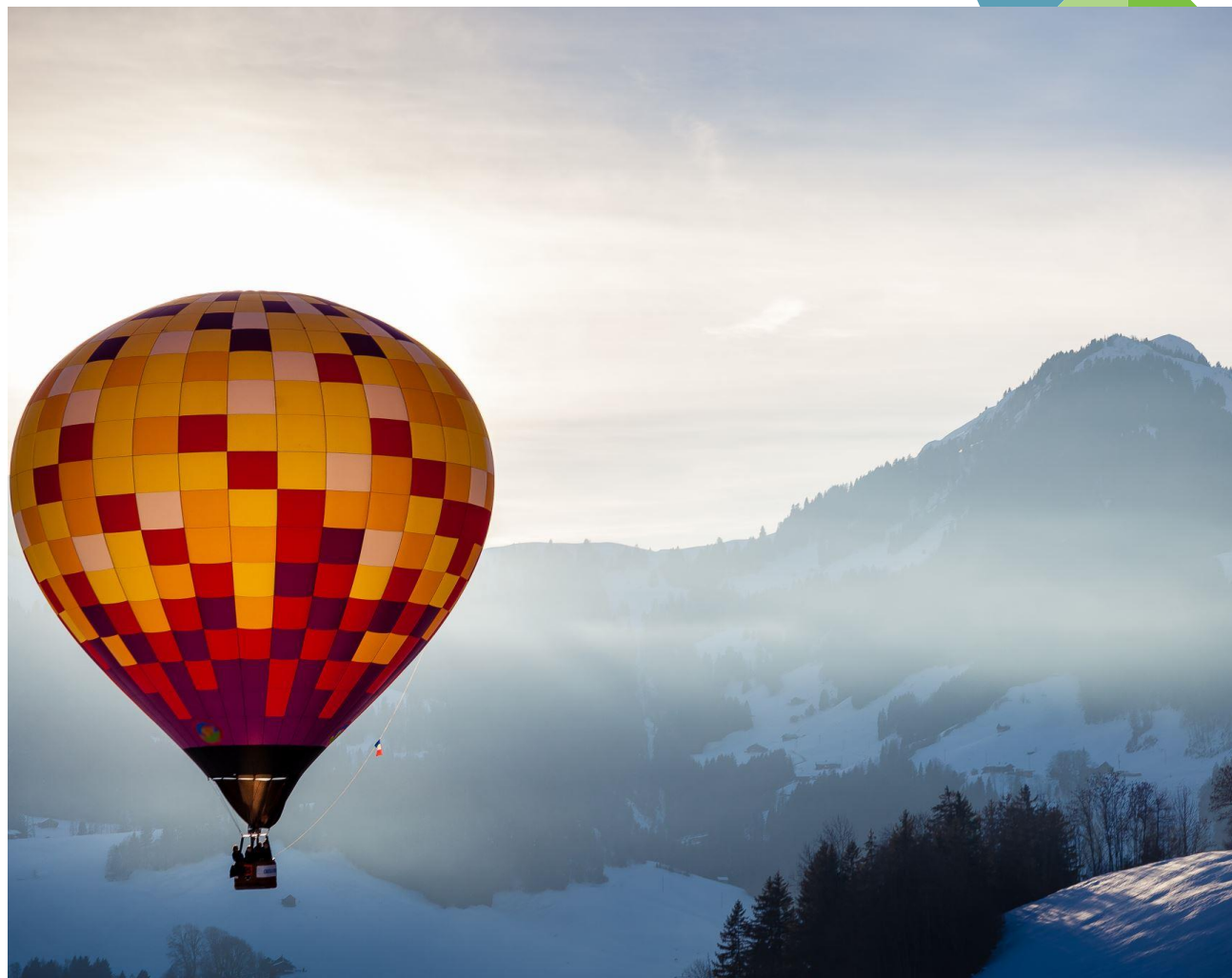
## *Next Steps*

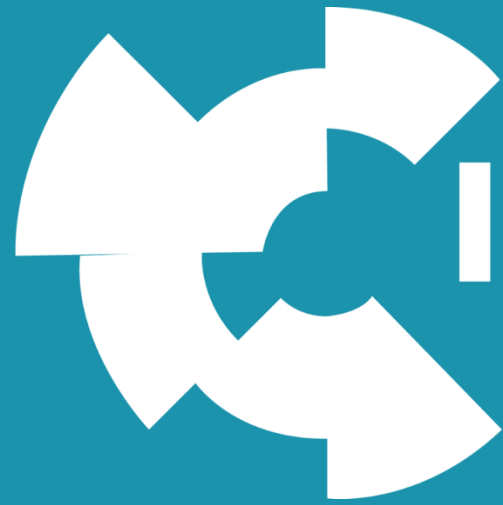
- ❖ Take a Deep Breath and Communicate with your Board of Directors and other Stakeholders on your Organization's Current Grant Funding Landscape and any Current Financial Uncertainty
- ❖ Research your Grants/Contracts – Knowledge Is Power!!
- ❖ Initiate Communications with your Federal Granting Agency and other Grantors on emergent needs and on changes you would like to explore in current contracts
- ❖ Support and Network with other NFP Organizations during this fluid situation of potential more funding freezes



## *Next Steps*

- ❖ Identify possible expenditures that can be delayed, such as capital expenditures and consulting arrangements
- ❖ Meet with internal/external finance personnel to review budget and create a pro-forma for potential funding loss
- ❖ Monitor liquidity using current assets that can be converted to cash within a year (i.e., short term investments, accounts receivable and pledges receivable)
- ❖ Connect with your banker on available alternative cash flow options (Line of Credit, Insured Cash Sweep Account, etc.)





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