



Preparing for Future Funding Challenges Grants Management Services

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forv/s
mazars

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Legal Disclaimer

Forvis Mazars presenters are not providing legal advice. This presentation is meant to be an overview of the funding freeze & should not be taken as legal guidance from Forvis Mazars.

Agenda



Forecasting future funding trends & potential challenges



Building organizational resilience & adaptability



Advocacy & policy engagement to influence funding decisions



Creating internal efficiencies & optimizing resource allocation

01

Forecasting Future Funding Trends & Potential Challenges



What We've Learned From the First 100 Days: Executive Orders

Current & future funding pause

DEI

- Terminate current DEI programs, offices, & related positions

Education

- Transition most Dept. of Education funds & responsibilities to states & other federal agencies

Energy

- Invest in natural energy resources & de-emphasize climate change policies & programs

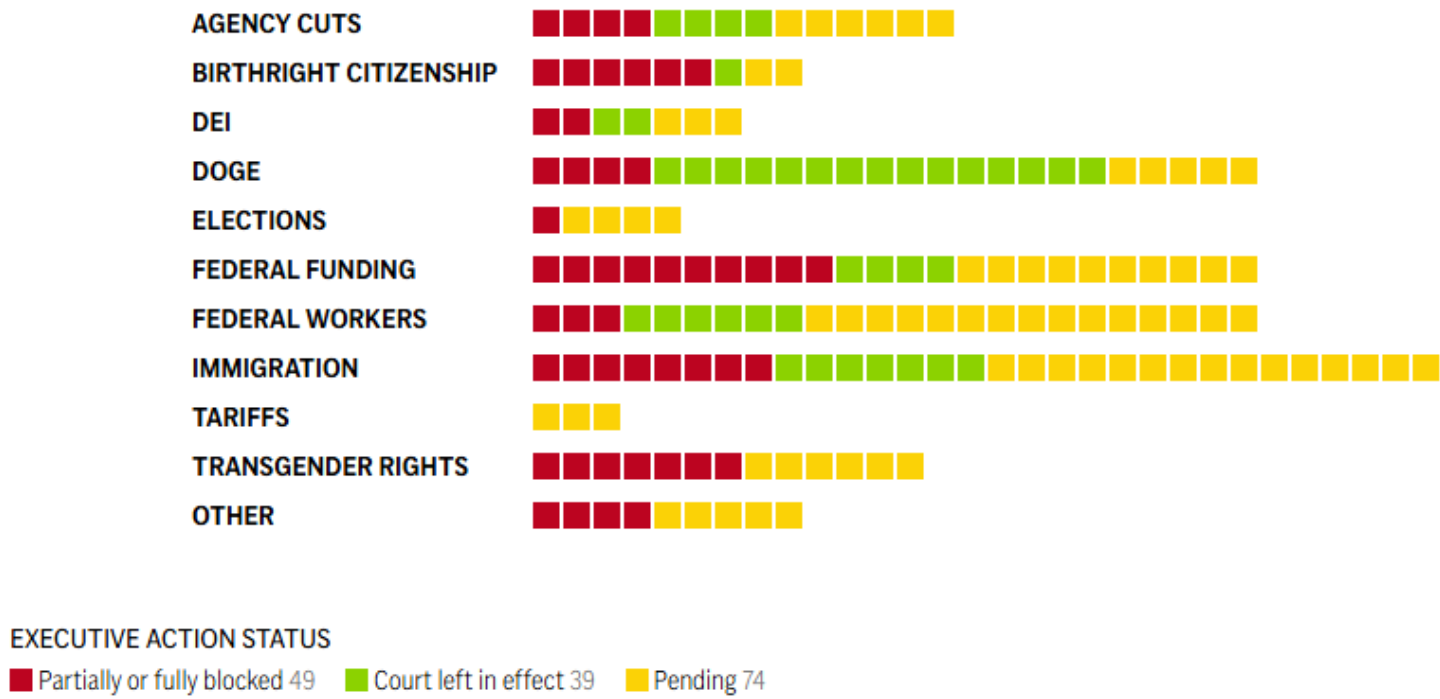
Foreign Aid

- De-funded USAID & ordered future foreign aid to align with priorities of the U.S.

Forecasting Future Funding Trends & Potential Challenges

What We've Learned From the First 100 Days: Lawsuits

Legal challenges lead to a longer wait



Source - AP News

As of April 30, 2025, there have been 162 lawsuits filed to challenge a variety of executive orders, 24 of which are related to federal funding.

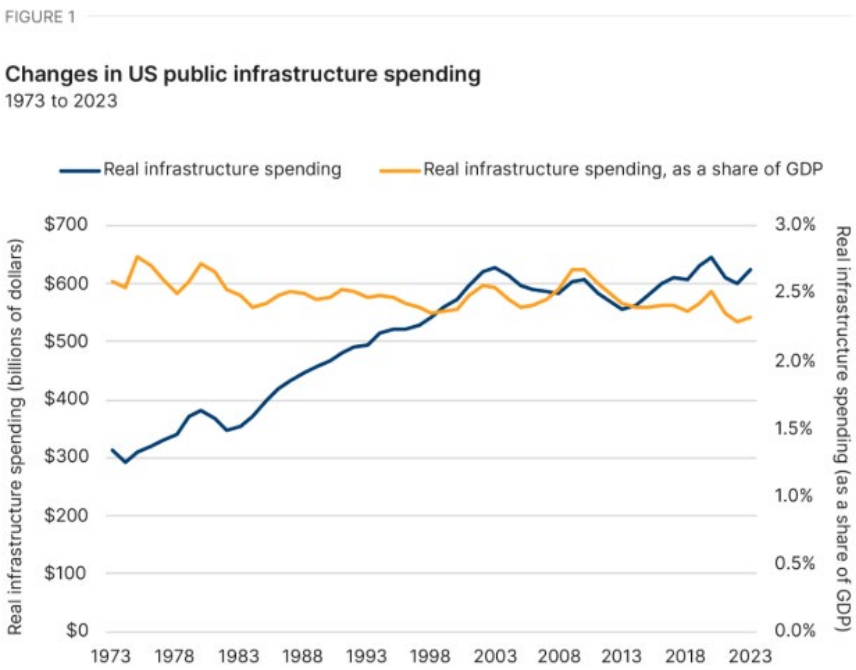
Moving through the courts can take up a lot of time, so learning how to mitigate the impact of these funding changes is of the utmost importance.

Forecasting Future Funding Trends & Potential Challenges

Looking Back to Plan Ahead

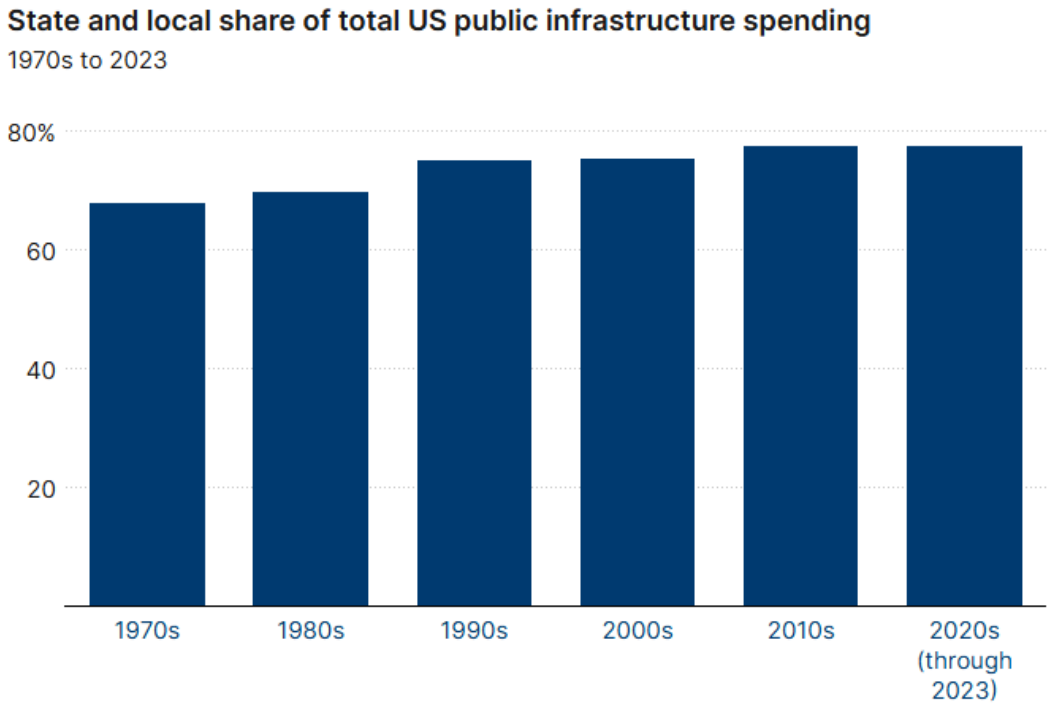
Infrastructure

Despite the pause on Inflation Reduction Act (IRA) and Infrastructure Investment and Jobs Act (IIJA) funding, infrastructure has & will most likely continue to be a funding priority.



Source: Brookings analysis of Congressional Budget Office data

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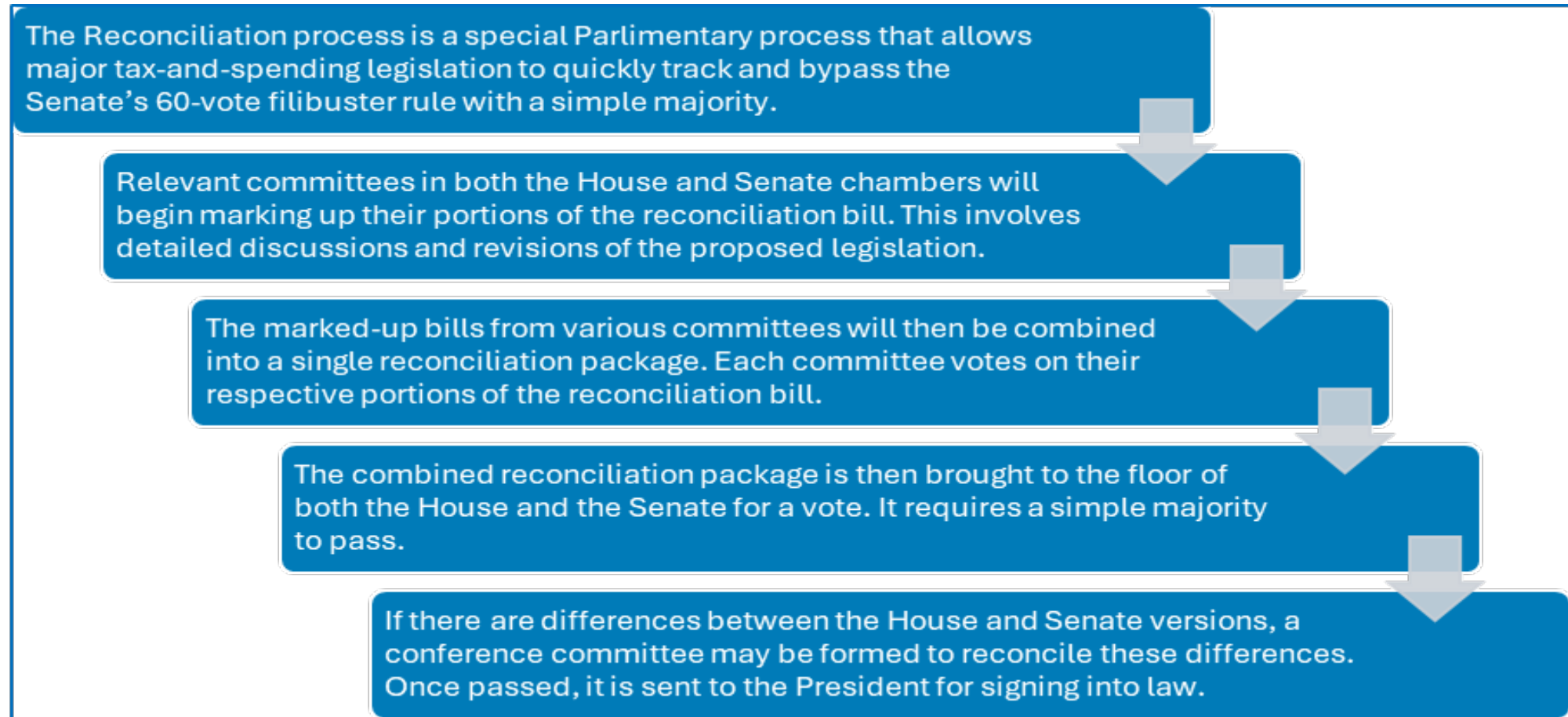
Source: Brookings analysis of Congressional Budget Office data

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Forecasting Future Funding Trends & Potential Challenges

Proposed Reforms & Changes in FY25-FY 34 Budget

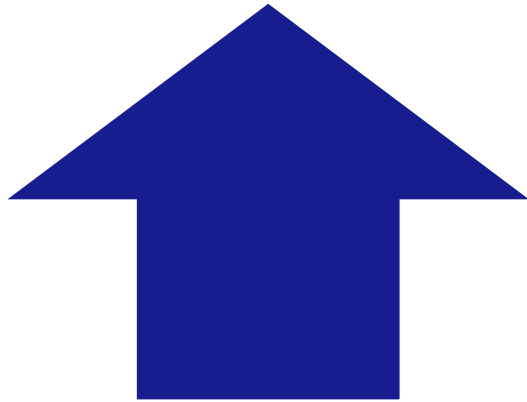
Congressional Budget Process



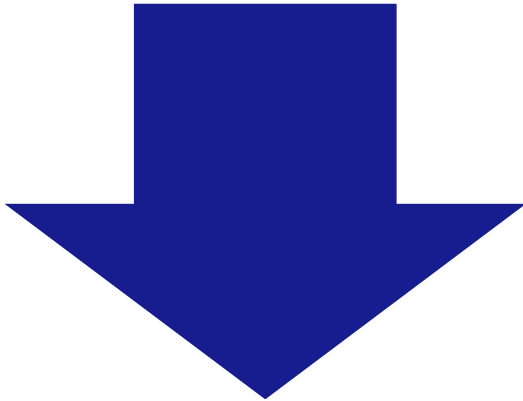
Forecasting Future Funding Trends & Potential Challenges

Proposed Reforms & Changes in FY25–FY34 Budget

Congressional Funding Changes



Funding Priorities: Made-In-America, national defense, economic development, infrastructure, move responsibilities to state versus federal



Funding Cuts: DEI, USAID, FEMA , clean energy, additional eligibility for welfare programs

Future Scrutiny

Application process

Mission alignment

Full understanding of the Notice of Funding Opportunity

Performance outcome metrics

Making every cent count

Forecasting Future Funding Trends & Potential Challenges

Future Scrutiny

Reporting



Technical assistance & subrecipient monitoring



Financial & programmatic performance indicators



Compliance, compliance, compliance



02

Building Organizational Resilience & Adaptability



Building Organizational Resilience & Adaptability



Assessing your organization's financial health



Diversifying revenue streams



Continuous financial planning

Building Organizational Resilience & Adaptability

Assess Organizational Portfolio

Evaluate your organizational financial health by assessing your portfolio. Research by Public Administrative Review suggests a few different portfolio assessments models to consider especially for the public sector.

Model	Includes	Pros	Cons
Infrastructure Portfolios	Groupings of infrastructure projects (e.g., bridges, airports, IT infrastructure)	<ul style="list-style-type: none">- Aligns projects with long-term strategy- Identifies key dependencies- Tracks performance measures & risk	<ul style="list-style-type: none">- Can suffer from cost overruns- Misalignment with strategy or stakeholder needs
R&D Portfolios	Groups of R&D projects evaluated based on long-term collective value	<ul style="list-style-type: none">- Considers collective contribution to outcome goals- Balances scientific output & human capital	<ul style="list-style-type: none">- Complex evaluation matrices- Requires significant data & analysis
Financial Portfolios	Groups of financial assets analyzed for risk & expected return	<ul style="list-style-type: none">- Diversifies investments- Connects investments to ministerial priorities- Uses modern portfolio theory	<ul style="list-style-type: none">- Analytical complexity- Requires significant financial resources- Influenced by external forces like politics
Capability Portfolios	Structures & activities grouped to achieve strategic ends	<ul style="list-style-type: none">- Enhances strategic capabilities- Brings coherence to uncoordinated programs- Supports (Planning, Programming, Budgeting & execution)PPBE processes	<ul style="list-style-type: none">- Requires comprehensive capability identification- Can be administratively complex

Source: Roberts, Patrick, & Lauren Hamilton Edwards. 2023. "Portfolio Management: A New Direction in Public Sector Strategic Management Research & Practice." *Public*

Administration Review 83(4): 947–959. DOI: 10.1111/puar.13633.

The Importance of Diversifying Revenue Streams

Benefits of Diversification



Private Aid to Fill Funding Gap

Case Study: Johns Hopkins

Problem: Johns Hopkins had over 100 federal research grants paused or canceled

Solution: The university created a suite of grant programs funded by their endowment to cover critical operational costs such as salaries & supplies

Who is part of the solution: Researchers thinking about what costs are necessary for their project to function, endowment donors, university leadership

The Importance of Diversifying Revenue Streams

How to diversify your revenue stream



Work with your team to define & determine the strength of your revenue streams



Collaborative funding models with other agencies



Fee-for-service programs where appropriate



In-kind resource leveraging from community partners



Consider public-private partnerships which could boost operational efficiency



Talk to current donors (Nonprofits) about re-allocating prior or current gifts

Building Organizational Resilience & Adaptability

Continuous Financial Planning

Continuous improvement is crucial to achieving results

Maintain robust cash reserves to ensure financial stability.

Evaluate operational costs to identify savings opportunities.

Pivot towards increased efficiency in all operations.

Strengthen relationships with financial stakeholders to build trust & support.

- Establish a cash reserves policy to guide financial decisions.

- Break down silos & seek synergies across the organization.
- Implement a cost allocation or indirect costs plan to accurately track direct costs associated with grants.

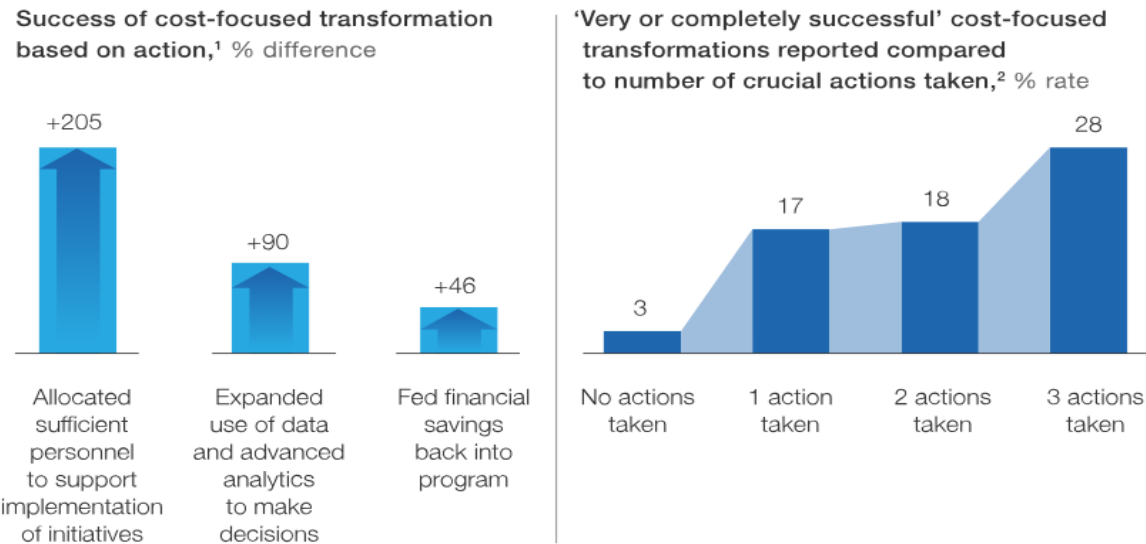
- Leverage technology solutions like grants management systems to streamline workflows & minimize redundancies.
- Conduct regular internal & external audits to show accountability & transparency.

- Keep current funders updated on the progress of grants.
- Seek additional funding from grants or other available sources.

Building Organizational Resilience & Adaptability

Cost Reduction in the Public Sector

Transformations aimed at cost reductions can boost success by using a more sophisticated approach to data analysis and resource allocation.



¹Difference of transformations that included action vs those not including action being reported as “very or completely successful,” as reported by respondents involved in cost-focused transformations. Respondents weighted by GDP share of their country; unweighted total number of respondents = 2,909.
²Crucial actions defined as allocated sufficient personnel to support implementations of initiatives, fed financial savings back into program, and expanded use of data and advanced analytics to make decisions.

Source: McKinsey Center for Government survey on public-sector transformations, December 2017

McKinsey&Company

McKinsey’s survey shows that:

- 1) 92% of respondents who had sufficient personnel staffing had “very or completely successful” cost-focused transformations
- 2) Respondents who used savings from change initiatives to fund further reforms were 46% more likely to succeed than those who didn’t
- 3) Cost-focused transformations that harness data & analytics to target their efforts are nearly twice as likely to succeed as those that do not

Cost Reduction in the Public Sector

Case Study:

Situation: A public-sector agency used data analytics to determine how to optimize their 7,000 vehicles

Solution: This entity cut the use of short-term rentals by 70%

Outcome: Agency reduced 20% of their annual costs (\$10M)

03

Advocacy & Policy Engagement to Influence Funding Decisions



Advocacy & Policy Engagement to Influence Funding Decisions

1. Why Policy Engagement Matters for Funding
2. Staying Connected With Policy Updates
3. Getting Involved in Local & State Politics
4. Action Steps & Implementation Plan



Advocacy & Policy Engagement to Influence Funding Decisions

Why Policy Engagement Matters for Funding

- According to the Council on Foundations, engagement in public policy advocacy is therefore crucial to the philanthropic sector's ability to achieve its greatest impact.
- A study done by the National Committee for Responsive Philanthropy showed that investing in policy advocacy yields high returns, generating \$115 in community benefits for every dollar spent.



Staying Connected With Policy Updates

Effective internal engagement strategies

Advocacy & Policy Engagement to Influence Funding Decisions



Designate a staff member/board liaison to track policy updates from reputable sources



Subscribe to Policy Update Channels

- Government portals
- Legislative tracking systems
- Budget hearings & committee meetings
- Agency email alerts & newsletters



Maintain active memberships with key associations within your sector



Utilize Digital Tracking tools Government portals

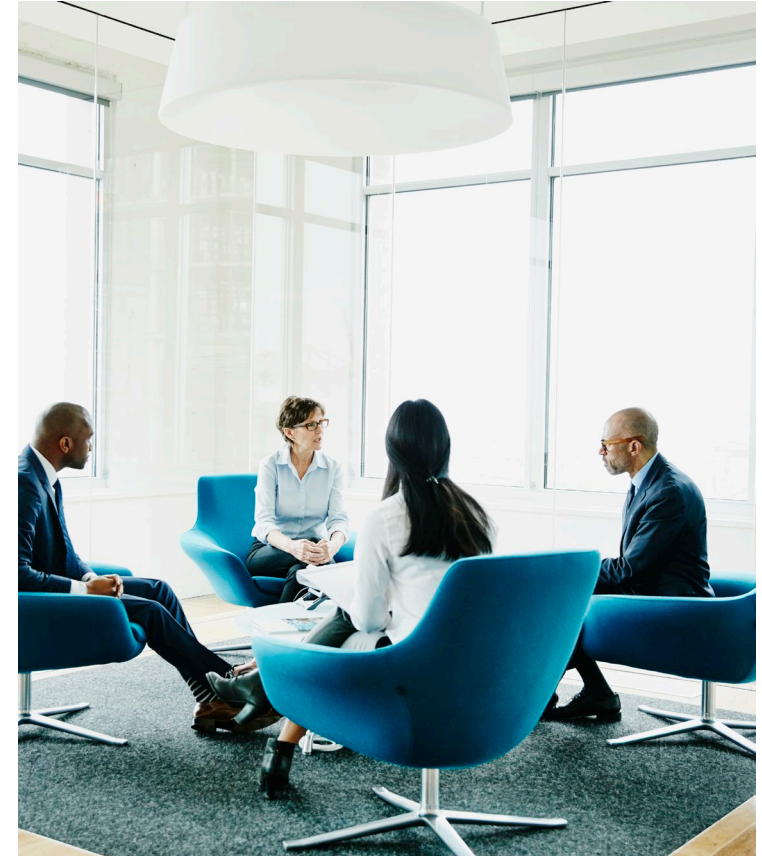
- Set up Google Alerts for targeted words
- Social media monitoring of Key officials & agencies
- Professional associations & coalition updates

Advocacy & Policy Engagement to Influence Funding Decisions

Getting Involved in Local & State Politics

Effective engagement strategies continued ...

- Schedule regular meetings with elected officials & staff
- Participate in public comment periods for proposed regulations
- Join advisory committees & task forces on funding priorities
- Attend public budget hearings
- Provide testimony on relevant legislation
- Invite officials to tour your facilities



Advocacy & Policy Engagement to Influence Funding Decisions

Effective Engagement Activities in Action

Successful Advocacy Grantmaker Spotlight

The Tennessee Paid Leave Coalition's founded by A Better Balance (a nonprofit) is a great example of advocacy success. The coalition expanded Tennessee's paid leave beyond parental leave.

- Strong Coalition
- Storytelling
- Legislative Collaboration
- Incremental Progress
- Bipartisan Support

Advocacy & Policy Engagement to Influence Funding Decisions

Action Steps & Implementation Plan

Remember: Consistent engagement is more effective than crisis response.



Assign a policy monitoring lead



Create a 12-month advocacy calendar aligned with budget cycles



Develop relationships with 3 key decision makers



Join one relevant coalition or association



Schedule quarterly team reviews of policy landscape

04

Creating Internal Efficiencies & Optimizing Resource Allocation



Creating Internal Efficiencies & Optimizing Resource Allocation



Identifying internal
inefficiencies & risk
areas



Fiscal oversight
mechanisms



Interdepartmental
collaboration
strategies



Resource allocation
strategies



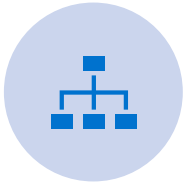
Implementation
road map

Creating Internal Efficiencies & Optimizing Resource Allocation

Identifying Internal Inefficiencies & Risk Areas

Common Inefficiencies in Grants Management – Key Problem Areas

Based on a study performed by the Government Accounting Office on Grants Management: Observations on Challenges with Access, Use, & Oversight



Fragmented Systems:
Disconnected tracking
across departments



Manual Processes:
Paper-based
documentation &
approval



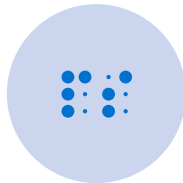
**Overlapping
Responsibilities:**
Unclear ownership of
tasks



Insufficient Training:
Staff lacking specialized
grant knowledge



Delayed Reporting:
Missing deadlines or
rushed submissions



Poor Documentation:
Incomplete or
inconsistent record-
keeping



Reactive Approach:
Crisis management vs.
strategic planning

Creating Internal Efficiencies & Optimizing Resource Allocation

Common Single Audit Findings

[Government Accounting Office \(GAO\)](#) analyzed 3,680 single audit findings from 2022 to 2024 addressed to recipients that received a grant award from a federal agency & passed funds through to another entity, or subrecipient, in the form of a subaward.

Topic	Findings	Cause	Percentage
Incomplete subaward reporting	517 (14%)	Deficient internal controls	38.5%
		Lack of understanding/awareness of federal requirements	19.1%
		Mistakes/errors	15.1%
		Personnel limitations	8.5%
		Lack of evidence	2.9%
Subrecipient monitoring activities	482 (13%)	Deficient internal controls	46.5%
		Personnel limitations	8.5%
		Mistakes/errors	8.1%
		Lack of understanding/awareness of federal requirements	6.4%
		Lack of evidence	6.2%
Verifying or justifying eligibility decisions	333 (9%)	Deficient internal controls	30%
		Lack of understanding/awareness of federal requirements	12.6%
		Lack of evidence	11.1%
		Mistakes/errors	6%
		Personnel limitations	3.9%

Creating Internal Efficiencies & Optimizing Resource Allocation

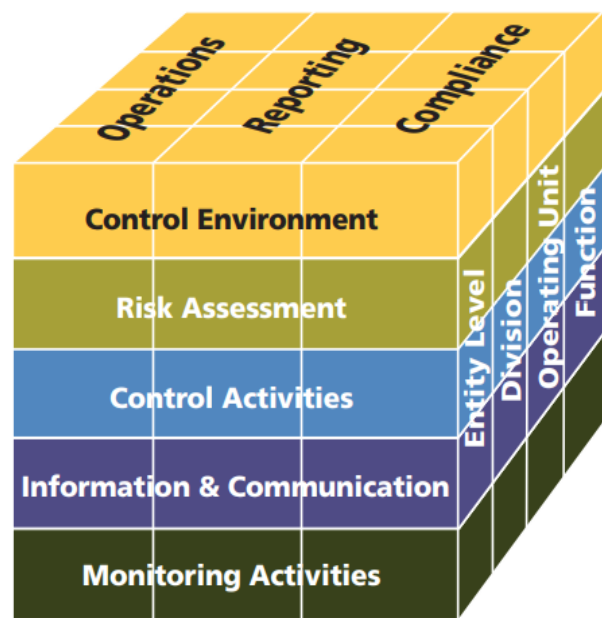
Fiscal Oversight Mechanisms

Effective fiscal oversight is critical for grant management success.

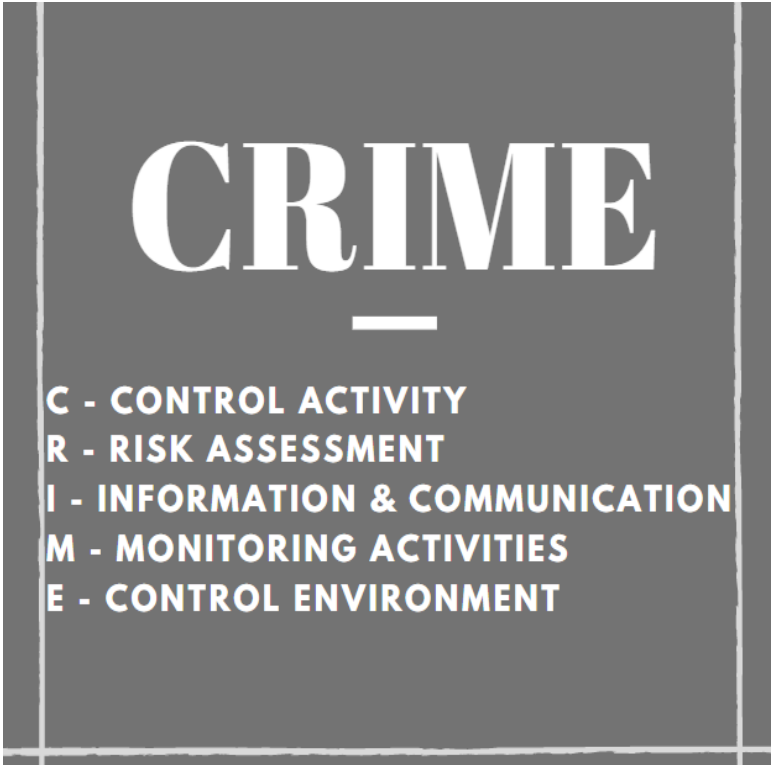
COSO Internal Controls Framework

Common Accounting Acronym

Best Practices



*Internal Control—Integrated Framework (Framework), ©
Committee of Sponsoring Organizations of the Treadw
Commission (COSO). All rights reserved. Used with perm*



- Focus resources on high-risk grants
- Consistent written processes across departments
- Schedule regular reconciliation of financial data
- Outline clear written policies & protocols for fiscal oversight, authorization, etc.
- Include segregation of duties & multiple levels of financial review

Creating Internal Efficiencies & Optimizing Resource Allocation

Interdepartmental Collaboration Strategies

Key Strategies for Interagency Collaboration



Define Outcomes



Measure Performance & Incorporate Accountability



Establish Leadership Approaches



Use Resources Effectively



Sustaining Collaboration

Creating Internal Efficiencies & Optimizing Resource Allocation

Optimize Resource Allocation – PMO

Performance management is everyone's responsibility.

Project Management (PMO) Practices

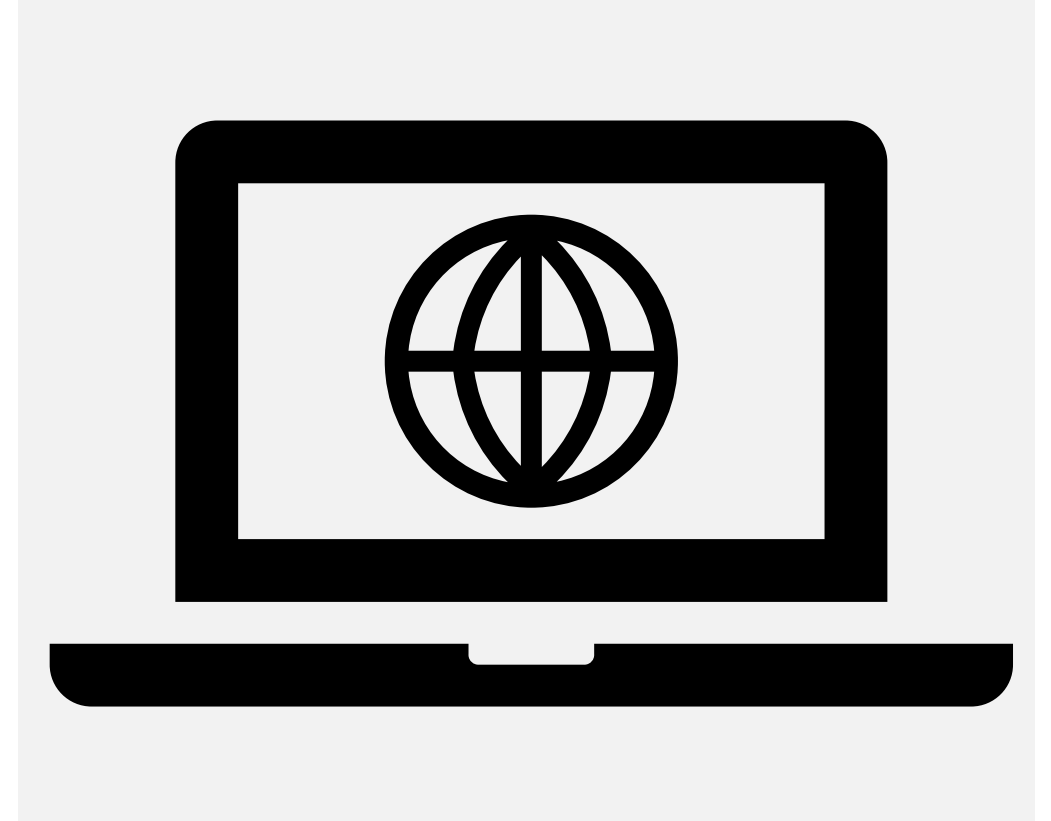
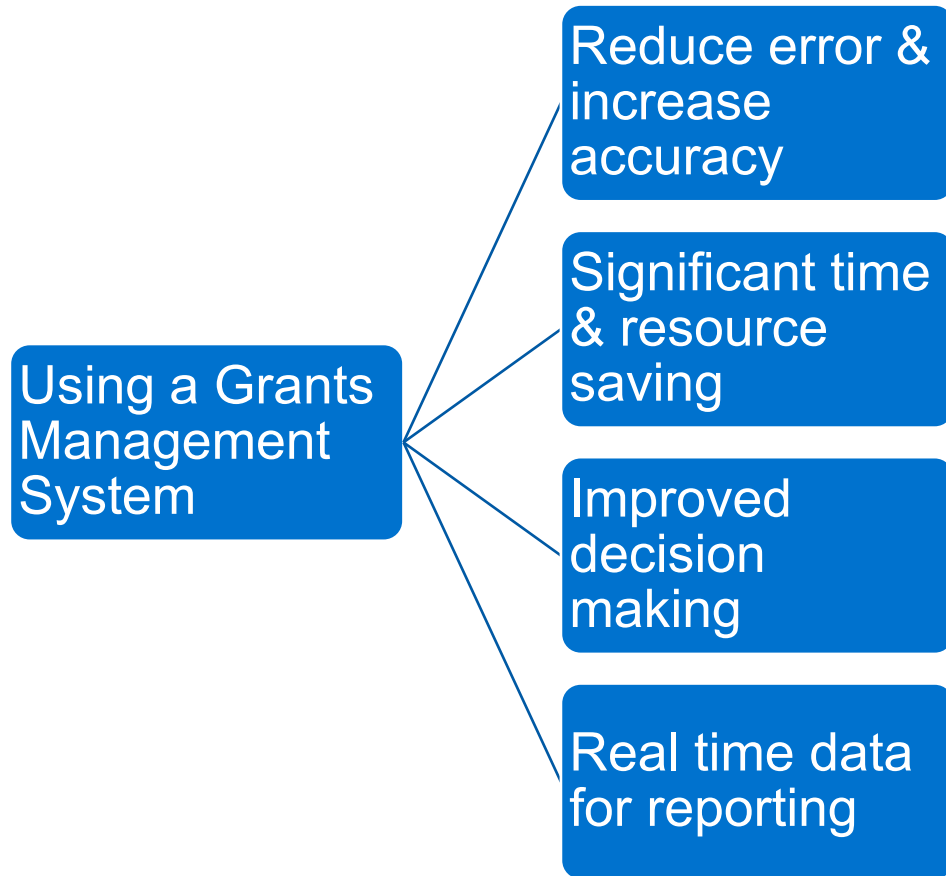
- Project Planning & Execution
- Enhanced Data Management & Performance Monitoring
- Proactive Approach to Risk Management
- Continuous Feedback Loop & Lessons Learned



Creating Internal Efficiencies & Optimizing Resource Allocation

Optimize Resource Allocation – Technology

Performance management is everyone's responsibility.



Creating Internal Efficiencies & Optimizing Resource Allocation

Implementation Plan

Leadership support is critical to success.



Assessment Phase

- Measure baseline
- Map processes
- Risk assessment



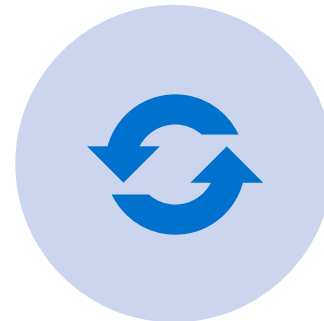
Planning Phase

- Policy/procedure updates
- Technology needs assessment
- Staff training needs



Implementation Phase

- Technology implementation
- Process redesigning
- Training execution



Sustainability Phase

- Continuous monitoring
- Regular reassessment
- Feedback loops

Thank you!

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