

From Surviving to Thriving 10 Essential Financial Tips for All NPOs to Navigate Uncertainty in 2025

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Presented to you by:



Today's Speaker



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Enkel

[en-keɪ] Adjective | Simple

Co-founded in 2016 with a simple problem in mind “*You can’t build a great organization without good books*”

- 300 clients
- 100+ NPOs including many member-based associations and charities
- Financial operations support — bookkeeping, payroll, and more
- Strategic Guidance — CFO and Controllershship

Acknowledgement: Enkel would like to acknowledge that our offices are situated on the unceded traditional territories of the xʷməθkʷəy̓əm (Musqueam), Skwx̱ wú7mesh (Squamish), and səliłwətaʔ (Tsleil-Waututh) Nations.

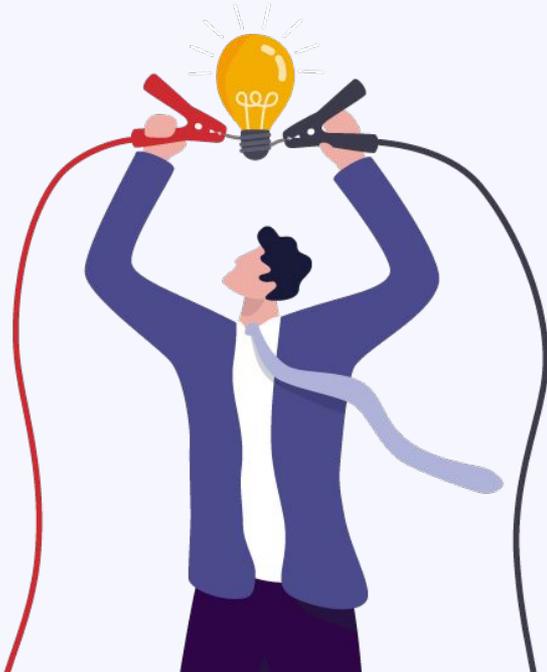
Why Financial Resilience Matters in 2025

With political and economic uncertainty ahead, NPOs face:

- **Tighter funding and shifting donor priorities** impacting revenue streams
- **Rising operational costs** due to tariff and inflation
- **Regulatory changes** and **political uncertainty** affecting financial planning

But here's the good news: **Organizations that proactively manage their financial health can thrive**—not just survive. Today, we'll share practical, proven strategies to strengthen your NPO's financial foundation in 2025.





What You'll Learn

- **Understand key financial challenges** nonprofits face in 2025 and how to navigate them.
- **Learn practical strategies** to strengthen cash flow, optimize expenses, and improve budgeting.
- **Explore funding diversification tactics** to reduce reliance on a single revenue stream.
- **Discover technology & AI tools** that can streamline financial management and reporting.
- **Gain insights into economic trends** and how they impact nonprofit financial planning.
- **Identify best practices** for financial controls and fraud prevention in uncertain times.



Polling Question:

How prepared is your organization to handle unexpected financial disruptions?

Very prepared – we have strong reserves and contingency plans

Somewhat prepared – we have some reserves but lack a solid strategy

Neutral – we're not sure where we stand

Not prepared – our financial position is at risk



Polling Question:

To help us better serve the nonprofit community, we need your help!

Please select the subsector in which your nonprofit operates
(select the closest one)



Polling Question:

What is your annual operating budget:

<\$150,000

\$250,000 - \$500,000

\$500,001 - \$1,000,000

\$1,000,001 - \$1,500,000

\$1,500,001 - \$3,000,000

\$3,000,001 - \$5,000,000

\$5,000,001+





Tip 1: Build & Strengthen Cash Flow Resilience

Managing cash flow is more than tracking income—it's about anticipating and adapting.

- **Use rolling cash flow forecasts** to predict shortfalls and adjust spending in real time.
- Establish a **cash flow review process** with your board or finance team to spot risks early.
- **Automate receivables and payables** to reduce delays and improve liquidity.

Did You Know?

NPOs that actively monitor cash flow are 30% less likely to experience financial distress. [*\(Source: Imagine Canada\)*](#)

Cash is King, especially in times of uncertainty. Aim to maintain 3-6 months of reserves to safeguard your organization





Tip 2: Optimize Expenses & Improve Operational Efficiency



Reducing waste isn't about cutting programs—it's about working smarter.

- Conduct an **expense audit** to pinpoint inefficiencies.
- Renegotiate vendor contracts and consider **bulk purchasing agreements**.
- Adopt automation and shared service models to **reduce admin costs**.

Dorinda So from pointA:

“Our most resource-intensive process was our financials and by investing in automated processes and outsourcing work accordingly, we reduced our workload by 64% (equivalent to \$13,000) that involved tasks like photocopying and collecting receipts.”





Tip 3: Leverage AI & Automation for Financial Management



AI isn't replacing finance teams—it's making them more efficient.

- **Grant writing & donor communication:** AI-powered writing tools help nonprofits secure funding faster.
- **Financial operations:** Tools like **Dext** and **Plotoo** to streamline processes.
- **Data analytics:** AI enhances forecasting and decision-making.

Did You Know?

75% of nonprofits believe AI will transform fundraising and marketing efforts, yet 40% of nonprofits said nobody in their organization was educated in AI.

[\(Source: Google for Nonprofits\)](#)





**Tip 4: Prepare for Rising Costs
Due to Tariffs & Inflation**

The cost of doing business is increasing—your nonprofit must adapt.

- **Expect higher supply & service costs** in 2025—factor inflation into budgeting.
- **Prioritize local procurement & strategic partnerships** to reduce reliance on volatile markets.
- **Adjust funding strategies**—increase grant requests & reassess donor targets to compensate for rising costs.
- **Develop contingency plans** for financial shocks—plan for funding gaps, delayed payments, and unexpected cost surges.

Did You Know?

Inflation and supply chain issues contributed to a 9% increase in nonprofit operational costs last year. [\(Source: Imagine Canada\)](#)



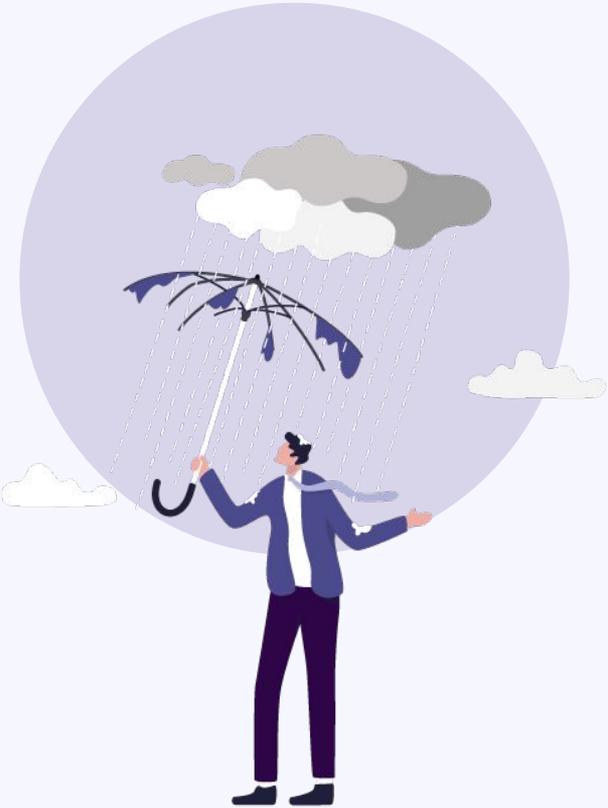


Tip 5: Build a Financial Contingency Plan

Hope for the best, but plan for the worst.

- Update **risk-assessment** and mitigation strategies
- Diversify funding sources—**reliance on one stream is risky.**
- Establish emergency reserves and monitor economic trends.
- Build up reserves of **unrestricted funding.**

Do you know what your Operating Reserve Ratio is?
How can you improve it?



Review: Operating Reserve ratio

Example from our Webinar on January 3:

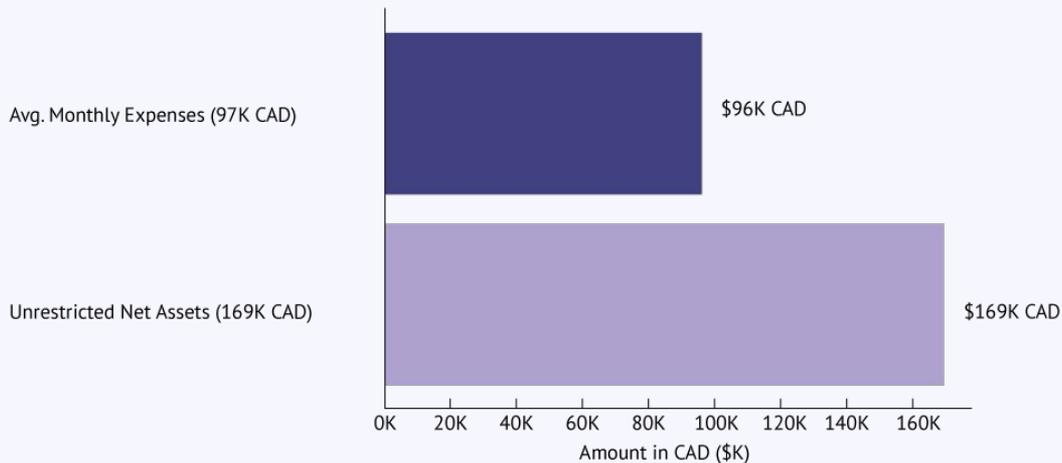
Unrestricted Net Assets

Average Monthly Expenses

Average Monthly Expenses
(excluding fundraising expenses) = \$96,965
Unrestricted Net Assets = \$169,622

Operating Reserve Ratio: 1.7

Ratio of 1.7 shows that the organization is able to cover less than 2 months of expenses with its unrestricted net assets



Polling Question:

What is your biggest financial challenge in 2025?

- *Unstable funding sources*
- *Rising costs & Inflation*
- *Budgeting & forecasting accuracy*
- *Managing cash flow*
- *Strengthening financial controls & fraud prevention*





Tip 6: Improve Budgeting & Forecasting



A budget isn't a document—it's a financial strategy.

- Involve all stakeholders in **collaborative budgeting**.
- Develop a **best-case, moderate-case, and worst-case budget** to plan for revenue fluctuations.
- Regularly compare budget vs. actuals and adjust accordingly.

ICYMI: We held a webinar on February 27 called [Build a Bulletproof Budget for 2025](#). Visit our website to watch.





Tip 7: Scale Up and Modernize Your Funding Efforts

Expand your funding reach with smarter strategies.



- **Proactively pursue multi-year grants** to secure long-term stability.
- **Streamline grant tracking** to stay ahead of deadlines and compliance.
- **Use AI for efficiency**—automate parts of grant writing and proposal development.

A sustainable nonprofit isn't just about securing grants—it's about scaling funding efforts efficiently.





**Tip 8: Diversify Revenue
Streams to Mitigate Risk**

Funding is changing – are you ready?

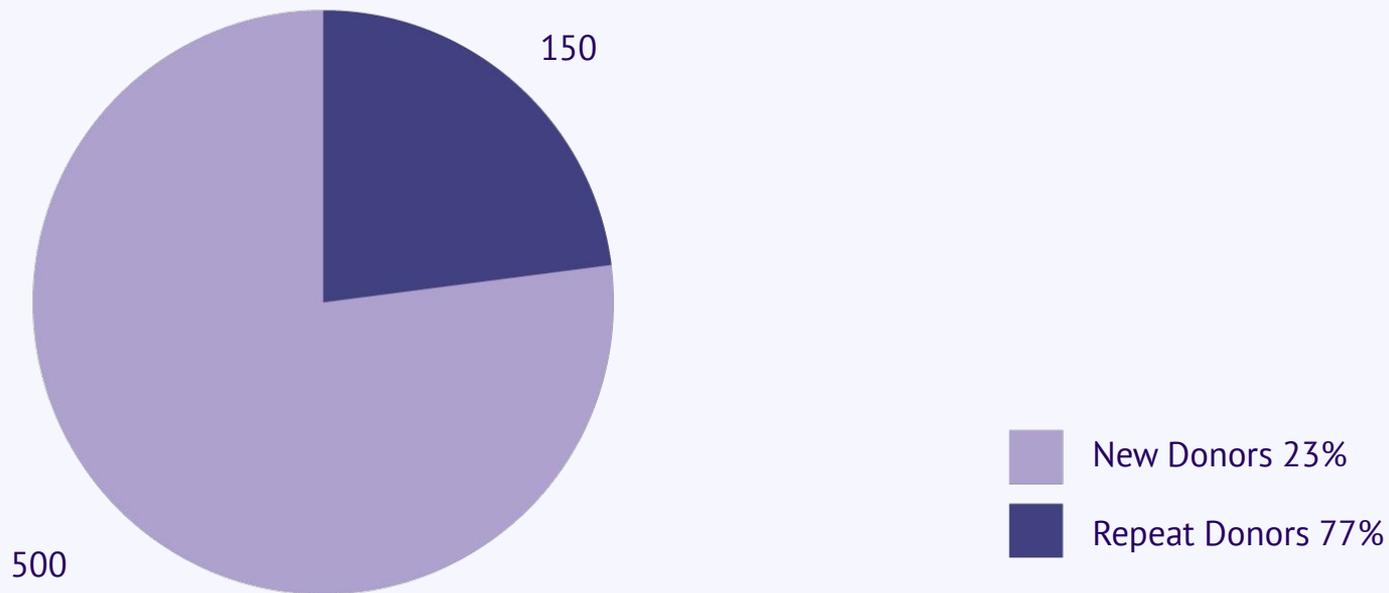


- **Mid-sized donations (\$10K-\$20K) are declining**—adjust fundraising strategies.
- Consider earned income, corporate sponsorships, and **social enterprises**.
- Use donor insights to personalize engagement and **boost retention**.

Jan 30 Webinar Reminder: Donor Retention Rate is a leading indicator of financial health. Where does your NPO stand? ([Example: 77% retention is strong](#))



Donor Retention





Tip 9: Strengthen Internal Financial Controls Amid Workforce Changes



Prevent fraud before it happens.

- Establish **segregation of duties** to prevent financial mismanagement.
- Automate payroll and bookkeeping to **reduce human error**.
- Regularly ask yourself if any individual holds critical information or **access to systems** that could put the organization at risk.
- Detailed **review** of financial statements
- Protect your organization from **cyber attacks**





Tip 10: Proactively Adapt to Economic Changes



Flexibility is the key to long-term success.

- Stay informed on economic trends and adjust accordingly.
- Strengthen funder and donor relationships with transparent reporting.
- Invest in financial literacy for your team to improve decision-making.



Turning Challenges into Opportunities

Resilience isn't just about surviving—it's about growing stronger.

The financial landscape for nonprofits is changing, but with the right strategies, your organization can thrive in uncertainty.





Take Action:

- Apply key takeaways from today's session to your nonprofit's financial strategy.
- Start conversations with your leadership team about budgeting, funding diversification, and financial controls.
- Explore technology and automation to streamline operations and free up resources for impact.



Q&A and Interactive Discussion

It All Starts with Accurate Books

Our bookkeeping services now start at **\$500 per month**

Why Enkel?

- ✓ No More Compliance Headaches. Stay audit-ready and compliant.
- ✓ Clarity for Your Board & Funders. Get financial reports that make sense.
- ✓ More Time for Your Mission. We handle the numbers, you focus on impact.
- ✓ Seamless Year-End Process. Close your books without the usual stress.
- ✓ Experts in NPO Accounting. Our team knows your unique requirements.





Controllershship & CFO Services

- **Financial Oversight:** Monthly & quarterly reviews to keep you on track
- **Budgeting & Forecasting Support:** Build a resilient financial plan
- **Risk Management:** Identify and mitigate financial threats
- **Board-Ready Reports:** Ensure transparency for funders & stakeholders
- **Strategic Resource Allocation:** Ensure funds are used effectively for impact



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- [Schedule a free consultation](#) with our financial experts.
- Download the [Nonprofit Budgeting 101 Guide](#) (link to be shared)
- Stay tuned for upcoming webinars!

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