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moving to nonprofits; and clustering of services predicted for nonprofit sector

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Several key factors will have a large impact on nonprofit finance and accounting in 2017, including an increase in part-time and outsourced staffing to address personnel needs, shifts in the nature of funding due to political instability, clustering of services between nonprofits, an increase in the number of for-profit CFOs moving to nonprofits, and an ongoing need for greater technology efficiency. That’s according to predictions from Abila, a provider of software and services to nonprofits, associations, and government entities.

"A number of factors are driving nonprofit finance and accounting trends going into

(working to prevent issues instead of dealing with them after they've occurred). Many organizations will look to new or innovative ways of providing services, making changes based on data and analytics. In light of recent public statements, the potential is high for grant reductions for FY 2018 for some market segments.

- **Structural Staffing Changes:** Uncertainty around the Fair Labor Standards Act (FLSA) overtime rule changes might drive nonprofit organizations (NPOs) to make structural changes to their workforce. To contain extra expense, many might convert salaried employees to hourly or look to part-time employees to fill staffing gaps. If the overtime rule changes are enforced, the Department of Labor (DOL) will likely pay close attention to the implementation of new overtime rules, and could even target two or three high-profile NPOs to encourage compliance within the sector. It will be imperative for organizations to monitor whether the overtime rule changes go into effect or not.

- **Clustering:** Many organizations will band together to share resources, overhead, and personnel to serve a common demographic. Many will focus on specialization in a particular area or service versus considering expansion.

- **For-Profit CFOs Moving to Nonprofits:** The number of for-profit candidates considering nonprofit jobs has risen 25 percent over the past year. With these personnel moves, organizations will likely be much more data- and ROI-driven, creating new business models and financial performance expectations at nonprofits.

- **Greater Technological Efficiency:** With the increase in complexity around processes and rule/regulation changes, many nonprofits will turn to technology to increase automation of high-volume, repetitive tasks. This will free up financial personnel to focus more acutely on addressing increasing complexities to ensure compliance. Additionally, ongoing cloud adoption will increase accessibility for

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