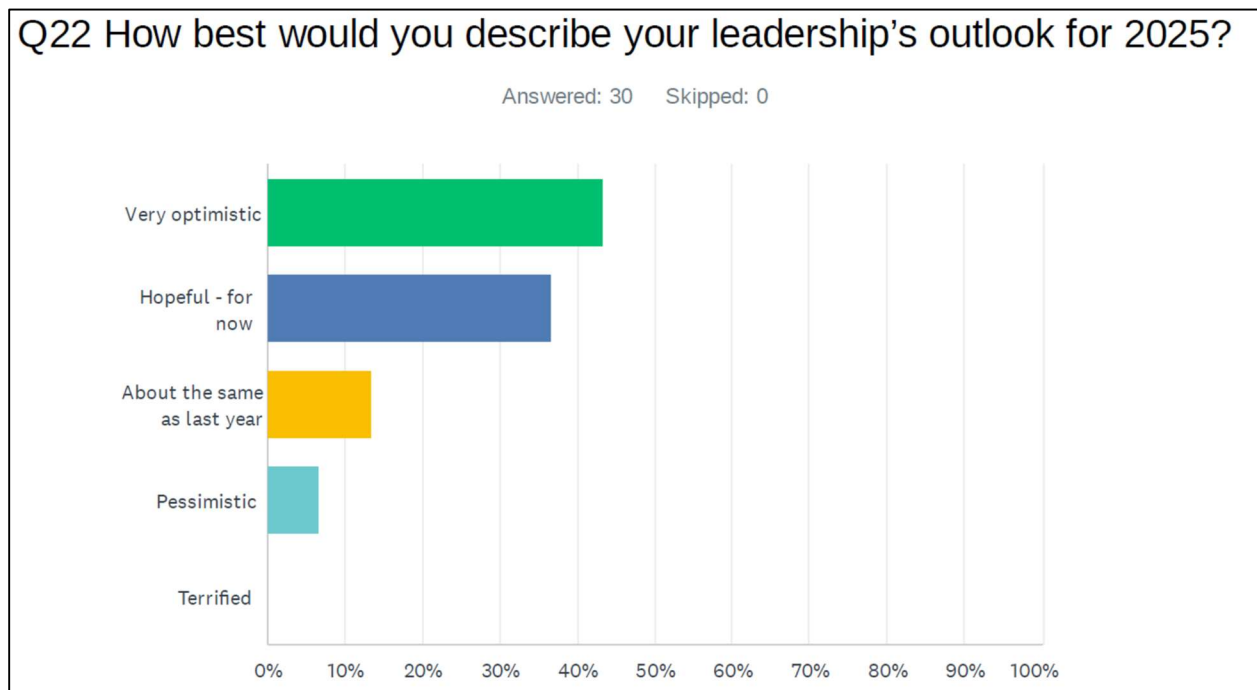


2025... What's on the Way?

A recent article in the Not-for-Profit tax and legal media stated, “The strong election night for President-elect Donald Trump and Vice President J. D. Vance ushers in an administration with an unprecedented interest in substantively reforming the tax-exempt sector. No President or Vice President has ever been as engaged with and focused on reforming the charitable sector as Vance.”

As if we have not been in a hurricane of change over the past few years – new financial statement reporting models, ASC 842 – Leases, CECL, ED’s new “related party reporting” regulations, Title IX flip-flops, NIL, genderisms, DEI, ESG... to name a few – now many are prognosticating hyper-change. When we asked 30 schools about their leadership teams’ outlook for 2025, over 40% were “Very optimistic.” Interestingly, 7% were “Pessimistic.” At least no one represented that their leadership was “Terrified!”



For many of us, the big question is: might the U.S. Department of Education possibly be disbanded? If so, what does that mean? Power to states? Dealing with multiple state jurisdictions? Modifications to the whole accreditation arena?

Beyond that, how will the confounded the un-audit-able and illegal ED edict regarding related party reporting resolve itself?

Here are some possible areas we will see change coming to (huge question marks, maybe a few exclamation points)...

- Accreditation (especially addressing “woke”)
- Strengthening Free Speech protections
- Taxation of endowments
- Donor Advised Fund “Clearing”
- Creation of “American Academy” (university)
- Ensure socio-economic diversity
- Controlling/Reducing tuition costs
- “Most Favored” status = military
- New tax regulations – and their potential effects on charitable giving
- Dept. of Education – Future??

Ultimately, we will have to walk through the coming year – hopefully and expectantly – to see what we need to navigate. Pray without ceasing!