

Private Foundations Bulletin

Are Foundations in the Crosshairs of Recent Administration Priorities?

By Anan Samara, EA, Partner and Jason Velardi, EA, Director

President Donald J. Trump issued [Executive Order \(EO\) 14173](#), *Ending Illegal Discrimination and Restoring Merit-Based Opportunity*, on January 21, 2025. The EO calls on all agencies to “identify up to nine potential civil compliance investigations of publicly traded corporations, large non-profit corporations or associations, foundations with assets of 500 million dollars or more, state and local bar and medical associations and institutions of higher education with endowments over 1 billion dollars.” The objective is to develop a plan of specific steps or measures to deter what the EO deems illegal and discriminatory practices.

While most foundations will not come under direct “investigation” under EO 14173 (it specifically focuses on foundations with assets of 500 million dollars or more), there seems to be a call to action for foundations to ensure compliance with state and federal laws.

What the Executive Order Means for Private Foundations

A foundation can be proactive and limit its risks by considering the action items below:

Examining Hiring Practices and Policies

Recruiting, evaluating and selecting new employees is often a challenging task, to say the least. A foundation may wish to review its hiring practices and policies with labor and employment legal counsel. Depending on the sophistication of your employment process, you may need to examine recruitment strategies, application processes, assessment methods, interview techniques, selection criteria and evaluation/feedback processes.

Examining Grantmaking and Programmatic Activities

A review by legal counsel of a foundation’s grantmaking and programmatic activities, as it pertains to this EO, could be considered as an initial first step in best positioning foundations to make informed decisions relating to the ever-changing landscape.

Insurance and Legal Considerations

Key insurance policies should also be reviewed to ensure they are up-to-date and provide enough coverage to limit a foundation’s risk tolerance to acceptable levels. Such policies might include Directors and Officers (D&O) insurance and employment practices liability insurance.

Foundations may also consider increasing legal budgets to review policies and procedures and future potential changes to laws and regulations.

Stay Informed

With shifting policies and regulatory uncertainty, staying informed and adaptable is crucial. Join our upcoming webinar, [Washington D.C. Update – Legislative Considerations Affecting the Philanthropic Community](#), on Tuesday, March 25, 2025, at 1 p.m. EDT. Here, we will discuss legislative considerations affecting the philanthropic community.

Contact Us

We welcome the opportunity to answer any questions you may have related to this topic or any other accounting, audit, tax or advisory matters relative to private foundations. Please call 212.286.2600 or email any of the Private Foundation Services team members below:

Thomas Blaney, CPA, CFE
Partner, Co-Director of Foundation Services
tblaney@pkfod.com

Joseph Ali, CPA
Partner
jali@pkfod.com

Scott Brown, CPA
Partner
sbrown@pkfod.com

Anan Samara, EA
Partner
asamara@pkfod.com

Christopher Petermann, CPA
Partner, Co-Director of Foundation Services
cpetermann@pkfod.com

Elizabeth Gousse Ballotte
Partner
eballotte@pkfod.com

Michael R. Koenecke, CPA
Partner
mkoenecke@pkfod.com

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