



FAOG 2026: THREE PRIORITIES FOR COMMUNITY FOUNDATION LEADERS

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If you lead a community foundation, you're likely balancing a complex set of challenges around technology, governance, and donor demands. As part of our effort to support our foundation partners, NEPC recently attended and sponsored the annual conference for FAOG – the Finance, Administration & Operations Group for Community Foundations. This is our third time exhibiting, and we find it an excellent environment to learn about trends and best practices in foundation management.

This year's conference highlighted three emerging priorities for foundation leaders. One lesson that stood out to us was that community foundations aren't waiting for change to happen. In conversations with foundation leaders, finance and operations professionals, and industry partners, we heard how organizations are actively evaluating their programs to address evolving needs.

PRIORITY #1: AI CREATES OPPORTUNITIES TO IMPROVE POLICY GUARDRAILS

AI was impossible to ignore at FAOG 2026, but the conversation has matured since last year. Rather than debating whether AI will influence community foundations, leaders are asking where it can create value and how to use it responsibly.

Whether the discussion focused on operations, governance, donor communications, or investments, the conversation often returned to the same challenge: how can organizations capture the benefits of AI while establishing appropriate guardrails? Many organizations are actively experimenting with AI-powered tools to increase efficiency and reduce administrative burden. At the same time, they are evaluating risks related to cybersecurity, data protection, governance, and staff oversight.

In many ways, AI appears to be serving as a catalyst for broader organizational reflection. The technology itself is important, but so too are the policies, governance structures, and training programs that ensure it is used properly.

PRIORITY #2: GOVERNANCE AS A WHOLE IS DUE FOR A REFRESH

Prompted in part by the introduction of AI, several community foundation leaders shared that they are undertaking broad reviews of policies and procedures, some for the first time in many years. The motivation is straightforward. Many policies were written for a different environment. Technology has changed, risks have evolved, and operational needs continue to shift.

As foundations adopt new tools and workflows, many are asking whether their governance frameworks still reflect how decisions are being made today. At a minimum, leadership needs to consider:

- Evolving software platforms
- AI-enhanced workflows
- Cybersecurity and data management enhancements

Nowhere is the need more acute than in the adoption of AI, which is a powerful tool with unclear risks. As organizations explore new technologies, many are recognizing the need to establish clear guidelines around appropriate use, privacy, risk management, and staff training before adoption outpaces governance.

The takeaway was not that governance has been neglected, but rather that governance would benefit from becoming more holistic. Foundations are taking the opportunity to revisit legacy policies and ensure they remain relevant for the next decade, not the last one.

PRIORITY #3: LEARN FROM PEERS BEFORE YOU SCALE NEW INITIATIVES

One of the most valuable aspects of FAOG was the opportunity for organizations to learn from one another. Attendees consistently pointed to the value of connecting with peers who are addressing similar issues, whether developing AI policies, modernizing internal controls, evaluating governance structures, or exploring new operational practices.

This collaborative spirit was particularly evident in conversations around externally managed accounts (EMAs). Many foundations are evaluating how EMAs fit within their donor engagement strategies and investment offerings, and leaders were eager to exchange experiences, challenges, and lessons learned.

NEPC's Scott Harsh joined community foundation leaders for a panel discussion on building and scaling EMA programs, and the conversation reinforced a broader theme we heard throughout the conference: new initiatives are most successful when governance, operations, and stakeholder communication evolve alongside them. Whether discussing AI, EMAs, or broader organizational change, foundations consistently emphasized the importance of developing the right framework before scaling new ideas. Learning from peers remains one of the most practical and valuable resources available.

LOOKING AHEAD

The conversations at FAOG 2026 made one thing clear: community foundations are entering a period of intentional modernization. Leaders are revisiting legacy policies, establishing frameworks for responsible AI adoption, evaluating donor solutions like EMAs, and leaning on peer networks to navigate a complex operating environment.

Priorities will vary from one foundation to the next, but the common thread was a willingness to challenge long-standing assumptions and prepare thoughtfully. Some of the most valuable conversations weren't about universal answers. They were about sharing experiences, asking better questions, and learning from one another. We look forward to continuing those conversations and partnering with foundations as they turn today's ideas into tomorrow's best practices.

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