



CPAs & ADVISORS

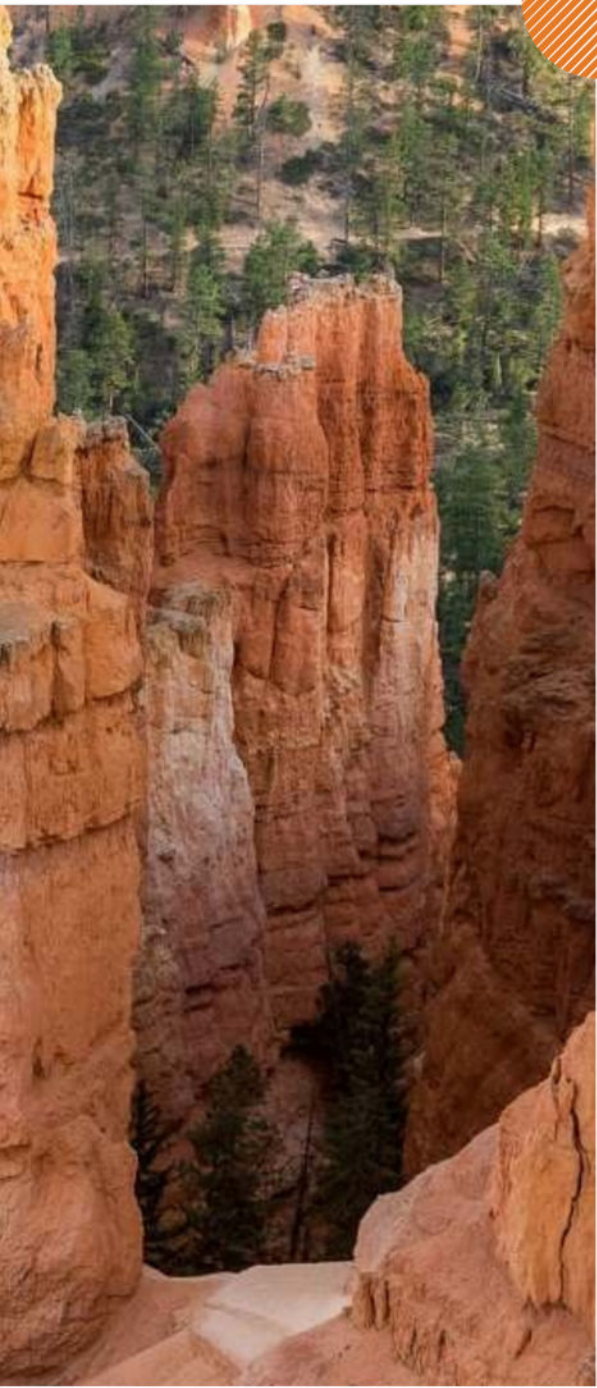
Sage Partner

TOP 5

Strategies for Improving Financial Management



A GUIDE FOR MULTI-
ENTITY NONPROFITS



Financial Management Best Practices for Multi-Entity Nonprofit Organizations

Nonprofits have a special set of challenges when it comes to successfully managing finances, and these challenges only get more complicated if a nonprofit has multiple entities.

From meeting compliance requirements to selecting the right software and demonstrating return on investment (ROI) to the board, nonprofits have a lot of accounting challenges. Add multiple entities into the mix, and you're dealing with more complexity and higher risk.

But financial management doesn't have to be drudgery for multi-entity nonprofits. Technology can become a valuable asset when nonprofits maximize their investment with guidance from an expert partner. Armed with both the right software and industry expertise, nonprofits can avoid common accounting mistakes and inefficiencies that prevent them from achieving their goals.

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In this eBook, we'll dive into the unique financial management challenges of multi-entity nonprofits and how software-specific solutions can help tackle them. Read on to learn how to:

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#1 NAVIGATE COMPLIANCE ISSUES

When you have multiple nonprofits with different tax-exempt statuses under one parent, there are rules about what types of expenditures certain entities can and cannot pay for. There is also scrutiny around the allocation of costs among the different entities.

These layers bring complication to a nonprofit's financial management, and they require accounting teams to ensure allocation of costs is auditable and can be supported readily with appropriate documentation.



Enter Automation

Software such as Sage Intacct—an enterprise resource planning (ERP) solution—can help nonprofit financial teams stay compliant through automation. The solution's multi-entity capability and dynamic allocation functionalities enable nonprofits to craft business logic that will automatically allocate inter-entity costs.

Sage Intacct's native multi-entity capability provides:

Secured, self-balancing reports with automatic inter-entity transactions

The ability to create and document allocations across entities that are secured and auditable

This functionality also provides a consistent and repeatable allocation methodology that will hold up under an audit. Leveraging this solution enables nonprofits to stay compliant while saving time and effort to do so.

Pair Automation with the Right Partner

Multi-entity nonprofits that navigate compliance complications successfully do so with a partner by their side. While Sage Intacct is the choice solution, working with technology experts who have experience in the nonprofit world is a crucial component.

GRF CPAs & Advisors (GRF) Accounting Technology Services division has a team of CPAs and advisors with 10+ years of expertise in helping nonprofits achieve financial management success through the cloud. Our entire staff has nonprofit experience, and many of us have occupied a position in nonprofit finance and accounting. We work closely with our nonprofit clients, helping them learn to leverage Sage Intacct and generate their desired results.



AVOID LOSING YOUR CHARITABLE TAX EXEMPTION!

When you have multiple entities, you run the risk of compromising your tax-exempt status if you can't meet compliance requirements.

Working with the right tools will put your mind at ease. With Sage Intacct and GRF, you will never worry about losing your tax-exempt status because of your software's shortcomings.

#2 SELECT THE RIGHT SOFTWARE SOLUTION

The stakes are high when you're considering a large technology purchase like an ERP solution. You want the peace of mind that you're making an informed decision that will carry your organization through the next 10 years or more and provide sound financial management information.

When you add to that pressure the ever-present budget concerns for nonprofits, you can easily find yourself stalled when it comes to selecting the right software. It's an important investment!



How Do You Figure Out What You Need When It Comes to Software?

This is when working with an experienced partner like GRF is essential. We start by conducting a thorough discovery process with you so we fully understand exactly where you are today and where you want to be in the future.

The proposal we create after getting to know you is tailored to your nonprofit. Our team will take great care to recommend the right functionality and support what is mission-critical to your organization.

Avoid Replicating Your Old Processes

If you're selecting an ERP solution with the goal of replacing your current manual environment, the last thing you want to do is replicate processes that are draining your time and money. GRF's accounting technology experts help you take advantage of software like Sage Intacct while exploring ways you can improve current processes and procedures. For us, this is about more than just helping you select software. It's about helping you develop long-term process improvement that supports your mission.



#3 REASSIGN STRATEGIC STAFF

Limited headcount is a constant struggle for nonprofits' finance departments. Nonprofits in general wrestle with devoting enough resources to attracting the right talent, and the challenge gets even more intense for accounting professionals.





Solving a Two-Pronged Problem

Nonprofits experience particular challenges when it comes to hiring. First, they're limited by headcount and salaries, and then when they do need to hire, it's difficult to find someone with the right skillset. When they do, that person usually comes at a premium. This is where a solution like Sage Intacct becomes a key strategy.

The software solves both problems because it removes many tasks from the plate of your accounting and finance team. Moving from manual processes to automation means work is not only reduced in volume, but the staff time required to perform it is eased as well.

This does not mean you will need to eliminate positions or let go of staff if you implement new software—it means you can onboard your existing staff so they can devote their time to higher-value projects instead of mundane data entry. Your talent will no longer drudge through grunt work because they will have the bandwidth to contribute to more strategic tasks.

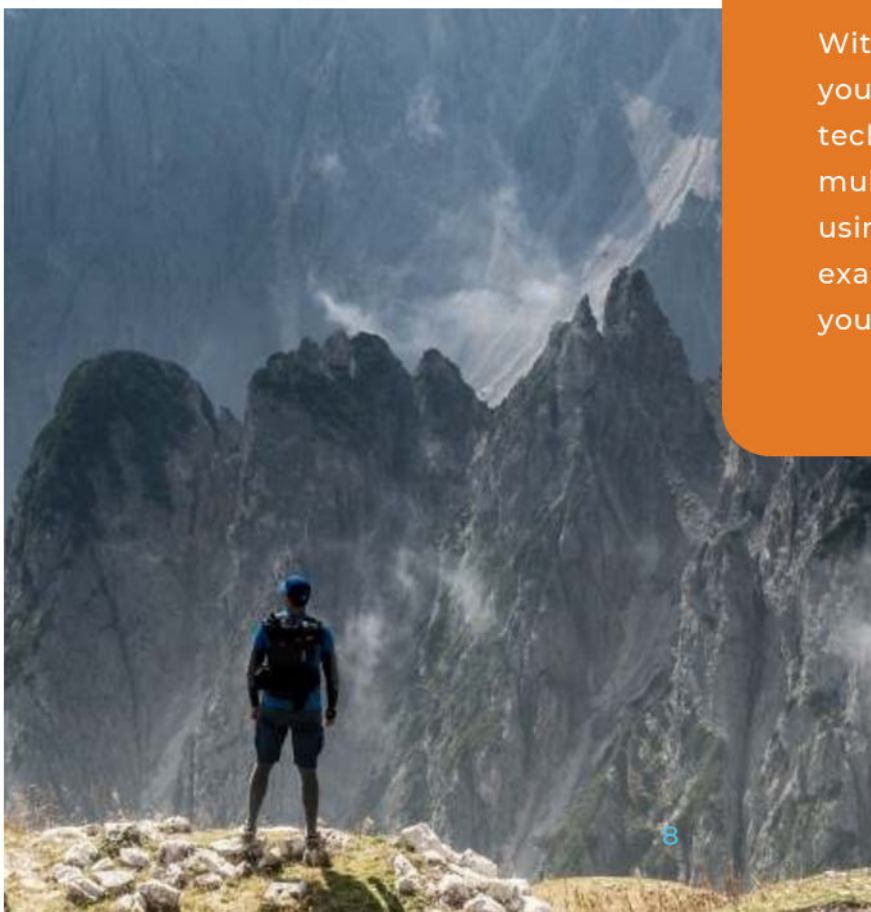
The Bottom Line

Sage Intacct is less expensive than hiring more people!



KEEP YOUR EXISTING APPS, TOO

With Sage Intacct, you get to keep your people and your existing technologies. Sage Intacct has multiple integrations, so if you're using ADP or Salesforce, for example, you can bring them into your new ERP environment.



#4 MAXIMIZE YOUR SOFTWARE INVESTMENT

A distinct difference between nonprofits and for-profit entities is that they don't have the luxury of taking risks. For-profit companies can sometimes allocate a budget, try a project, and call it a failure if it doesn't work out. Not so with nonprofits.

Nonprofits must select new investments strategically and validate that the capital outlay was worthwhile. They must also fulfill procurement requirements and demonstrate how they followed process to select the best vendor.





So How Do You Know Which Investment Will Produce the Best ROI?

GRF helps your nonprofit organization examine options and select the solution that will provide improved efficiencies in tangible, demonstrable ways. With the help of GRF's team of accounting technology experts, you will understand exactly how your organization will benefit so that your board will be sold on the proposed solution.

Clear signs you're ready for an ERP system:

Using Excel for budgeting and planning has become painful

Your staff is consumed with tasks such as downloading CSV files, emailing files, building and updating forecasts and models, and cutting and pasting

You occasionally have to backtrack and fix mistakes despite spending the resources to ensure reports and forecasts are error-free

You have sensitive data that is currently unprotected

Your staff lacks version control

Different spreadsheets and data live with different employees in silos

Accounting doesn't have time for analysis and strategy

If any of those problems sound like what your nonprofit is currently experiencing, GRF can help you prove that an ERP system is a worthwhile investment.



ERP SOLUTIONS SAVE TIME

By using Sage Intacct Planning, Hope Human Services adopted rolling forecasts that **CUT THEIR BUDGETING TIME BY 50%.**

#5 SATISFY MULTIPLE STAKEHOLDERS

Is your nonprofit struggling to create a variety of reports necessary to meet the needs of various stakeholders? From the board of directors to the CEO to your funders, finance and accounting is often burdened with different reporting requirements.

With multiple entities, the complexity intensifies tenfold.



Stop Reinventing the Wheel for Reports

Without automation, you spend an enormous amount of time and money creating multiple reports for various stakeholders. Excel does not provide the flexibility your growing nonprofit needs.

Sage Intacct's dashboard and native financial reporting can accommodate all reporting needs without requiring external consultants or other tools or spreadsheets.

GRF helps you leverage Sage Intacct to:

Provide reports for time periods that don't align with your fiscal year

Report for an audit one way and your tax requirements another way

Report in multiple layouts, styles, and formats simultaneously

Using our hands-on experience with nonprofits, we help you with both the technical aspects of reporting in your ERP system and strategically leveraging the software's functionality for simplified reporting.



Our Methodology

The key to our success in deploying accounting and ERP systems for nonprofits is our implementation methodology. We use a consistent approach and a proven set of tools to ensure our projects are completed efficiently and produce value right away.



Why GRF?

We are not only deeply connected to the nonprofit industry, we also have a holistic understanding of what multi-entity nonprofits need in a technology solution.

We focus our recruiting efforts on team members who have direct experience working in finance and accounting roles in the nonprofit sector.

When you work with GRF, you get an assigned team of experts in both software solutions and the nonprofit industry who have hands-on experience as accounting/finance professionals within a tax-exempt organization.



With Sage Intacct, LEDC can link individual positions/salaries to our different funders and track them. For a rapidly growing organization with multiple locations and numerous grants, this is life changing for the whole organization.”

~ Isis Salmeron, Chief Financial Officer,
Latino Economic Development Center

Contact us for a free, no-obligation consultation to discuss your needs.



Heather Broberg
Principal and Director, Accounting Technology Services
240-752-1718 | hbroberg@grfcpa.com



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