

Best Practices and Streamlined Solutions for your Organization's Accounting Function



Welcome and Introduction



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Learning Objectives



Discuss challenges nonprofits face



Learn best practices to address challenges



Discover examples of automated, streamlined solutions



Discuss practical next steps to improve your organization's accounting function

Why Accurate Accounting is Essential for Nonprofits

- ▶ Transparency and accountability
- ▶ Regulatory compliance
- ▶ Fiduciary responsibility
- ▶ Sustainability and risk management
- ▶ Impact evaluation



Common Accounting Challenges Nonprofits Face



Limited Resources

- Small teams
- Lack of financial expertise
- Weak internal controls



Cash Flow Management

- Irregular, unpredictable revenue streams
- Restricted vs. unrestricted funds
- Reimbursement grants vs. upfront funding



Compliance

- IRS and tax-exempt status
- Unrelated business income
- State charitable registrations and annual filings
- Employment law and HR compliance
- Donor and fundraising requirements
- Grant compliance



Complex reporting requirements

- Allocation of functional expenses
- Valuation of in-kind donations
- Revenue recognition
- Grant reporting
- Tracking restricted funds
- Program impact

Polling question #1

Of the challenges noted below,
which one is your biggest pain point?



Limited resources



Cash flow
management



Compliance



Complex reporting
requirements

Best Practices to address Limited Resources



- ❖ Operational assessment of accounting function
- ❖ Lean into technology
- ❖ Automate routine tasks
- ❖ Outsource non-mission centric activities
- ❖ Cross-train staff

Best Practices to address Cash Flow Management

Cash forecasts

Long-term capital expenditure strategy

Realistic, accurate budgets

Impact and sustainability analysis of current programs

Research additional revenue streams

Best Practices to address Compliance

- ✓ Understand legal and regulatory requirements
- ✓ Review and incorporate appropriate policies (whistleblower, conflict of interest, etc.)
- ✓ Ensure grant, government, payroll and other filing requirements are accurate and timely
- ✓ Conduct regular audits, reviews or oversight of financial records
- ✓ Engage experts



Best Practices to address Reporting Requirements



UNDERSTAND
REPORTING
OBLIGATIONS



INVEST IN STAFF
TRAINING OR
OUTSOURCE



ENSURE ACCOUNTING
RECORDS ARE
ACCURATE AND
CURRENT



ENSURE FILINGS ARE
SUBMITTED TIMELY



USE ACCOUNTING
SOFTWARE
APPROPRIATE FOR
NONPROFITS



ENGAGE EXPERTS

Polling question #2

Does your organization currently use integrated, cloud-based accounting solutions?

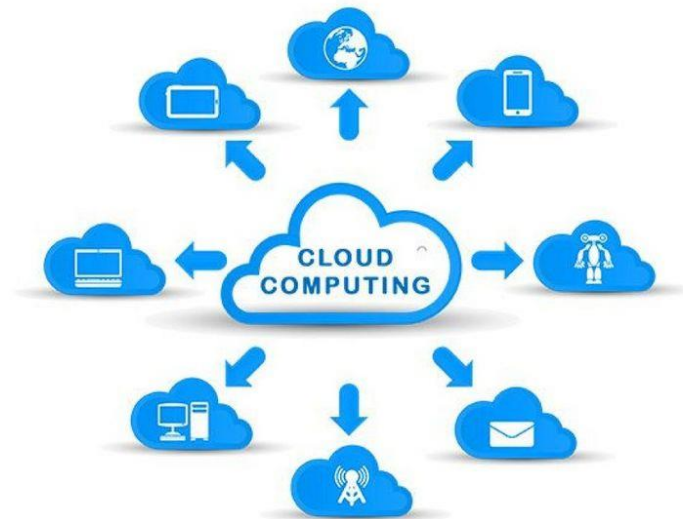


Evolution of Accounting Systems



Benefits of Integrated Cloud-Based Solutions

- ▶ Real-time access to financial data
- ▶ Increased efficiency through automation and integration
- ▶ Enhanced security and data backup
- ▶ Cost-effective and scalable
- ▶ Customizable access to strengthen internal controls



Integrated Cloud-Based Solutions – Where to Start

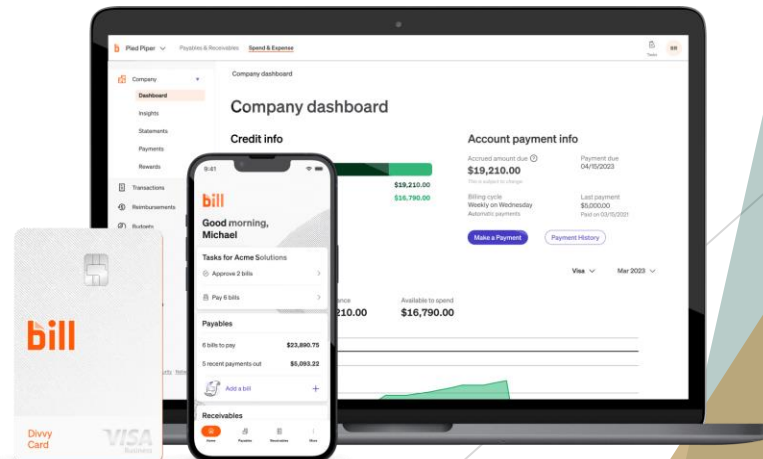
Evaluate	Evaluate current systems, processes and pain points
Define	Define specific goals and requirements
Research	Research cloud-based solutions and integrations tailored to NFPs
Strategize	Create a budget, timeline and success metrics
Implement	Implement and customize integrated cloud-based solutions
Monitor	Continually monitor and improve systems and processes

Integrated Cloud-Based Solutions



Streamlined Solutions – Integrated Tools

- ❑ Expense management (Expensify, Nexonia, BILL Spend and Expense)
- ❑ Accounts payable and receivable (BILL, QBO modules)
- ❑ Customized reports based on organizational goals
- ❑ Real-time dashboard reporting (Sage Intacct)



Automation and Integration Example



Integrated architecture enhances efficiency, minimizes manual data entry, reduces errors and enhances internal controls.



Sage Intacct: Core financial management platform that integrates data from all systems for comprehensive reporting and analysis



BILL (AP & AR): Automates accounts payable and receivable, streamlines payments and invoicing and feeds data into Sage Intacct



Expensify: Manages employee expenses and automates expense approvals sending necessary data to Sage Intacct



ADP Payroll: Handles payroll processing and compliance, integrating payroll data with Sage Intacct

Case Study – Youth Development Non-profit Organization – Tarrant County

- ▶ Financial efficiency increased by 60%
- ▶ Board reporting cut from 1 hour to minutes
- ▶ \$65k avoided in adding headcount
- ▶ Speed and simplicity in merging two sister clubs



**Success story provided by Sage Interact

Polling question #3:

How comfortable are you with integrating AI-powered tools into your organization's accounting function?

- ▶ Very comfortable – We currently use AI in our operations
- ▶ Somewhat comfortable – We are exploring AI solutions and have implemented some
- ▶ Neutral – We are aware of AI, but we are not yet using it
- ▶ Somewhat uncomfortable – We have some concerns but are open to learning more
- ▶ Very uncomfortable – We have significant reservations or lack of knowledge about AI

AI Opportunities – Automate the Mundane, Ease the Process, Free up Time



- Automate Routine Tasks
 - Data entry, reconciliations, expense categorization
- Enhance Operational Efficiency
 - Workflow optimization
 - Resource allocation
- Improve Communication and Documentation
 - Chatbots provide writing assistance and templates
- Learning, Development and Training
 - Intelligent tutoring systems
 - Notetaking
 - Explainer videos

AI Opportunities – Be Proactive Instead of Reactive



- Enhance Data Accuracy and Integrity
 - Error detection, data validation
- Fraud Detection
 - Detect unusual patterns, flag possible fraudulent activities
- Compliance and Regulatory Adherence
 - Monitor transactions and flag issues
 - Audit trail
- Cybersecurity
 - Threat detection
 - Data protection

A Final Thought on AI

**AI won't replace
accountants**

**Accountants
who use AI will
replace those
that don't**

Key Takeaways

- ▶ Accurate, timely reporting is pertinent for non-profits
- ▶ Non-profit organizations face unique challenges that can be addressed in a variety of ways
- ▶ Integrated cloud-based systems can strengthen internal controls, improve efficiency, increase accuracy and provide real-time, transparent information for decision-makers
- ▶ AI won't replace accountants but accountants who use AI will replace those who do not
- ▶ NOW is the time to evaluate your current systems and processes to better support your organization's mission



THANK YOU!



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