Sage Intacct

The Not-For-Profit Finance Team Survival Guide

A field guide for navigating the complexity and demands of not-for-profit financial management
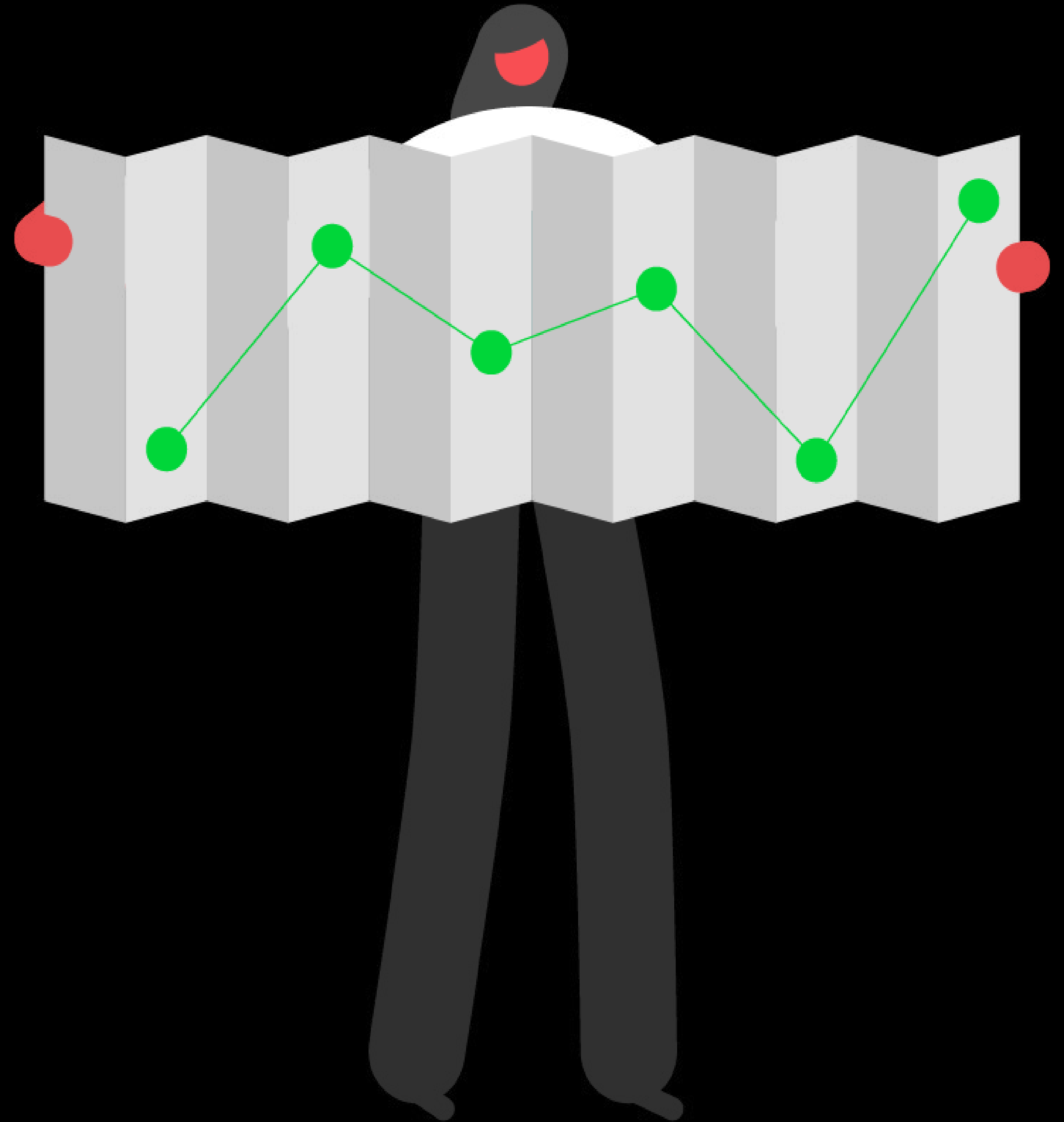
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Trying to survive in a complex environment is hard

Not-for-profit finance teams operate in a more challenging environment than ever before.

Good financial stewardship plays a critical role in maintaining funding relationships and attracting new donors. Finance teams face pressure to provide full transparency for compliance and better visibility into both financial metrics and outcome metrics for the board, executives, donors, and government funders.

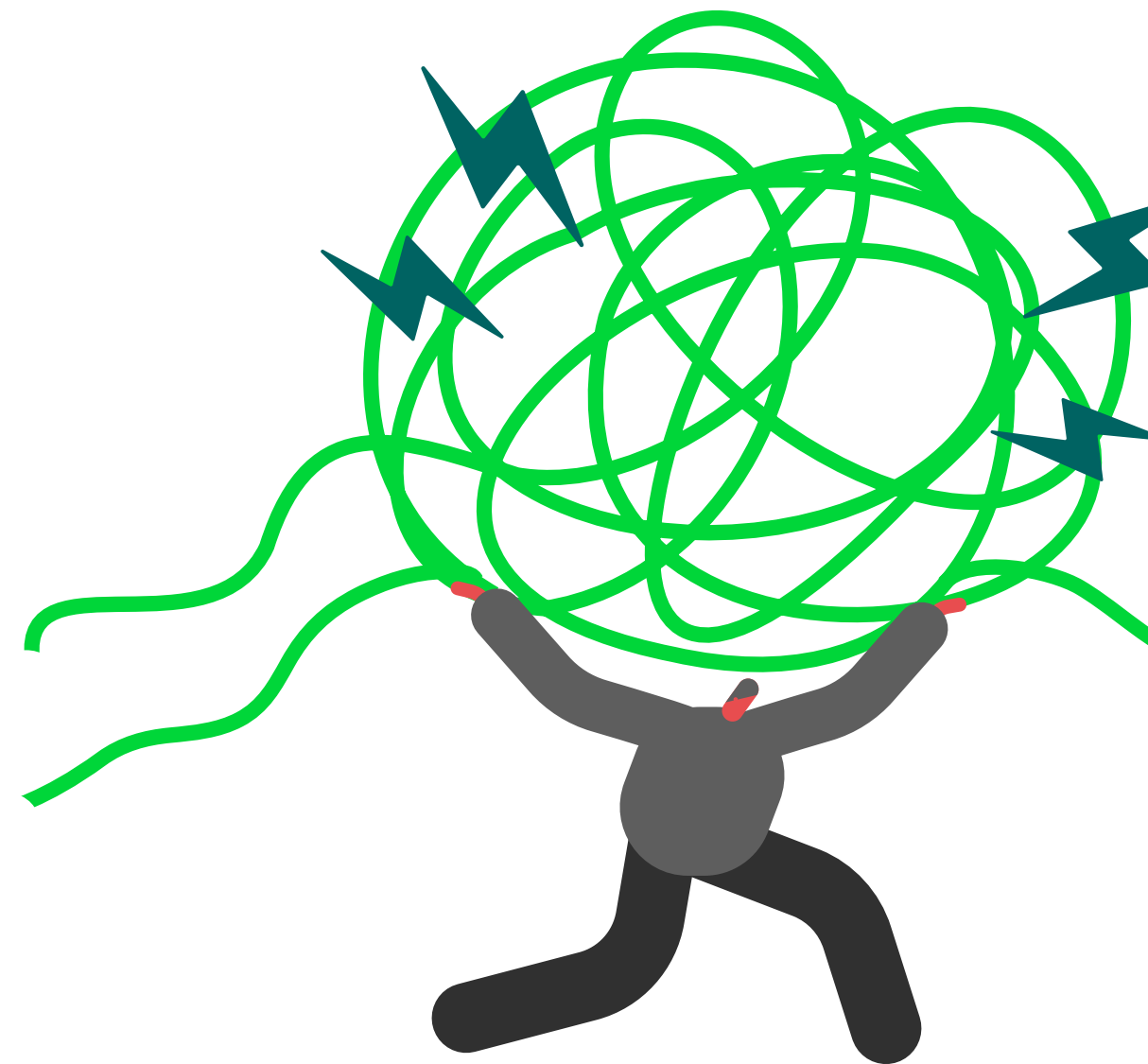At the same time, the complexity around not-for-profit accounting, multiple funding streams, and compliance is increasing, with a need for even small not-for-profits to be able to account for funds, grants, projects, programs, and more. In today's dynamic environment, many not-for-profits are partnering, collaborating, or even merging with other not-for-profits or working with other affiliates.

Key challenges for not-for-profit finance teams
- Complexity of accounting and funding streams
- Reporting and visibility
- Managing funds and grants including acquittal reporting
- Cost allocations
- Internal controls and compliance to changing accounting standards such as IFRIS 15
- Cash management

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"There's a level of complexity here that is equivalent to what a major for-profit organisation deals with."

~ Nikki Jones, Controller, Healthcare Businesswomen's Association


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Surviving with limited resources

In addition to growing complexity, most not-for-profits operate a lean finance team with limited staff and resources.

It is the perfect recipe for stress and strain. Fortunately, finance teams that take advantage of cloud-based technology can configure their financial system with point-and-click functionality and achieve greater visibility with real-time data across multiple entities, locations, and dispersed teams.

In this e-book, we will examine what it takes for not-for-profit finance teams to not only survive but thrive. We will also look at how the Sage Intacct accounting and financial management solution helps not-for-profits leverage the power of cloud technology to ensure mission success.

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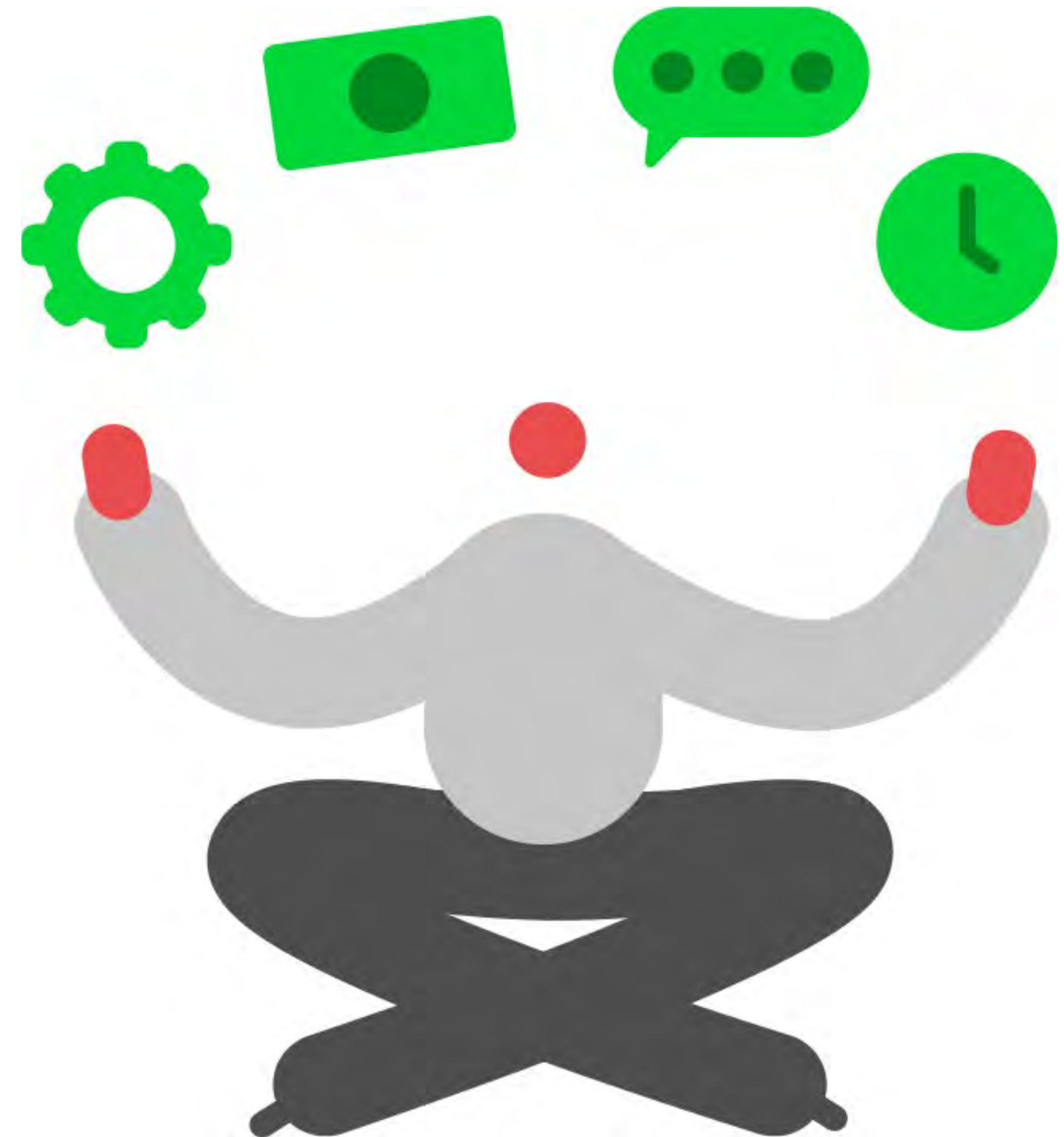
Getting beyond survival, so you can thrive

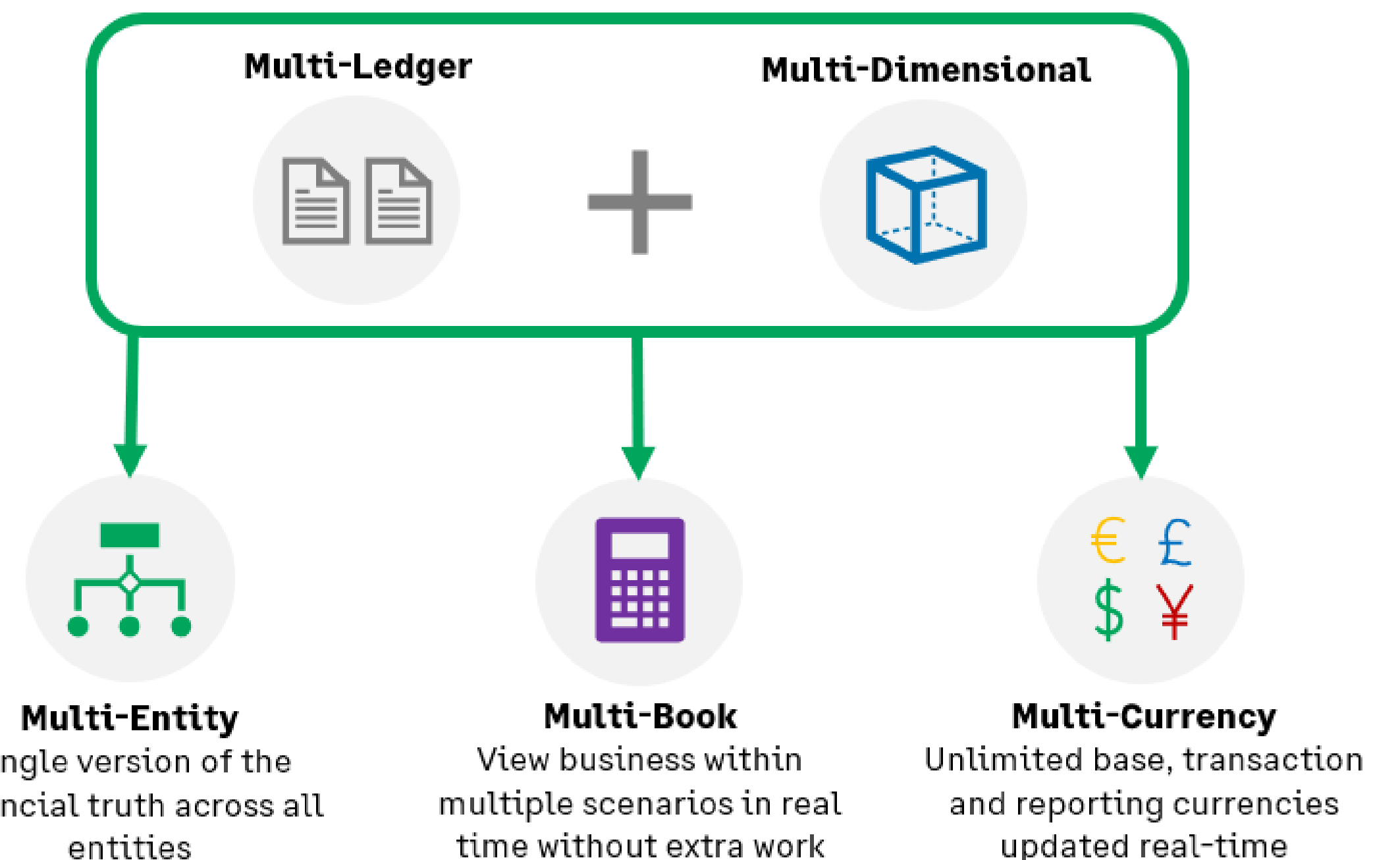**Not-for-profits place high demands on their finance professionals.**

Sometimes, it feels like a hamster wheel—you run as hard and as fast as you can, but never get in front of the constant stream of reporting requests and compliance requirements.

As your organisation grows in size and mission, you need flexible technology solutions to manage complex funding streams and organisational structures. Multi-entity accounting with visibility into the location, organisation, and fund/grant/program transactions is critical, as is the ability to understand the bigger picture at the consolidated level.

The Sage Intacct architecture provides your organisation with superior flexibility, control, visibility, and scalability so you can thrive.

The Sage Intacct technology architecture meets today's complex financial management needs

Multi-Ledger   **Multi-Dimensional**

Multi-Entity
Single version of the financial truth across all entities

Multi-Book
View business within multiple scenarios in real time without extra work

Multi-Currency
Unlimited base, transaction and reporting currencies updated real-time

Basecamp
Your chart of accounts

The foundation for your organisation's accounting system is the chart of accounts.

Call it your basecamp for the trek to better financial management. Your chart of accounts forms the framework for storing all your financial information and transactions, with an impact on everything from data entry to financial reporting.

When you have an easy-to-understand and efficient chart of accounts structure, the information that flows from it will be more useful.

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Why chart of accounts and reporting is hard to manage for not-for-profits

In the not-for-profit world, every dollar must get tracked and viewed by multiple dimensions such as fund, grant, program, project, and location.

At the same time, board of directors, executives, donors, grantors, and staff have differing needs and reporting priorities.

Not-for-profits must account for:

• Funds
• Grants
• Projects
• Programs
• More

And report back to multiple stakeholders:

• Board of directors
• Donors
• Executives
• Congregations
• Regulatory authorities such as Australian Charities and Not-for-Profits Commission

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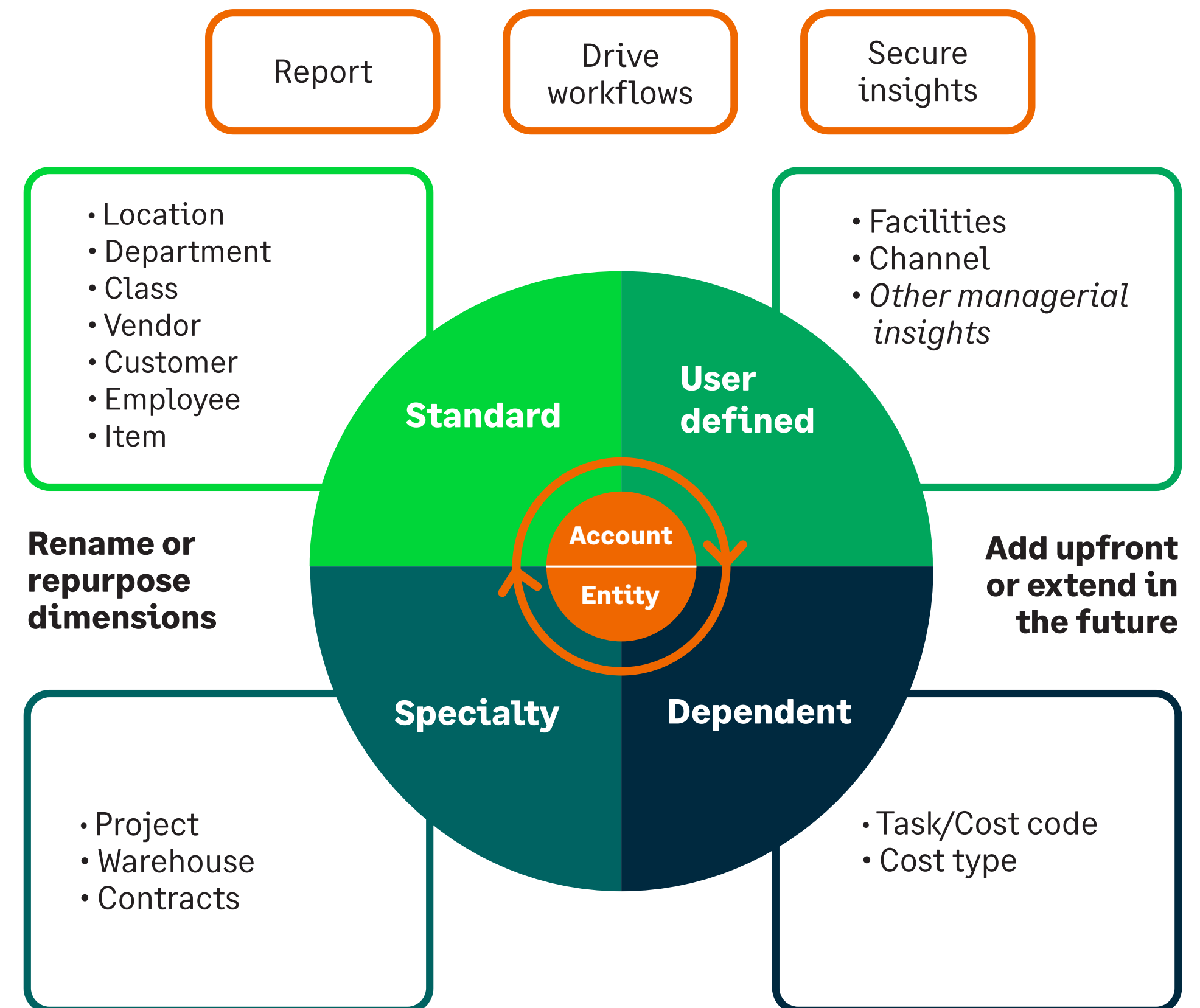# **Surviving** the traditional, linear-based chart of accounts

Many accounting software solutions utilise a hard-coded structure, causing the chart of accounts to be unnecessarily rigid and complicated. This can result in an unmanageable, confusing number of account code combinations.
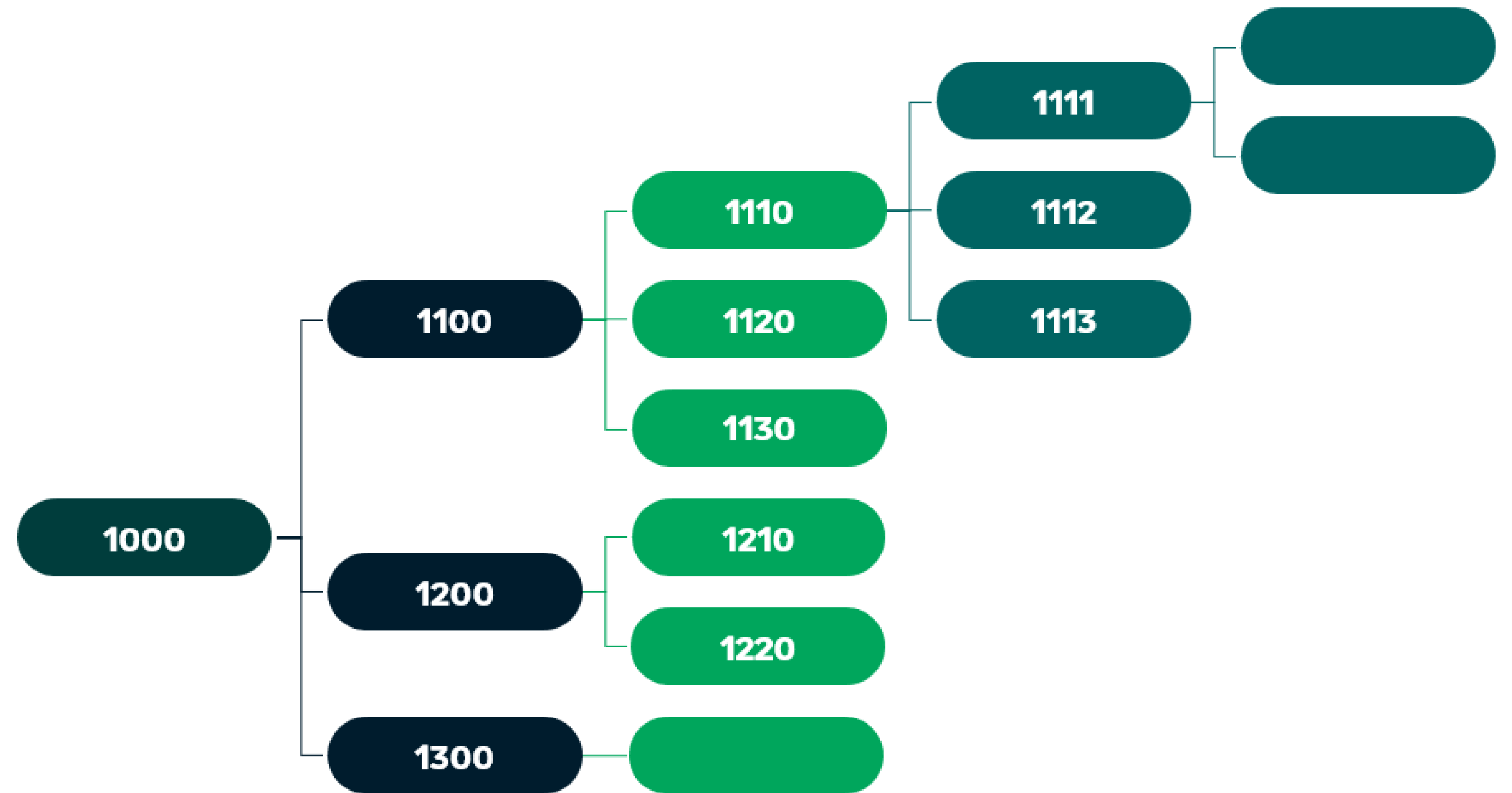
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Thriving with a logic-based chart of accounts

Sage Intacct lets you set up primary natural account codes—including assets, liabilities, net assets, revenues, and expenses—and then "tag" transactions with dimensional attributes such as location, fund, grant, ministry, program, or outcome.

By employing a logical, table-driven chart of accounts, Sage Intacct minimises complexity, reduces the number of account codes, and saves the finance team time. Dimensions customise reporting around activities, facilitating both comparative (cross-tab) and hierarchical (drill-down) organisation of key information with context.

Report

Drive workflows

Secure insights

- Location
- Department
- Class
- Vendor
- Customer
- Employee
- Item

- Facilities
- Channel
- *Other managerial insights*

Standard

User defined

Account

Entity

Rename or repurpose dimensions

Add upfront or extend in the future

Specialty

Dependent

- Project
- Warehouse
- Contracts

- Task/Cost code
- Cost type

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"When I arrived, we had 56,000 accounts in our chart of accounts. By leveraging Sage Intacct's dimension capabilities, we dramatically streamlined to just 100 accounts and can now tag transactions with details such as specific programs and locations."

~ Shari Freedman, CFO, Room to Read

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Ascending to excellence

Reporting and compliance with a view

To help your not-for-profit reach higher levels of mission success, you need visibility.

For better visibility, you need better data—an easy-to-use reporting system that filters, slices, and dices data so the finance team can quickly provide specific data needed in the best format. The team also needs to be able to produce required compliance forms and reports with ease, using data from the same system.

Sage Intacct empowers not-for-profit finance teams to increase visibility, simplify reporting at all organisational levels, account for funds and grants, account for allocations, and reduce financial complexity while improving internal controls.
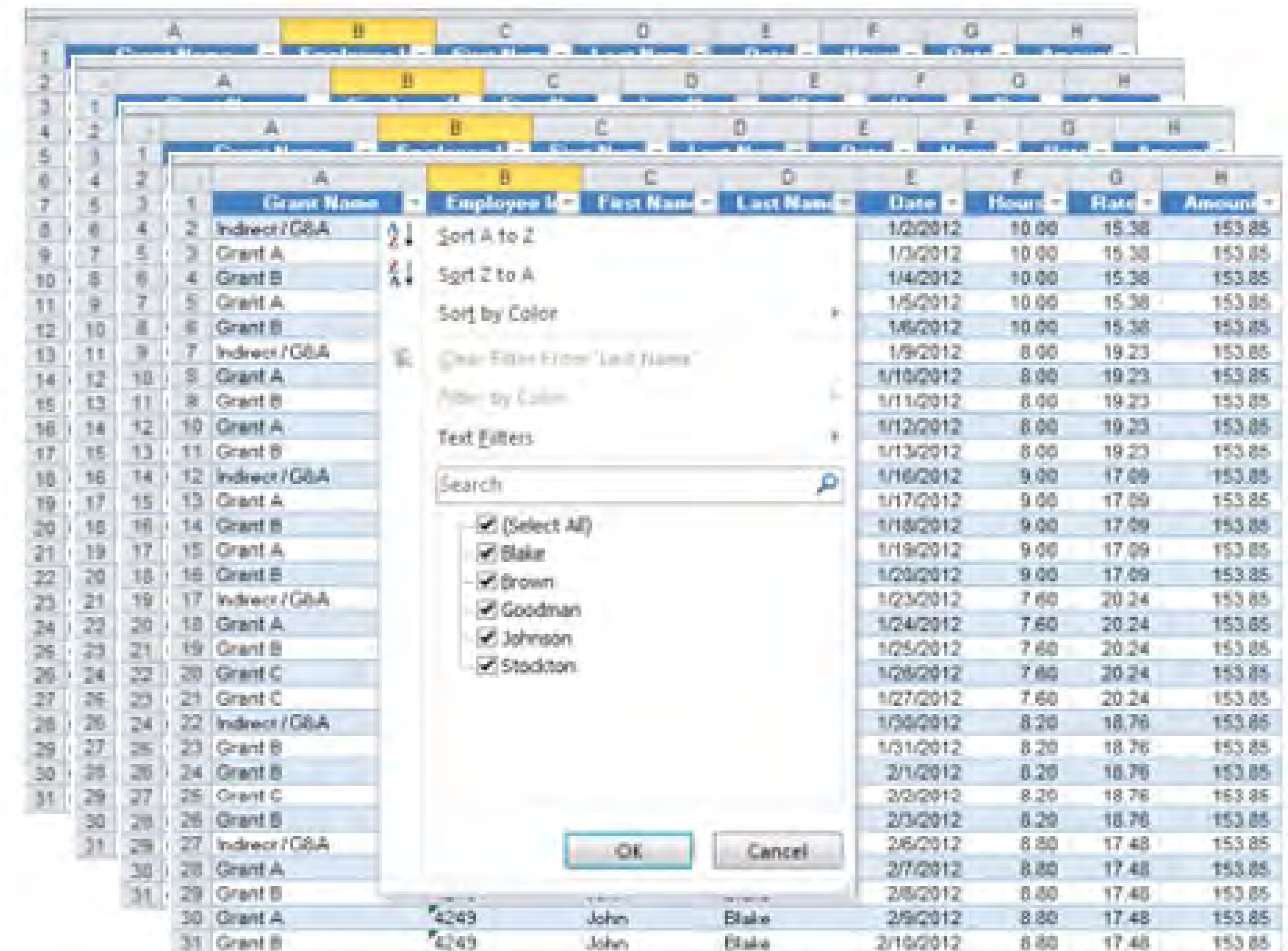
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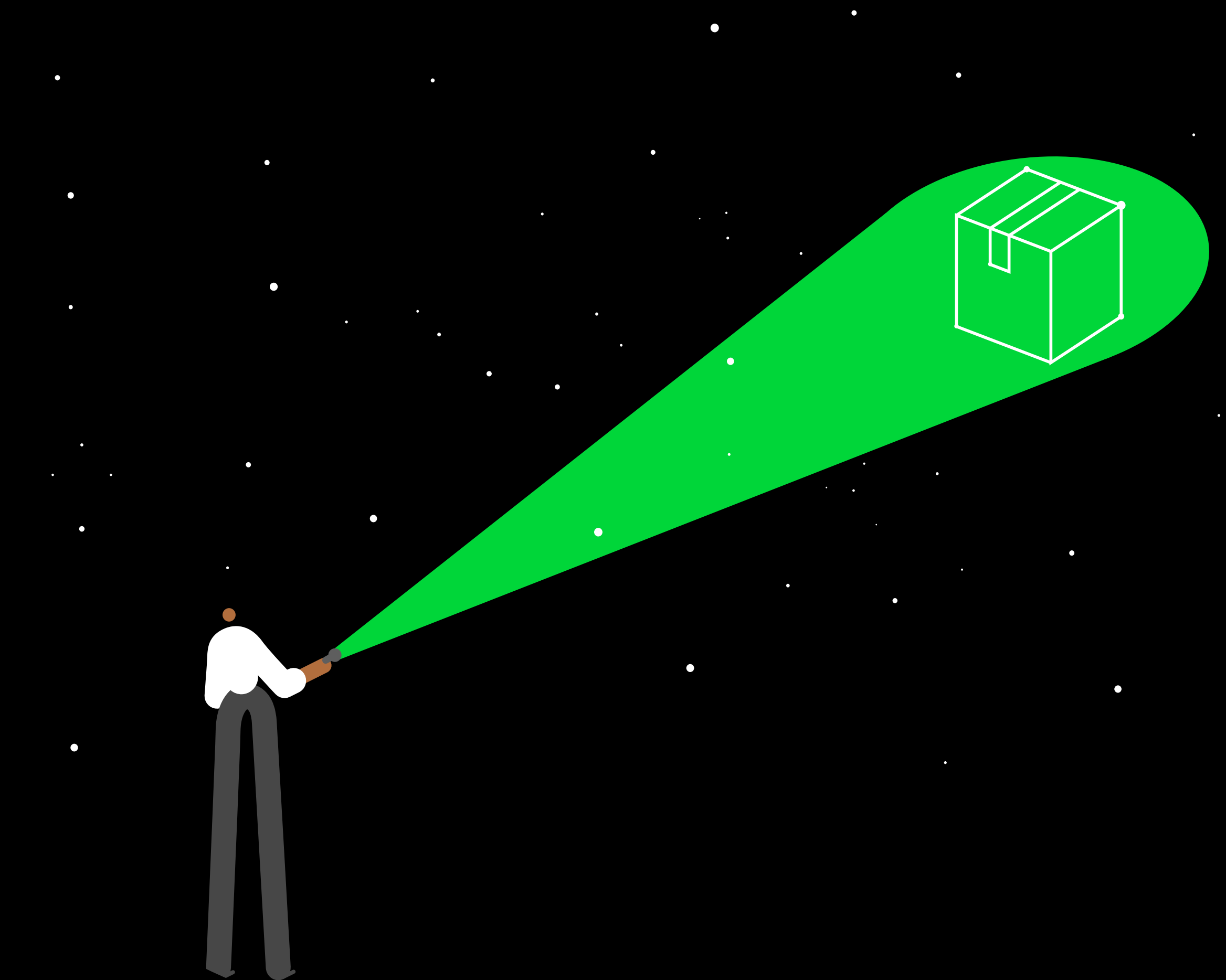
Surviving with rear-view mirror reporting and manual compliance

The wrong financial reporting system can require too much manual data entry and even force you to transfer data into Excel for further manipulation. When your finance team is in survival mode, you just try to produce the basic reports that are needed today, this week, or this month. Everything happens in a crunch. With the wrong financial systems, data must be entered manually into different systems.

Many accounting systems are only capable of rear-view mirror reporting—backward looking month-end financial packets that don't provide any real-time insights. Today, not-for-profits need access to more and better information than yesterday's news. How can your team access the data required to gather insights, do strategic analysis, and make recommendations that support your mission?
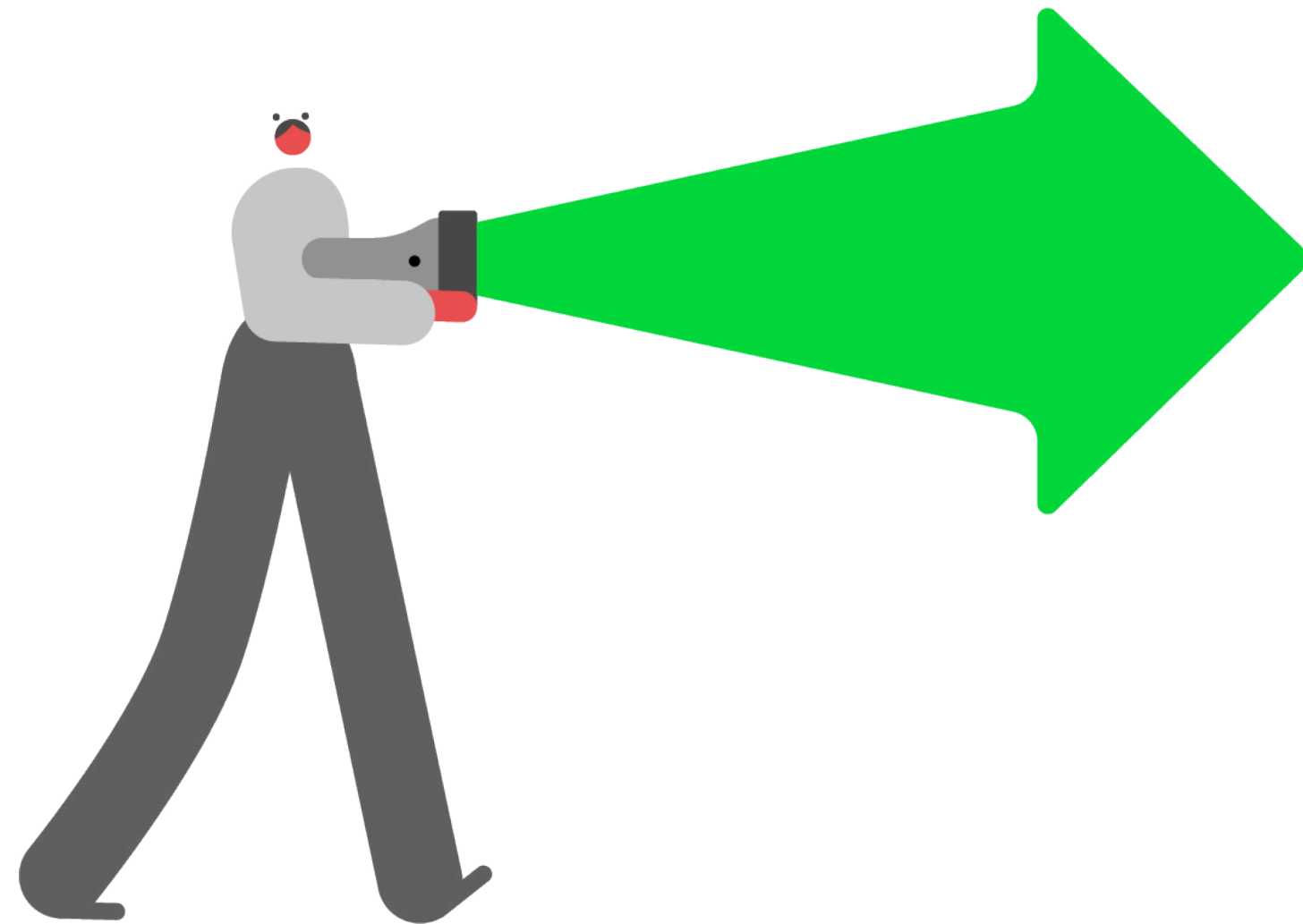
Financial management with Excel

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Thriving with future-focused financials and automated compliance

Sage Intacct delivers real-time information at anytime and anywhere.

While other organisations glance in the rear-view mirror, you can look ahead with an eye to future success. Customisable reporting capabilities enable your finance team to present the right reports to staff, executives, the board, and other stakeholders. Sage Intacct automatically creates IFRS financial statements, AASB compliance reports, and key AASB rev rec standard reports for compliance.

Dimensionality fundamentally improves reporting and makes it easier to provide fast answers. The Sage Intacct report writer provides a guided experience to help you filter, group, and organise data by the dimensions you want and build reports quickly in the format desired.

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Dashboards for stakeholders

When your finance team reaches altitude, you have mastered survival and are looking for the next mountain to climb.

Up in the cloud, not-for-profit finance teams unlock a new, strategic layer of functionality with real-time dashboards and automated performance metrics that present financial information visually and even go beyond financials to demonstrate operational metrics, outcomes, and impact to executives, donors, and funders.

Think of a dashboard as a blank map where you can add components to create a view from the highest level that is just right for a specific program, managerial role, or functional area of your organisation.
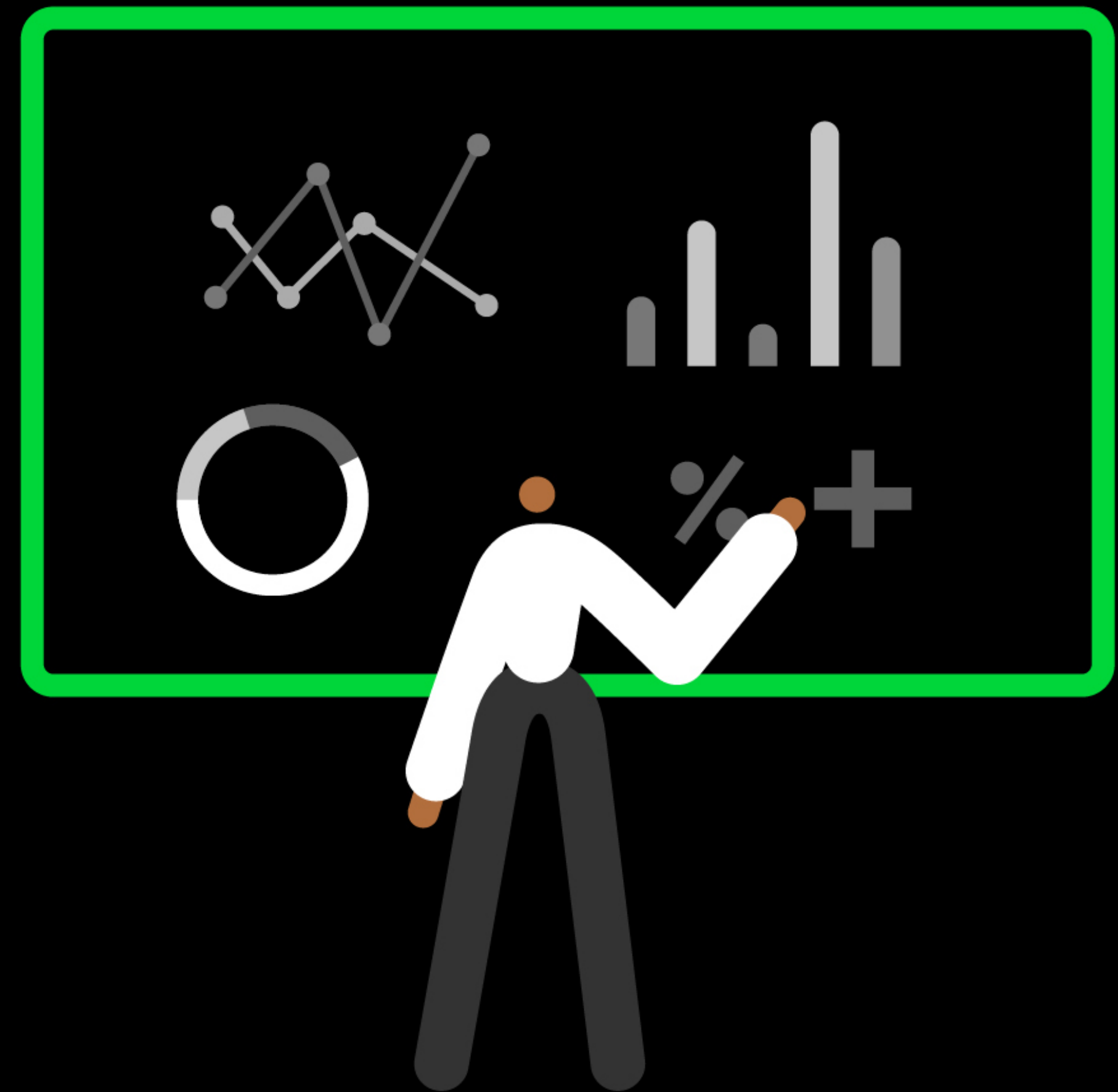
Gain visibility with role-based dashboards
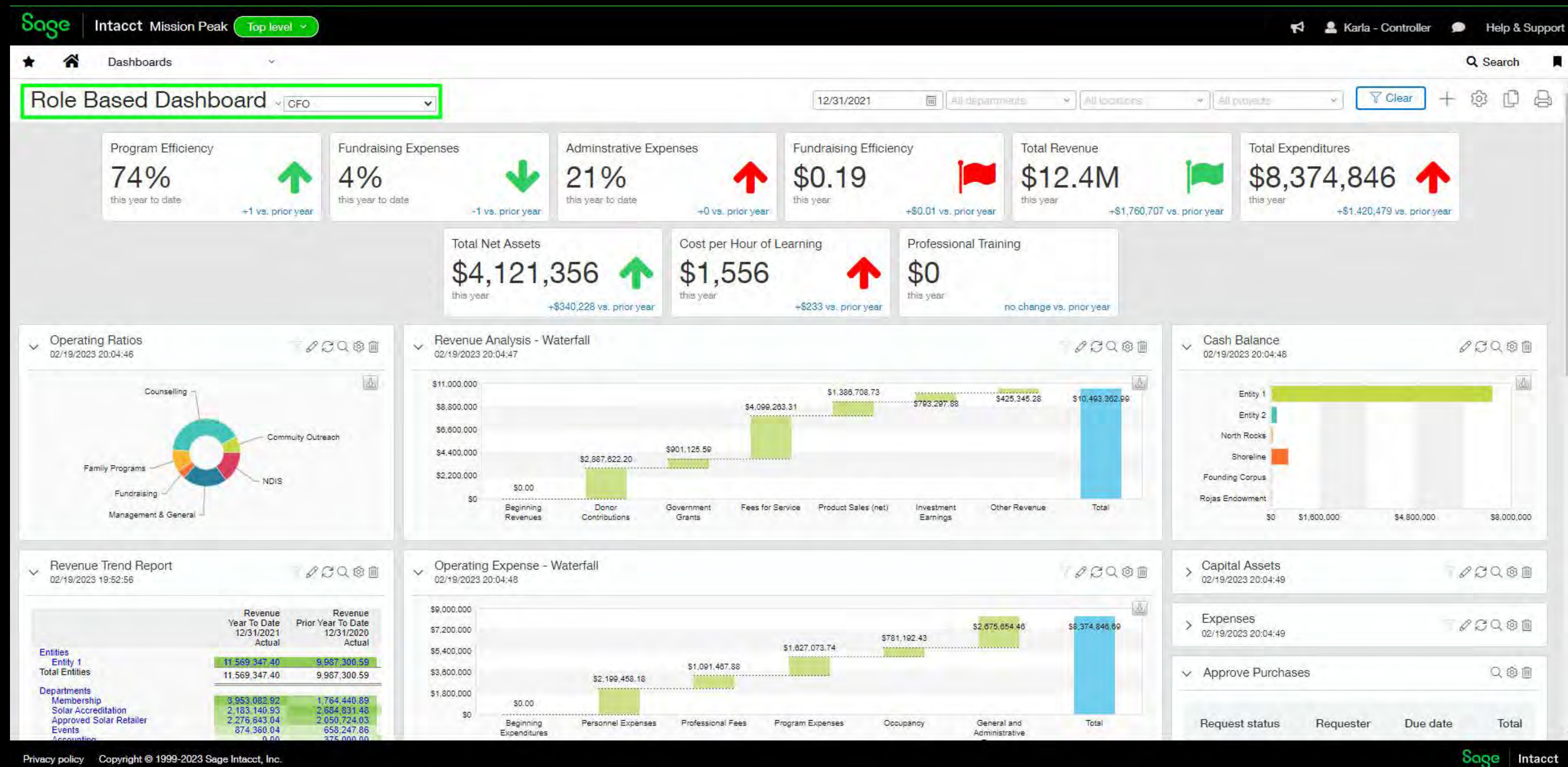
Role-based dashboards gather the most important reports, metrics, KPIs, and approval statuses into one location, so that managers and executives receive the greatest benefit of insight for ongoing management and oversight.

Sage Intacct helps you easily set up components on each dashboard, adding the reports, graphs, and collaborative communication feeds that each user will use most.

At-a-glance, a user can see key performance and financial information, such as real-time budget-to-actuals for each program or grant. For greater internal controls, dashboards use permissions to deliver only the relevant information approved for each user.

Measuring what matters—outcomes and mission impact

The mission is the reason not-for-profit financial professionals come to work each morning. It is also why donors and funders continue to give.

Financial performance information is extremely important, but it is even more powerful when paired with operational performance metrics that demonstrate the powerful impact your organisation can make with each dollar of funding.

For today's not-for-profits, being able to deliver accurate, timely information about program outcomes is critical to achieving your mission.
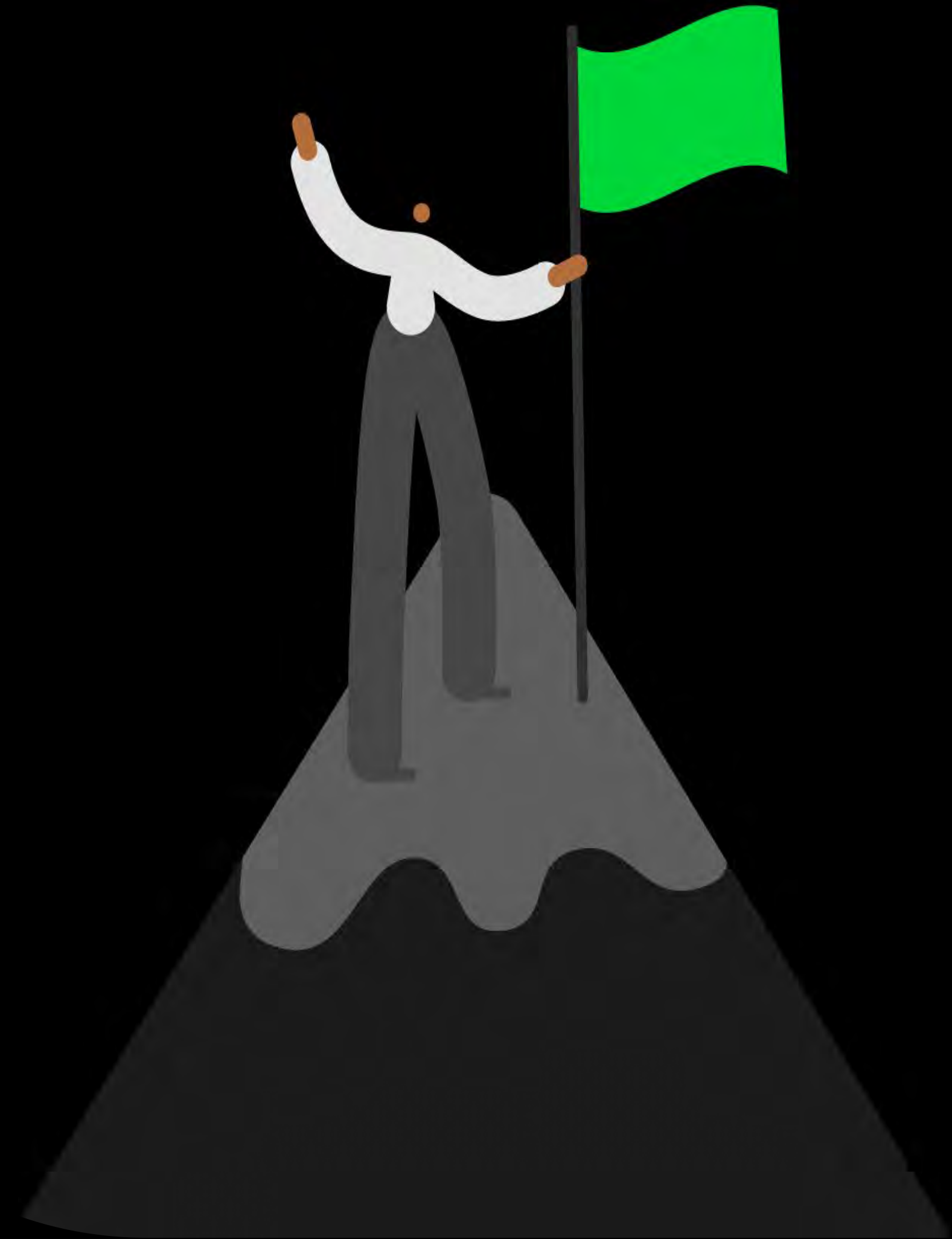
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Automated reporting for outcomes
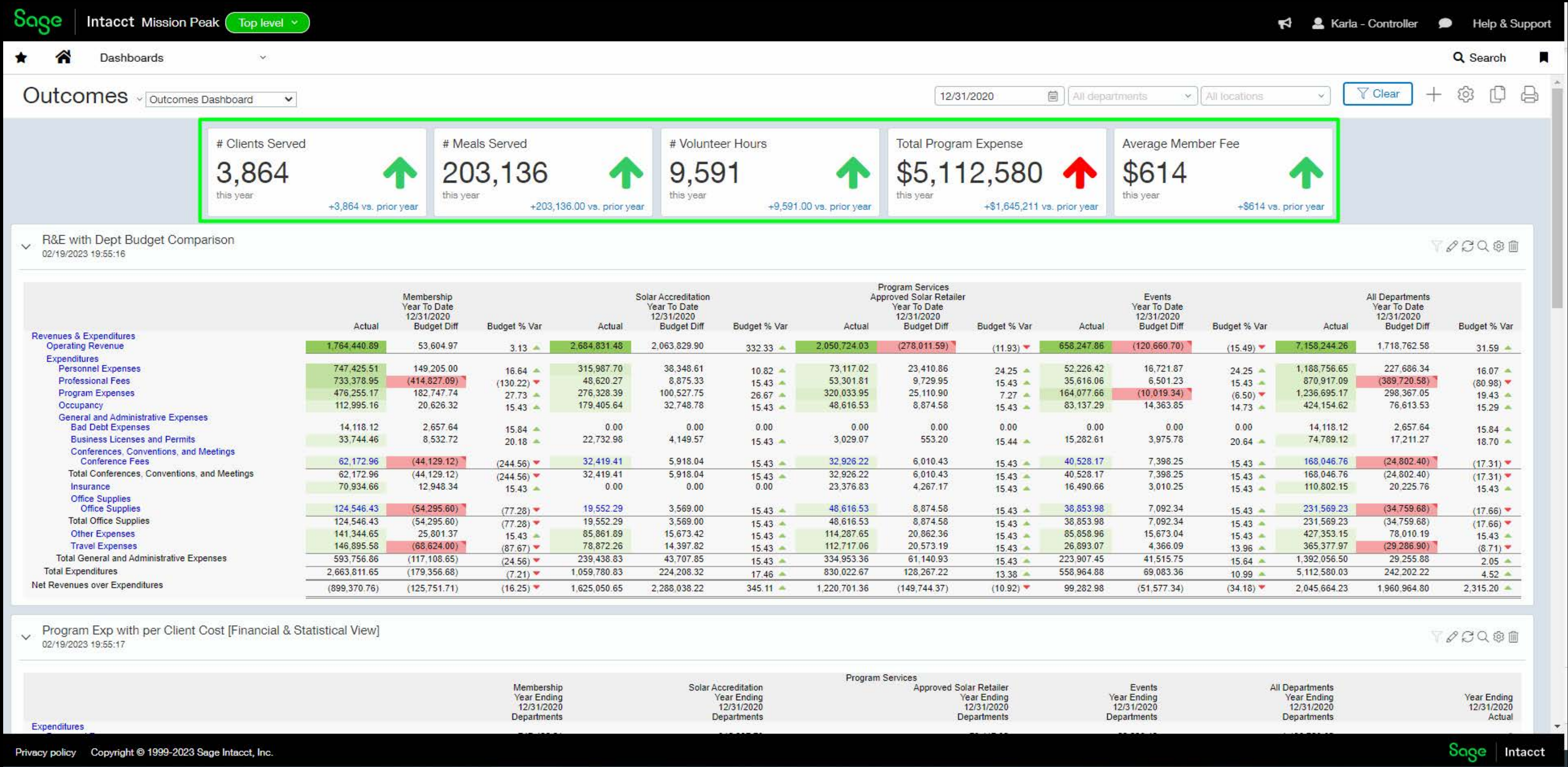
Statistical accounts in Sage Intacct help track and report on non-financial information to monitor outcomes and impact. This type of measurement allows you to connect your executives, board, funders, and donors with the human side of your mission—whether that impact is measured in patients treated, meals served, or workers trained.

An outcomes dashboard lets you display important financial information side by side with outcomes —and compare the real-time data in the current period against prior periods or years. Statistical accounts demonstrate how well your organisation achieves its mission more effectively than traditional financial reports alone.

"Having Sage Intacct has saved us around 70 hours per month, which can now be used to add value to Women's Health West in other areas — such as supporting the organisation to attract more donors. Prior to having Sage Intacct, we were only focused on numbers. Previously if you wanted to do a report you had to upload information from the finance system to the reporting system, and then export that to a spreadsheet. The time we are saving is now being used to add value and we now have the opportunity to be part of the whole organisation."

~ Meriem Idris, Finance Manager – Women's Health West

Conclusion
Find your true north and thrive

Align your organisation with its mission by finding the real-time metrics that help you stay focused on delivering outcomes.

Cloud-based technology gives not-for-profits, of all sizes, access to sophisticated software that was once reserved for only the largest businesses and organisations. With a true cloud financial system like Sage Intacct, you can dream big for your organisation, knowing you will have the insights needed to navigate toward mission success.

The right solution will help you achieve operational and financial excellence, overcome limited resources, and multiply your effectiveness through automation. More access to real-time results lets you discover your organisation's true north, so you can thrive.
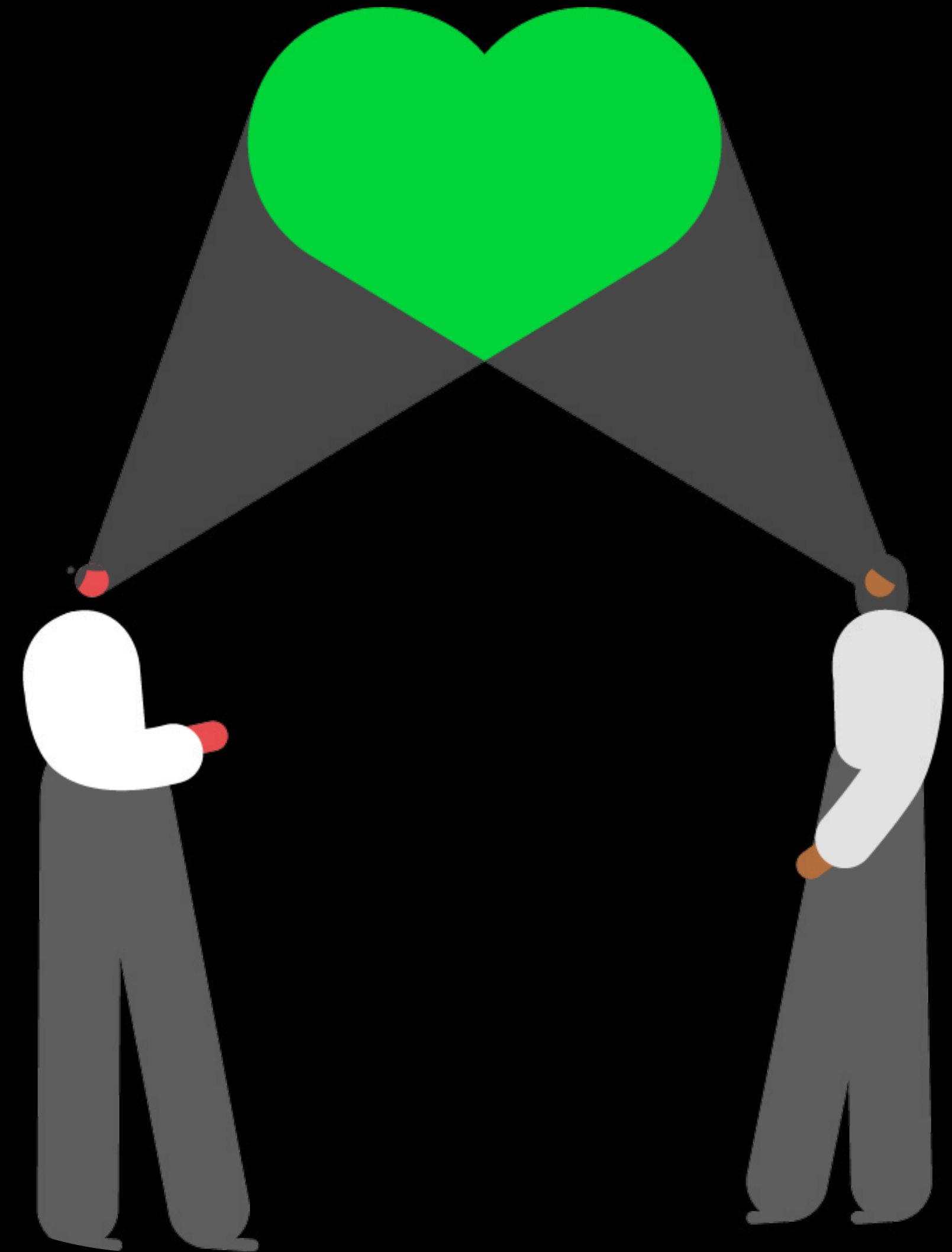
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Sage Intacct not-for-profit financial management platform

Sage Intacct streamlines grant, fund, project, and donor accounting, while delivering real-time visibility into the metrics that matter.

This modern, true cloud solution, with open APIs, gives not-for-profits the connectivity, visibility, and efficiency they need to do more with less.

Sage Intacct helps not-for-profits strengthen stewardship, build influence, grow funding, and achieve mission success.

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Sage Australia

Sage is the global market leader for technology that provides small and medium businesses with the visibility, flexibility, and efficiency to manage finances, operations, and people. With our partners, Sage is trusted by millions of customers worldwide to deliver the best cloud technology and support. Our years of experience mean that our colleagues and partners understand how to serve our customers and communities through the good and more challenging times. We are here to help, with practical advice, solutions, expertise, and insight.

Sage began as a small business in the UK 40 years ago and over 13,000 colleagues now support millions of entrepreneurs across 26 countries as they power the global economy. We reinvent and simplify business accounting through brilliant technology, working with a thriving community of entrepreneurs, business owners, tradespeople, accountants, partners, and developers. And as a FTSE 100 business, we are active in supporting our local communities and invest in making a real difference through the philanthropy of the Sage Foundation.

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Our not-for-profit focus

Here at Sage, supporting not-for-profit organisations to achieve mission success is at the heart of what we do. Through our foundation, we invest in the success of our local communities by donating time, resources, and technology back to the organisations that help them thrive. You can feel confident that we understand the needs of not-for-profit organisations both globally and locally and that driving your mission success is of utmost importance to us.

Sage Intacct currently supports over 14,000 organisations globally of which over 35% are not-for-profit organisations. Through this specialisation, we have developed a robust set of functionalities that assist these organisations to streamline grant, fund, program, and donor accounting, whilst delivering real-time visibility into the metrics that matter. The modern, true cloud solution, with open APIs, gives not-for-profits the connectivity, visibility, and efficiency they need to do more with less.

In Australia, over 50% of our customers are not-for-profit organisations providing a broad range services and support to help our local communities to thrive.

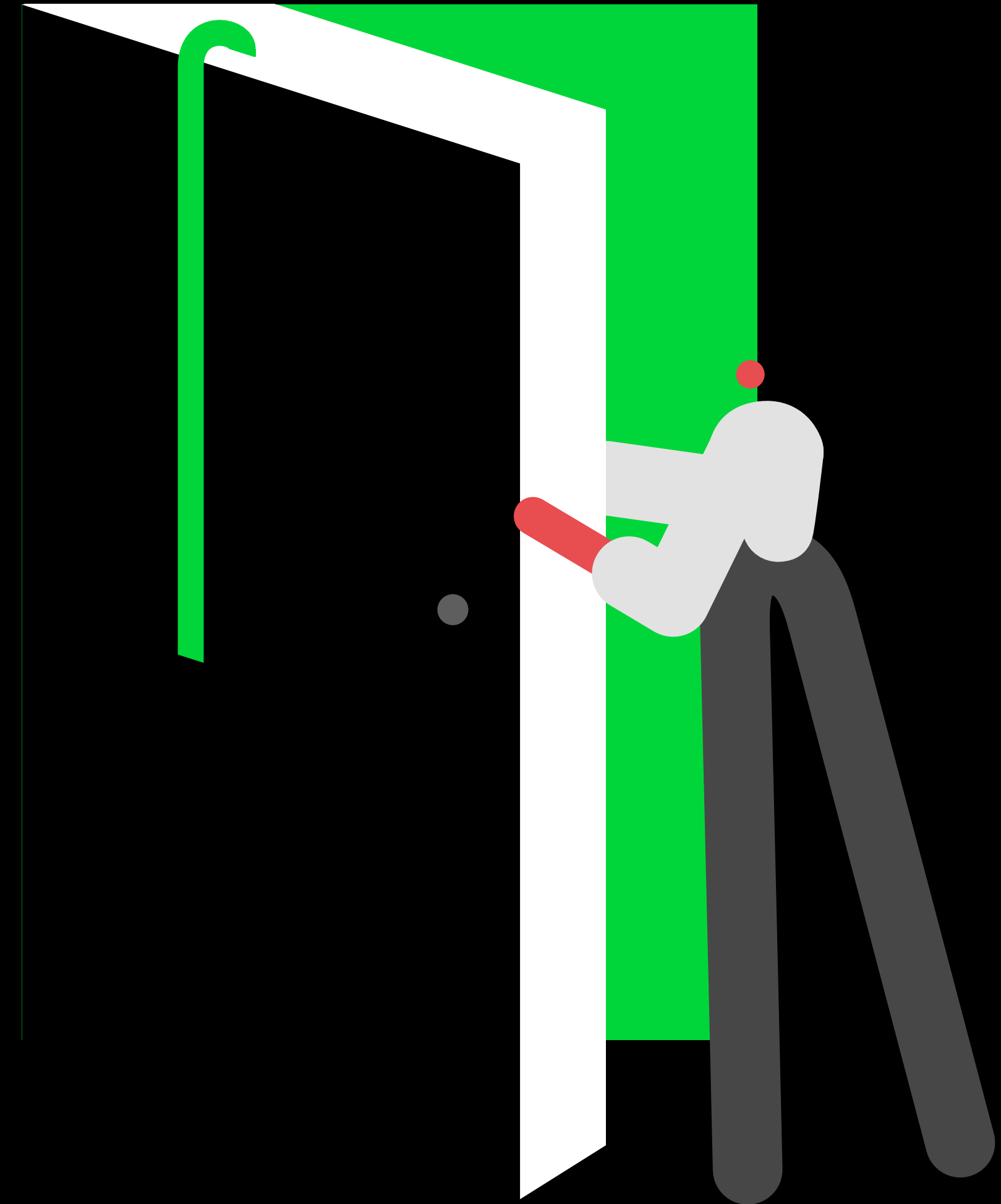## Australian not-for-profits trust Sage Intacct

Quick links
to educational resources

Looking to move your not-for-profit finance operations to a new cloud accounting system? Here are some additional resources to help you make the right decision.

Sage Intacct Not-for-Profit Product Tour

Customer Success Story

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Sage Foundation

As a global organisation employing more than 13,000 colleagues, we understand the importance of supporting charities and not-for-profit organisations that are meaningful to our people and our communities. We established Sage Foundation in 2015 to help us do this. Since then, we have built a model of action philanthropy via our colleagues, partners and customers by giving our time through face-to-face and virtual volunteering.

We have fundraised almost $3 million to support not-for-profit organisations across the world. In addition to contributing our colleagues' time and experience, we support the not-for-profit sector by offering discounted software, free financial management tools and training to charities, social enterprises and other not-for-profit organisations.

To date, our colleagues have participated in almost 150,000 volunteer days to help causes they care about the most, build routes into education and support work readiness for young people and women.

Vision & Mission
Sage Foundation supports tens of thousands of people in our local communities through more than 1,000 charities. All colleagues are invited to take five paid days a year to volunteer or fundraise for a charity close to their hearts. Sitting at the heart of Sage and led by CEO Steve Hare, Sage Foundation unifies colleagues and partners in a global program of social change philanthropy, transforming lives to support economic stability and social equality.

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We take action to increase opportunities for fulfilment among young people, women, and military veterans to drive innovation, enhancing access to education, workforce development and exposure to entrepreneurship.

We also proudly facilitate a culture of fast, responsive support for local need. Whether in the aftermath of forest fires in California, drought in South Africa, terror incidents in London, or a sudden shortage of help at a local foodbank, our colleagues are empowered to work with Sage Foundation to lend a hand. Our strategic objectives are aligned to six of the 17 United Nations sustainable development goals: education for all; gender equality; decent work opportunities; economic growth; innovation and meaningful partnerships.

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