Sage Intacct

The Definitive Guide to Driving Nonprofit Finance Efficiency with Paperless Automation

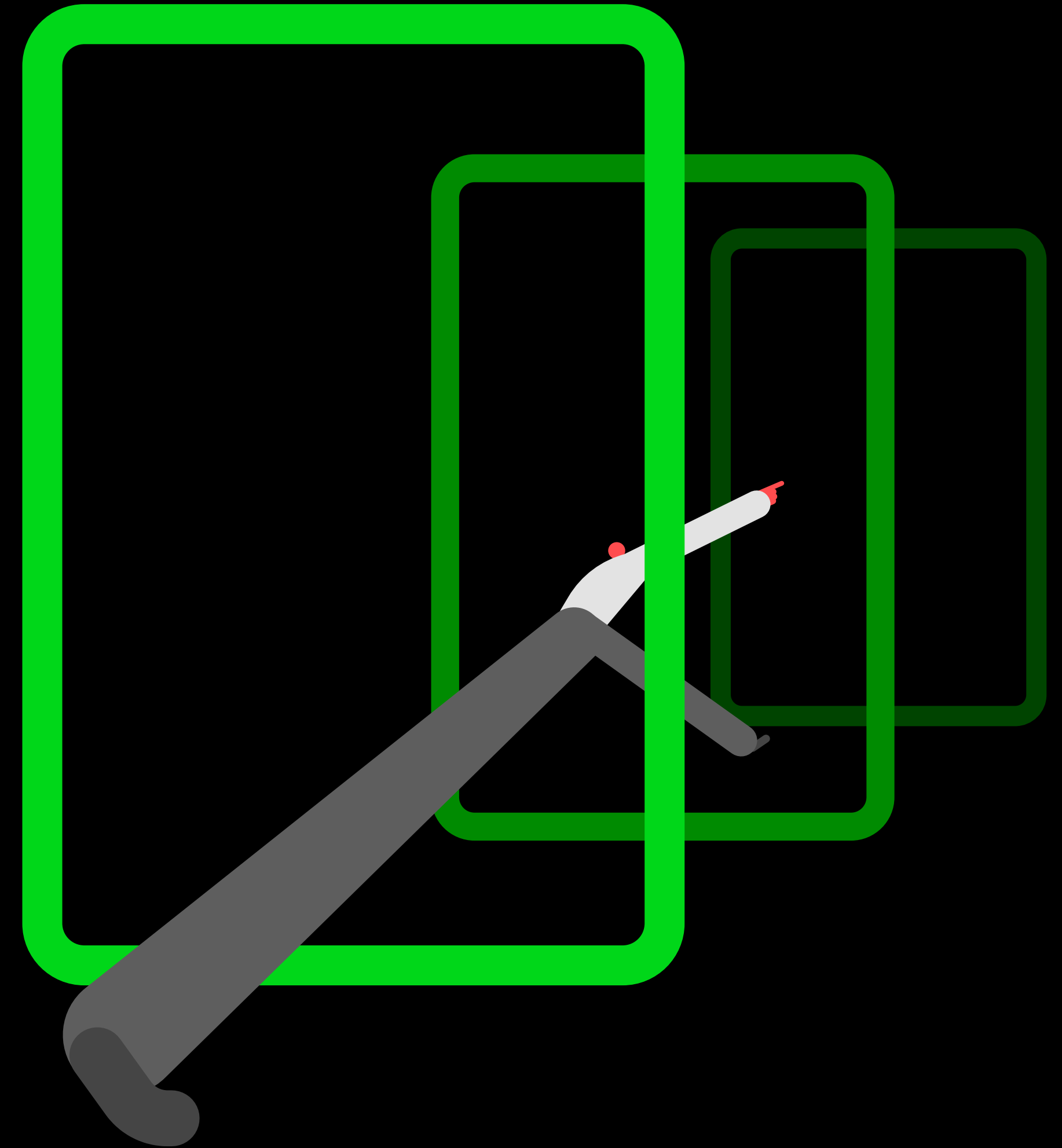ACUITY 2 4   Sage Business Partner

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Introduction

An urgent need for nonprofit finance transformation

With today's modern technology, there's no need for paper in the office.

When the pandemic hit, many nonprofits experienced an urgent need to undergo rapid digital transformation. Cloud business systems helped staff stay productive while they worked from home under government stay-at-home orders. As the world opened back up, it became clear that many of the pandemic's effects on the way we work and utilise technology will be lasting. What does the "new normal" mean for nonprofit finance teams and the technology supporting them?

All nonprofit leaders strive to be better stewards and help their organisations achieve greater impact. Modern cloud technology enables you to leverage your organisation's data to be able to do more with less while gaining strategic insights that will lead to better return on mission.
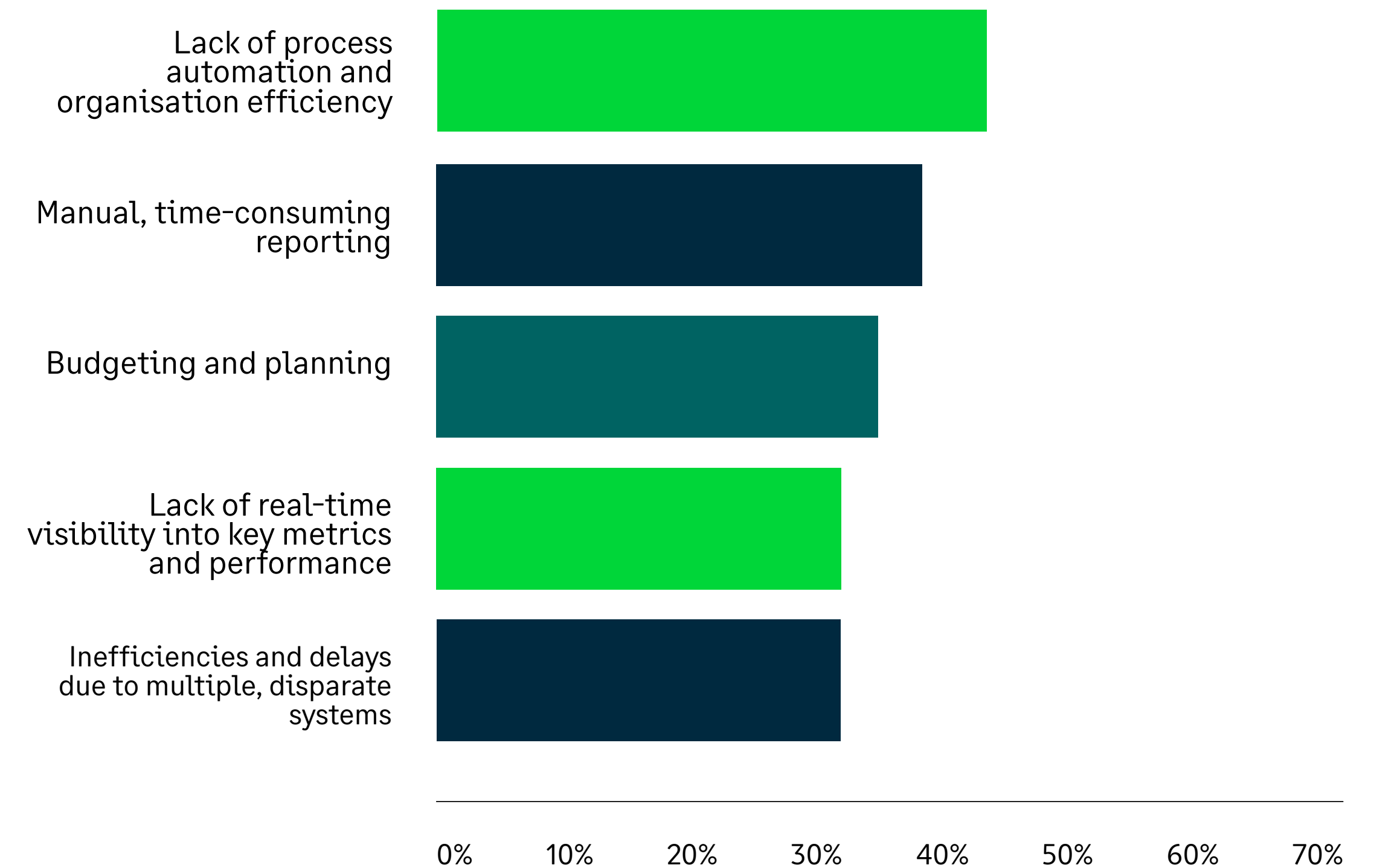
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The future requires a more automated approach

In the annual Nonprofit Technology Trends survey, nonprofit finance leaders said they spend too much time on manual — and often paper-based — accounting tasks and not enough time on strategic work.

For the third year in a row, nonprofit finance leaders bemoaned a lack of automation that hampers productivity and visibility. They find themselves hamstrung by disparate business and financial systems that do not share data and can't provide the metrics that matter most. To gain efficiency and insight, nonprofit finance leaders need better automation, better integration, and better visibility.

A true cloud accounting system like Sage Intacct puts nonprofits on the path to digital finance transformation.

Top five internal frustrations nonprofit finance leaders are facing

2022 Nonprofit Technology Trends Report, Sage Intacct

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Hunter Health goes paperless increasing efficiency by 75% and reducing cost by $100,000

"It's been a win-win shifting the purchasing process out to the departments and giving them Sage Intacct logins so they can check their budgets, get vendor quotes, make purchase decisions, enter transactions, and store all federally required documentation in the system. We no longer need paper backups or a full-time AP clerk to manage vendor invoices, and our budget owners enjoy having more control over their spending."

~ Lora Winchell, CFO, Hunter Health

12 benefits of paperless cloud automation

With real-time data and digital automation, today's nonprofit finance leaders can drive the organisation in ways not possible in the past.

Paperless automation with a cloud financial management system enables nonprofit organisations to:

1. Increase operational efficiency
2. Improve document organisation
3. Permit multi-user access, from anywhere, at any time
4. Interface with vendors
5. Define and automate key financial processes
6. Improve security with role-based access and audit trails
7. Gain real-time visibility
8. Easily slice and dice data
9. Speed up entity and location consolidations
10. Automate calculation of performance metrics
11. View performance and outcomes across systems through integration
12. Help the environment

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Before and after digital transformation

Paperless automation can transform nonprofits from reactive and slow-to-adapt organisations into proactive, future-ready, and resilient organisations.

Before

- Manual, paper-based workflows
- Filing cabinets
- Sticky notes
- Mailing costs

After

- Paperless workflows
- Share drive
- Naming convention
- PDF editing
- System-generated reports
- Electronic signature
- Scan to email
- Fax from desktop
- Work from anywhere

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3 things nonprofit CFOs need from technology to become data-driven

1. **Automated financial operations**

2. **Multi-dimensional analysis of key results**

3. **Synchronised data with other systems in real-time**

Automated financial operations

5 time-consuming manual tasks it is time to automate

If your finance team spends 75% of the time on transactional accounting tasks and only 25% on strategic work, it's time to flip that ratio.

Manual consolidations, currency conversions, intercompany eliminations
A cloud solution automates consolidations from any internet-connected location on the planet, calculates currency conversions, and accounts for intercompany eliminations. No more manual manipulation in Excel.

Manual revenue recognition and billing
Stop calculating revenue recognition in Excel after exporting sales data from your CRM system or doing billing worksheets in Excel after manually compiling project-based time and expense information from your labour tracking system.

Manual reconciliation of data between business systems
When you can automatically integrate systems and synchronise the real-time data they contain, you will no longer need to manually reconcile data you exported from one system and re-entered into another.

Manual allocations
Automate the calculation of allocations that require data from multiple systems, for example, IT costs per headcount or revenue per employee.

Manual vendor payment approvals
Instead of passing paper documents from one person to the next in an approval chain, set up a paperless, automated approval workflow that tracks each step and stores the approvals.

Cloud financial management can cut reporting time *from hours to minutes*

CFO dashboard

Performance metrics

Streamline financial operations and get to the data you need quickly and easily. This role-based CFO dashboard provides a real-time view into financial and budget metrics, plus "non-GAAP" metrics like programme and fundraising efficiency.

Programme financials

Budget vs actual

Revenue sources

Hope Haven cuts report preparation time by 75% and boosts net income with new operational insights

"Sage Intacct is our one-stop-shop where we see not only the organisation's financial data, but statistical details like income and expenses per constituent as well. One thing that's been really helpful for us is Sage Intacct's personalised dashboards, where each manager, executive and finance team member can get the information we need in one place and drill-down to explore the data as needed."

~ Dana Bakker, Controller, Hope Haven
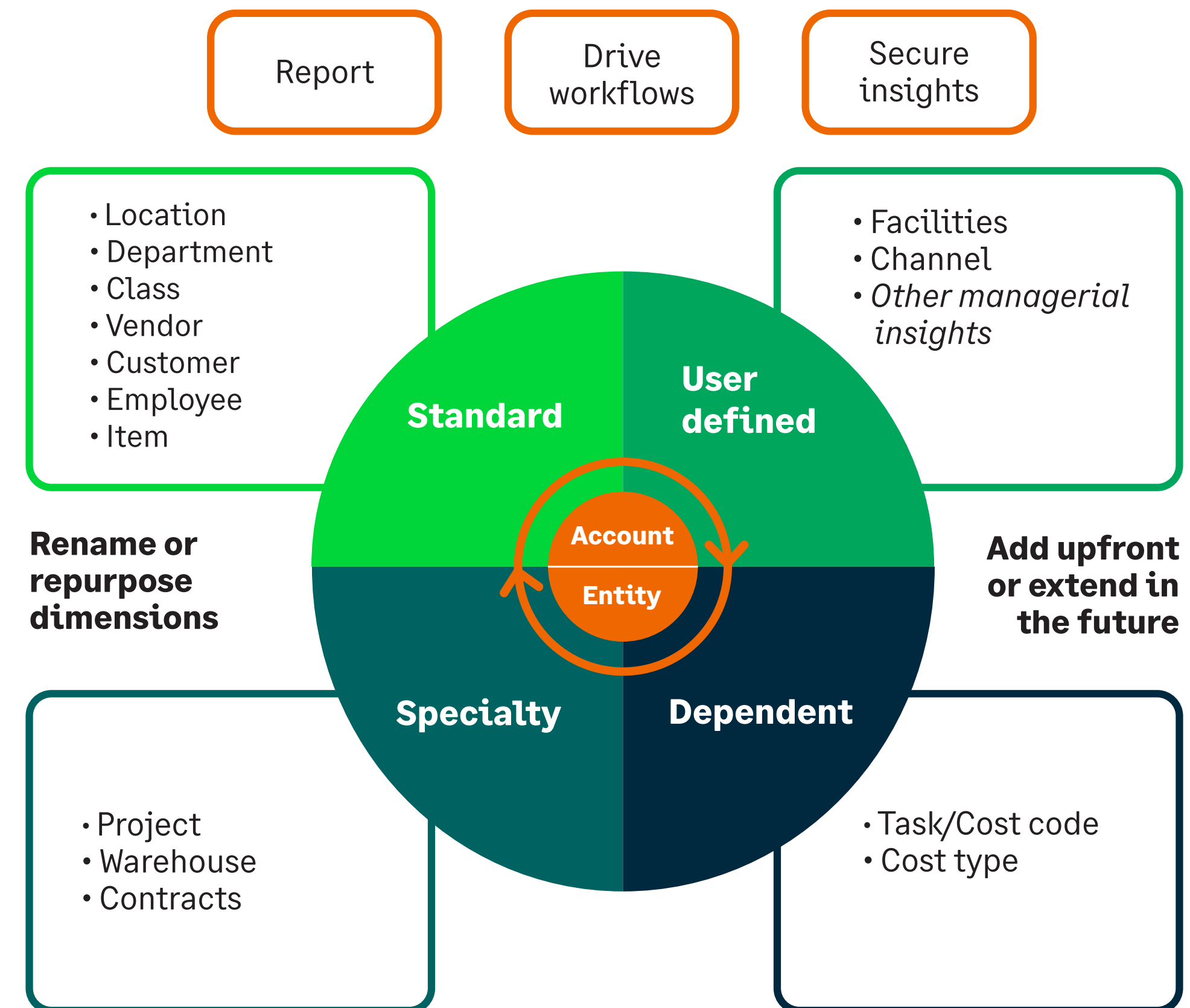
Multi-dimensional analysis

Easily sort, slice and dice your data

A dimensional chart of accounts helps you ditch Excel spreadsheets and speed up reporting.

Every accounting system has a chart of accounts that allows you to account for time and scenario. But there are other attributes that matter to your organisation, such as donor, vendor, location, department, programme, grant, and so on.

A dimensional chart of accounts – like the architecture in Sage Intacct – lets you "tag" transactions with the attributes (called Dimensions) most important to your organisation. You can tailor the names of these Dimensions to reflect the nature of your operations.

Running a report? Just drop down and select the dimensions you want to see (for example by grant and location) and then filter results. Dimensions make it easy to visualise data in reports and dashboards.

Report
Drive workflows
Secure insights

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

Standard
User defined

- Facilities
- Channel
- *Other managerial insights*

Rename or repurpose dimensions

Account
Entity

Add upfront or extend in the future

Specialty
Dependent

- Project
- Warehouse
- Contracts

- Task/Cost code
- Cost type

Enhance your GL with non-GAAP statistical data

Presenting clear, complete and transparent information about financial performance is essential to good stewardship.

But it doesn't tell your key stakeholders the full story. To do that, you need to enhance your GL by adding statistical data so you can derive the key metrics that drive your outcomes. Overall costs are important, but cost per patient is a key performance indicator in nonprofit healthcare. It is good to know how much food was shipped to a food centre, but equally or more valuable to know the cost per meal and how many meals were served.

Creating these metrics often requires external data about donations that might be coming from another system like your CRM or perhaps volunteer or employee data that might be housed in your HR system. Gaining that overall visibility into performance and outcomes will require integration, which we will cover in the next section.
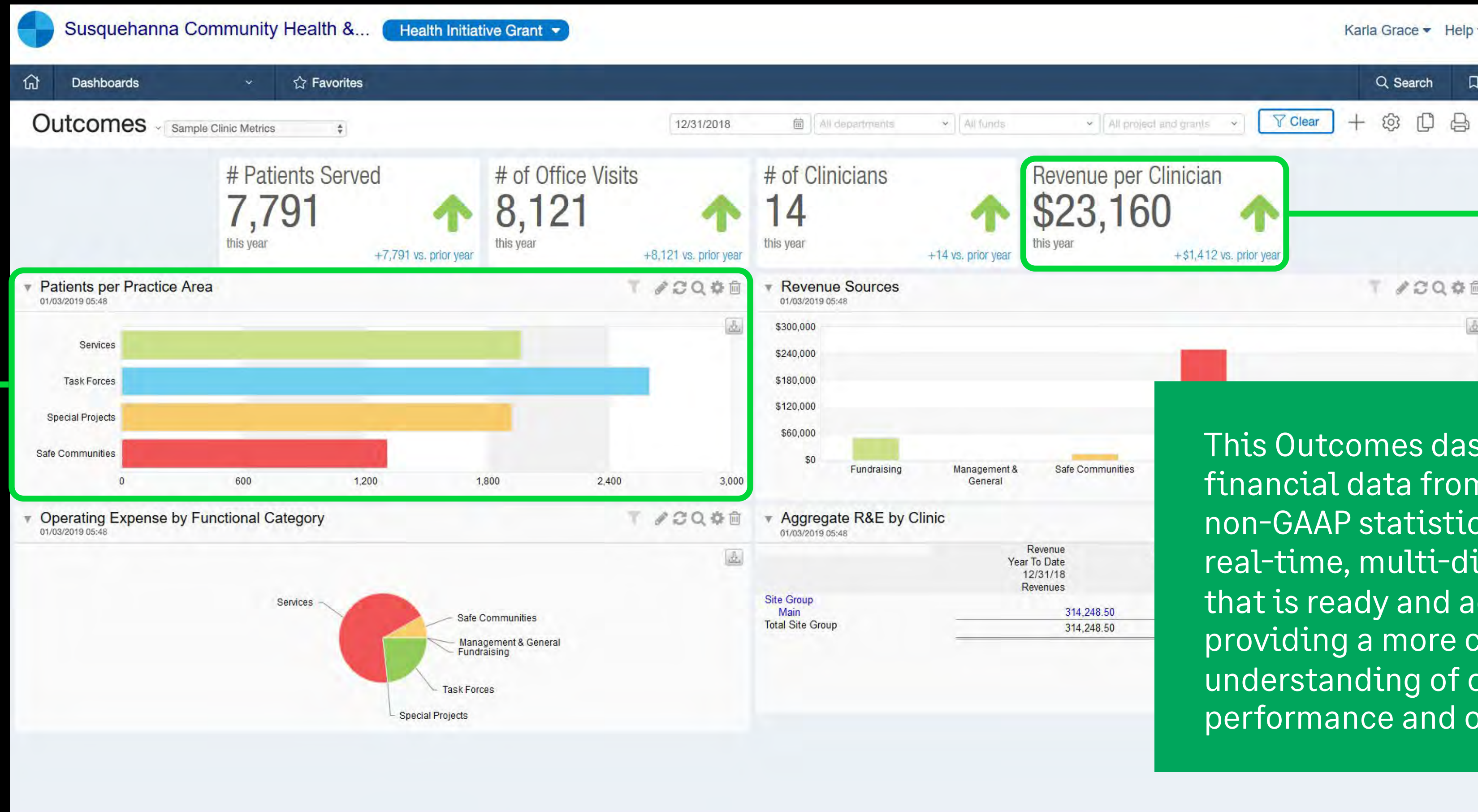

Financial data

- Income statement
- Balance sheet
- Financial ratios
- Budget-to-actuals

Combining financial data with statistical data gives you greater insight into outcome and performance metrics.

Non-GAAP data

- Org-specific metrics
  - Orders/Booking
  - Donations
  - Statistical objects
    - Headcount
    - Hours billed
    - Patients seen
    - Meals served
    - Reading levels achieved

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Real-time dimensional analysis of key results

Revenue per clinician

Patient per practice area

This Outcomes dashboard combines financial data from Sage Intacct with non-GAAP statistical data. The result is real-time, multi-dimensional analysis that is ready and accessible at a glance, providing a more complete and nuanced understanding of organisational performance and outcomes.

Room to Read reduced its chart of accounts from 56,000 accounts down to just 100 with Sage Intacct

"**In streamlining our chart of accounts with Sage Intacct Dimensions and our variants, we've been able to really get deeper into the detail. We're able to pull data out around our donor reporting that we could never touch before. Our management team is looking at the financials for the first time and thinking 'wow they're not 6 months old, they are from last week.' The finance and accounting team has just really risen in their own sense of empowerment."**

~ Shari Freedman, CFO, Room to Read

Synchronised data
Integrate data for better visibility

The highest use of automation enables you to derive strategic insights from across your organisation.

You've already seen the power of real-time data within the financial management system. Now imagine the same visibility into data flowing across your organisation, thanks to easy, open integration between cloud systems.

Make sure your technology supports Applications Programming Interfaces (APIs) that are easy to use. This functionality is what allows you to "plug and play" between different systems. At Sage Intacct, our engineering team conducts hundreds of thousands of automated tests built on top of the APIs to ensure the integrity and functionality of our best-in-class ecosystem. Sage Intacct customers always enjoy the freedom to choose whichever business applications they want to use alongside their financials.

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Gain real-time visibility at a glance with dashboards

After all your data is integrated, view key metrics from each application in real-time on a dashboard.

Financial data

CRM data

Payroll data

Budget data

Atlas Network uses integration to liberate finance team from manual work

"**QuickBooks and Salesforce didn't talk to each other, and that was definitely an issue. It required a lot of double entry just to keep things synchronised. With Sage Intacct, we no longer have to do monthly reconciliations between what is in Salesforce and what is in QuickBooks. That's saved a lot of time, and it provides a single source of truth with consistent and accurate information in both Salesforce and Sage Intacct.**"

~ Romulo Lopez, Director of Finance, Atlas Network

Conclusion

Leverage automation to drive your mission forward

Make the move to paperless, digital automation and transform your financial operations.

As we've seen recently, conditions can change quickly, and it is essential that your nonprofit organisation has the right technology to adapt and adjust quickly. In a world of social media fundraising, online donations, work from home, and global nonprofit missions, there is just no place for paper-based, manual processes or data that is not presented in real-time.

A modern, cloud financial management system empowers nonprofit financial leaders to make data-driven decisions and act strategically to drive greater mission impact. Supported by real-time data and paperless automation, organisations can automate financial operations, perform multi-dimensional analysis of key results, and increase both efficiency and responsiveness by being able to synchronise data with other systems in real-time.

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About
Sage Intacct

Sage Intacct is the AICPA's preferred provider of cloud financial applications.

Specialising in helping nonprofits of all types — including health and human services, NGOs, charities, trade and membership associations, cultural institutions, and faith-based organisations — Sage Intacct streamlines grant, fund, project and donor accounting, while delivering real-time visibility into the metrics that matter.

Our modern, true cloud solution, with open APIs, gives nonprofits the connectivity, visibility and efficiency they need to do more with less. At Sage Intacct, we help nonprofits strengthen stewardship, build influence, grow funding and achieve mission success.

In addition to intuitive software solutions, Sage Membership provides members with access to actionable human advice from experts and peers through exclusive content and tools to help you make even better mission-critical decisions.
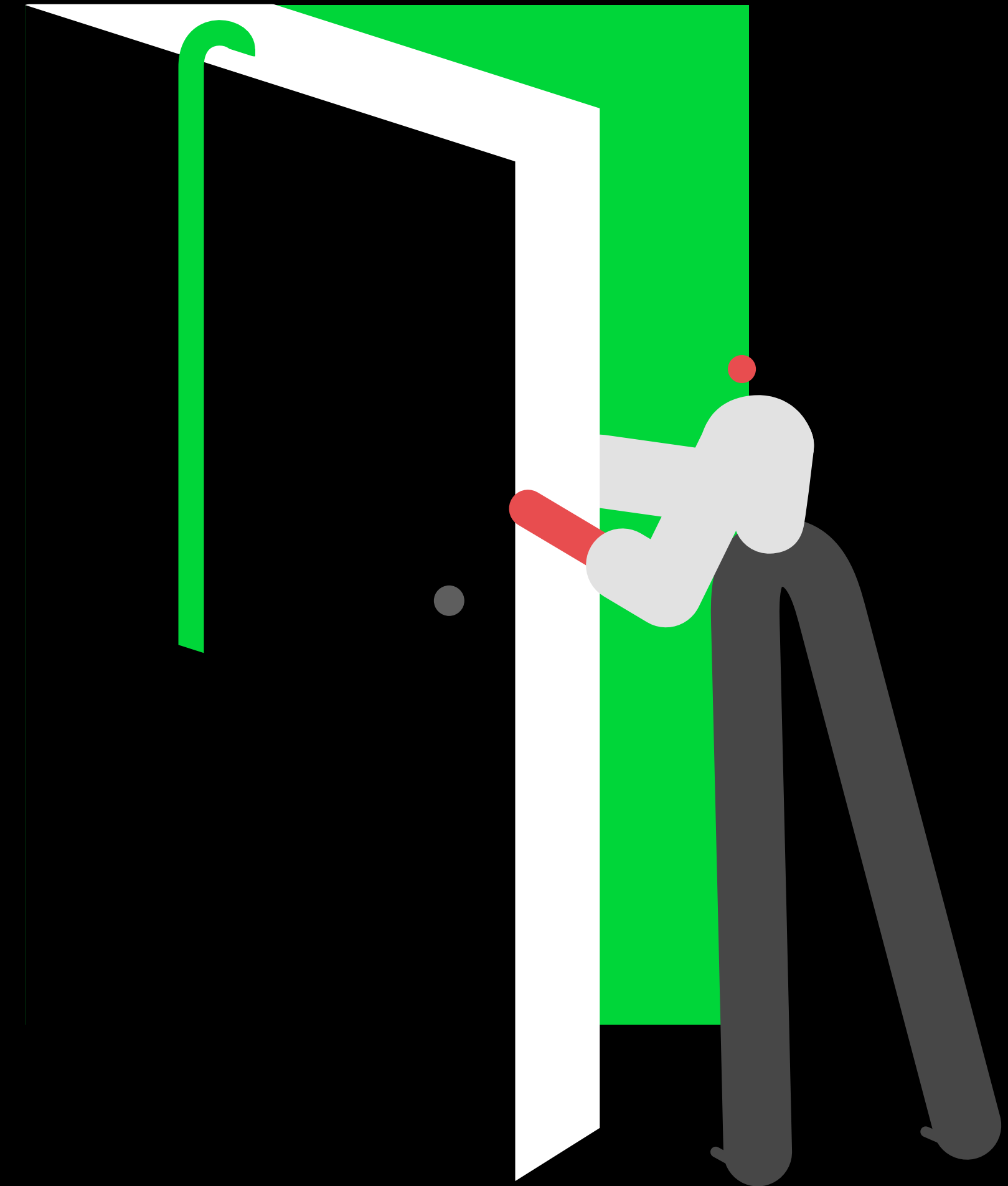
AICPA Business Solutions
Preferred Provider of Financial Applications

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Quick links
to educational resources

Looking to move your nonprofit finance operations to a new cloud accounting system? Here are some additional resources to help you make the right decision.

Product Overview Video
Sage Intacct for Nonprofits

Acuity24 Website
Sage Intacct for Non-Profits Page

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About Acuity24

We're a leading Sage Intacct Partner, with 20+ years' experience in delivering successful Sage implementations and enhanced support.

We ensure our customers receive value for money and a solution tailored to their unique needs, all with:
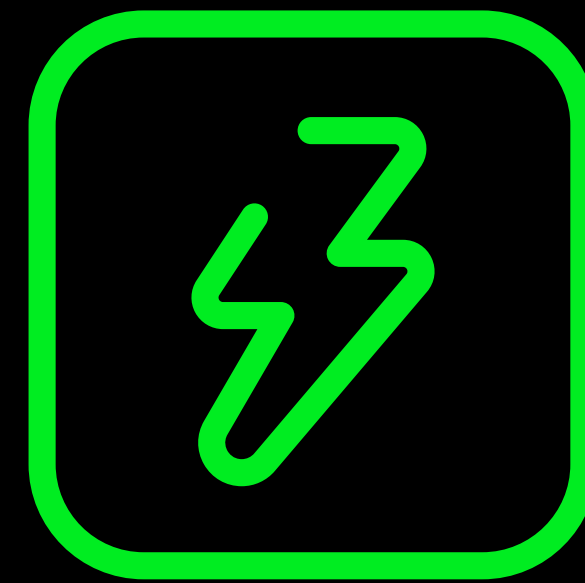
Fixed Price Services　　　**Global Experience**　　　**Unlimited Service Options**　　　**Flexible Payment Options**

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