Benefits of a Nonprofit Accounting Software System Assessment

Historical Context

Historical Context: Software applications dedicated to financial management for nonprofit organizations have been around since the early 1980s. Nonprofit financial applications and their underlying technology have undergone significant changes in the past 30 plus years. Nonprofits themselves, and the reporting requirements they must adhere to, have evolved as well. Combine these system and organizational changes with the turnover that nonprofits experience among financial staff and you have the recipe for an underused and/or misused financial system.

Problem

Problem: Years of system conversions, staff turnover, changes to funding streams and evolving reporting requirements have a tendency to transform financial systems into something that resembles a dusty, jumbled, overfilled attic. As a result of long-term use, or even short-term use, by an ever-changing financial staff negatively impacts a financial system's configuration creating a cluttered and inconsistent database. Worse yet, overlapping business rules and workflows that are no longer pertinent for your organization's needs results in user dead ends. These system dead ends create substantial obstacles to the users' ability to efficiently leverage your financial system to meet both external and internal stakeholder requirements. To compound matters, your staff is working with incomplete knowledge of the accounting system having never received full training on its proper use. The drag on efficiency is palpable in a neglected system; shortcuts making staff's lives easier, automated business processes that save time and procedures that protect funding and reporting integrity have all been diminished over time. The end result of this neglect is an accounting system that has morphed into an ever-present hindrance to your staff's daily work lives. Furthermore, a neglected financial system and staff ultimately result in stale information being generated for stakeholders, decreasing productivity and cratering staff morale. Ironic, the tool that is supposed to be creating a positive impact for your organization's management and stakeholders has become a drag on your organization's operations. Thereby, limiting your organization's ability to provide proof of stewardship required by your funders. It's at this point many organizations perceive a wholesale change to their system can cure what ails them. However, in reality a complete system migration merely re-propagates, the very issues you've failed to address in your old system, and injects them into the new financial system.

Solution

Solution: A system assessment is designed to address your neglected financial system and staff. An assessment gives organizations a point of validation from which to build on and improve. The first stage of an assessment starts with the review of current system processes. Stage two goes "under the hood" focusing on an in-depth analysis of the chart of accounts structure and financial statement formatting as they relate to supporting the organization's reporting and tracking requirements. The third step involves staff interviews with system users, and stakeholders, as to what is and is not working from their perspective.

Key Outcome

Key Outcome: The key outcome of the the assessment stages is the creation of a unique roadmap document. A roadmap that outlines the steps necessary to refresh the performance of your system and staff. Frequently neglected systems share common characteristics that, if addressed, can alleviate the need to consider switching systems and/or staff. These characteristics include:

• Re-ordering of the Chart of Accounts and shedding un-used segment values makes data entry and reporting more logical.

• Cleaning up and archiving Accounts Payable vendor and Accounts Receivable customer rosters and register histories can speed up the system while minimizing staff time that is spent wading through obsolete information.

• Closing, optimizing or deleting old fiscal years to speed up report generation and system inquiries.

• Identifying additional modules that can create efficiencies for staff. Efficiencies such as eliminating the need to maintain manual spreadsheet schedules for allocations, purchasing, reconciliations and other needs.

• Re-Training staff to address underutilized modules that if re-tuned and used properly could create significant efficiencies for an organization.

A system assessment methodically researches the organization's data-management and reporting needs to identify challenges to organizational success, and outlines recommended steps for remediation. The research includes in-depth discussion with all stakeholders in the financial management and reporting processes as well as hands-on diagnostics of actual data. The written roadmap document outlines problems as well as solutions and identifies resources needed to achieve success. Steps to improving efficiencies are created resulting in a more effective system of record and reporting.

Why Capital Business Solutions

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CBS has been a leader in providing software services for two decades (chances are, as long as or longer than you've had your system!). In that time, our consultants have developed a broad experience level with literally hundreds of nonprofits in dozens of sub-industries, as well as a deep working knowledge of their designated systems. Many of our people have practical experience in the field in addition to technical knowledge of their product. In other words, we've just about seen it all, from both sides of the table. Our consultants develop a strong one-on-one relationship with clients: you'll work with the same individual from assessment through recommendations, remediation and training. That means there's no need to re-explain issues from one stage to the next. And our consultants are invested in getting you to the finish line, not just to the hand-off point to another department.

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