

## 5 Key Factors to Consider When Investing In A New Nonprofit Accounting System

How often do you assess the systems that drive your organization? Have governmental regulations changed reporting requirements forcing you to rethink your data and financial management? Does management have the analysis and insights they need to make decisions? How dated is your technology?

The right nonprofit accounting software can help improve your organization's operating efficiencies: streamlining processes and saving time and money. The wrong system can affect your cash flow, reduce your engagement with your donors and disrupt your entire operations. Selecting the right business partner can give you a strategic advantage. Sound, accurate financial reporting helps everyone involved understand the financial state of your organization – a magnifier for helping you uncover areas that need attention and assisting you in making critical decisions that shape your organization.

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### 1 ACCOUNTING FEATURES, FUNCTIONALITY & ACCESSIBILITY

If a system does not have the features and functionality you need and does not support your operational needs, nothing else matters. Of particular importance to a nonprofit is the automatic balancing of your funds along with tracking of net asset restrictions. You should be able to track revenues with purpose restrictions against expenditures made for those purposes. Other features typically important to nonprofits are budgeting, purchasing, audit trails and paperless features. Taking time to assess your business requirements will help ensure your new system fits your organization's needs. Here are some questions to ask:

- Are you entering data multiple times? Or, entering data into multiple systems that then needs to be combined?
- Are you shuffling too much paper?
- Are you getting the reports you need in a timely manner?
- Have you outgrown your existing system?

Many systems allow managers or other staff to access the system to perform various tasks: entering and approving requisitions, running reports, entering and approving time sheets, etc. Such access is a fundamental transformation of responsibility that can have huge benefits to your organization's efficiency and lasting benefits to your community. Putting reports in the hands of your program managers correlates to increased speed with which they respond to situations – from program performance and achievements to grant management and success; empowering future generations of funders.



Look for a system that can accommodate these special access needs as well as some security mechanism for restricting what accounts, departments or programs users have access.

Any time you make an investment in your organization, multiple factors contribute to the desired outcome. Community needs, staffing insights, leadership vision – coupled with ROI and organizational efficiency. They are all important and play a vital role in decision-making. We've identified 5 key factors to be considered when making a nonprofit accounting investment.

Download this new, executive paper, **5 Key Factors to Consider When Investing in a New Nonprofit Accounting System** for thought-provoking questions and topics for assessing your organization's needs.