Going Green and Saving Green: Operating a Paperless Nonprofit

White Paper

TABLE OF CONTENTS

INTRODUCTION

The idea of Going Green has been around for decades.

It's rather ironic that when computers became personal – processing on the desktop rather than on a mainframe in a temperature controlled room – in spite of our access to electronic data, it caused the amount of paper used per person to explode. Forestethics.org estimates that North Americans, per capita, consume paper at 500 lbs. annually.

A PricewaterhouseCoopers, LLP study unearthed even more startling discoveries about the hidden costs of paper-based records and documentation (Source: Imersion Technologies, Inc.):

- Companies spend $20 in labor to file a document. It costs another $120 in labor to find a misfiled document and $220 in labor to reproduce a lost document.
- The study estimated that while professionals spend 5 – 15% of their time reading information; they've spent up to 50% of their time looking for information.
- Research indicates that 10% of paper documents are entered incorrectly into the organization's record keeping system.
- The Environmental Protection Agency (EPA) estimates that more than 400 million ink cartridges and 100 million toner cartridges end up in landfills each year.
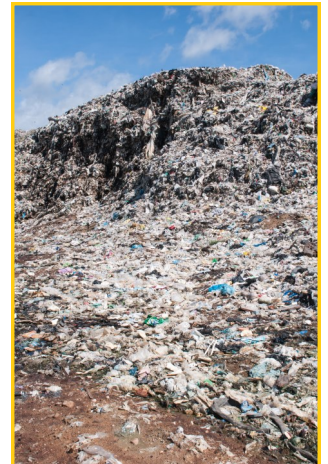
To further illustrate the magnitude of paper in our organizations, here are additional statistics from PricewaterhouseCoopers:

- 90% of corporate memory exists on paper.
- Of all the pages that get handled each day in the average office, 90% are merely shuffled.
- The average document gets copied 19 times.
- 7.5% of all documents get lost, 3% of the remainder get misfiled.

It can be a revealing exercise simply to walk around your office and count the number of file cabinets, the number of credenzas, the number of file drawers in desks, the number of 3-ring binders on book shelves and the number of stacks of paper on top of individual desks.

WHY GO PAPERLESS?

Plain and simple: inefficiencies are costly.

If your organization could save time, save money, reduce errors, better document security, and help save the environment – would you give it more serious thought?

> **Let's consider a Case Study of the accounting department at _Focus, Inc._, based in Alaska.**
>
> _They had two staff members working 8 hours each over 4 business days in order to complete monthly invoicing for programs and services – which produced about 2000 paper documents/month. They also generated the month-end management reports – a total of 10 different reports distributed to 20 program/ grant managers._
>
> **The costs were calculated this way:**
>
> - $40 per hour for each staff person including benefits
> - 48 hours to print, collate, stuff and deliver reports
>
> **Total monthly cost = $2,560**
>
> _Focus, Inc_. **implemented just one paperless feature.** They used their financial system to generate and email reports. This one simple change **resulted in cutting processing time to 2 hours per month, with a monthly savings of $2,480 or almost $30,000 annually**.

What could your organization do with $30,000 in found money? Or, looked at another way, how much work must you do to acquire $30,000 in donations or grants?

The bottom line is addressing the time and money lost on paper is well worth the effort.

What's Preventing Nonprofits from Going Paperless?

We thought we'd ask. We polled the nonprofit professionals who registered for our 'Going Green, Saving Green' webcasts and asked the question, "What are your biggest challenges for going paperless?"

**63% - Prioritizing Paperless Options**

**21% - Not Knowing Where to Start**

**10% - Lack of Support/Interest Within Organization**

**Other responses included:** Investment in tools and resources, policy and process development, changing the organization's culture – goes beyond just being paperless to how we view and use data.

Chart: What's Preventing NPOs from Going Paperless — Prioritizing Paperless Options, Not Knowing Where to Start, Lack of Support/Interest within Organization
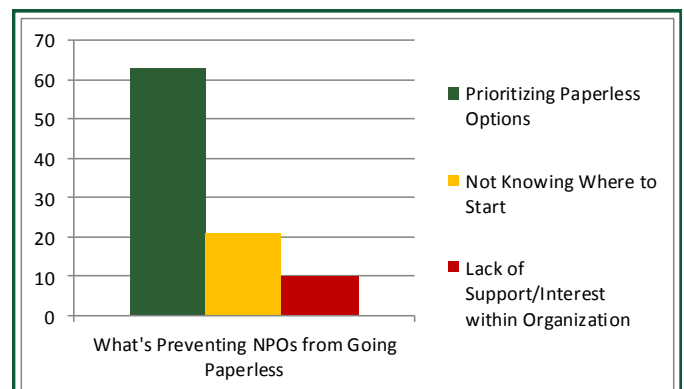
Tools for creating a paperless organization

When we're approached by nonprofits on how to get started on enjoying the benefits of a paperless office, we have a short check list of the tools needed to get the process rolling which includes a document scanner, paperless forms, online collaborative cloud services and, at the core, a robust financial system.

Document Scanner

Remember the statistic about the average document being copied 19 times? Investment in a scanner means that the paper is handled once (scanned and filed electronically) and can be distributed electronically. When selecting a document scanner, take a few minutes to think about the types of documents you will be scanning (receipts, contracts, etc.). Even the most basic, low-end printers have flat bed scanning capabilities (you lift up the lid and position your receipts or documents on the glass). However, if you have a high volume of paper that needs to be quickly filed and available for sharing, make sure to invest in a document scanner with a sheet feeder to save time and decrease the amount of manual intervention needed.

Paperless Forms

The easiest, quickest, and least expensive tool to get started with is **Fillable PDF forms**. Consider the amount of paper, paper routing and storage space saved if Personnel Action Forms, Requisitions, Contracts, and Time Sheets, were all created, completed and distributed online. Fillable PDF forms allow you to do this. The forms can be filled in online and then routed for approval or be put on file. With eSignature capabilities, there is no need to print, sign and store. Completed forms are easily exchanged and routed through email. For more complex routing and approval of documents as well as storage, tracking and retrieval capabilities affordable tools like **DocuSign** or **EchoSign** are available.

Online 'Collaborative' Cloud Services

Chances are you've been invited to use one of these tools or have heard people talking about them. Documents are stored in the cloud where edits and changes can be made to a shared document – eliminating multiple versions floating around. These tools include Dropbox, SkyDrive, EverNote, and others.

Robust Financial System

As the publishers of AccuFund, we've developed the software for the specific needs of nonprofits. In addition to providing the accounting functionality nonprofits need, AccuFund can support your paperless efforts in a variety of ways: from report creation to report distribution, from receipt of an invoice through the approval process to payment, and internally through HR information gathering to Payroll processing.

GETTING STARTED: ASSESS YOUR ORGANIZATION

Every nonprofit organization is different, but there are *three categories* that every nonprofit can use to begin to assess the areas within your organization where a significant reduction in paper and electronic processing could save time and money.

The common areas that comprise these three categories are:

1. **Papers coming into your organization**
2. **Papers going out of your organization**
3. **Papers being shuffled within your organization**

As you read on, think about: What is the inventory of documents and where do they fit into the three categories? The mere act of listing all the papers and its origins is likely to increase your motivation to gain more control and efficiency through a paperless approach.

PAPERS COMING INTO YOUR ORGANIZATION

DOCUMENTS – VENDOR INVOICES, CONTRACTS, ETC.

Chances are you're receiving some of these types of documents in electronic form (eDocument/PDFs) and some in physical paper form.

For those documents coming into your organization in electronic form – the first big step is resisting the urge to print those documents (paper creation). Better to save those documents to a cloud filing system. *This is a behavior change.* Rather than opening the electronic document and printing, filing, and routing a paper form; open the document and save to a file on premise or in the cloud, filing it in an electronic folder and distributing via email.

When you receive a paper document coming into your organization, a vendor invoice or contract for example, scan the document into your financial system or cloud filing system. For example, in AccuFund, the invoice is attached to the bill in Accounts Payable within the financial system and available for routing or access through transaction drill down.

PAYMENTS AND CASH RECEIPTS

While there is more involved in going paperless when it comes to payments and cash receipts, your organization enjoys immediate benefit of getting money into the system faster.

This requires a NACHA-compliant EFT (electronic funds transfer) to send/receive funds through a bank and process properly as well as banking information.

Another infrastructure consideration is ensuring integration between your online donor management system and your accounting system. This is where a system like AccuFund equips your organizations with powerful functionality.

Payments processed faster means you have a better idea of your financial position as well as the effectiveness of fundraising campaigns, the status of grant money, and fees collected on services rendered.

Now think of all the paper you produce: invoices, purchasing documents and financial reports, to name just a few. The degree to which you can share these documents electronically will result in the decrease of paper production and the increase of paperless processing.

Papers Going Out of Your Organization

This is the area where you can have the greatest impact and gain more ground in your quest to go green and save green: identifying, prioritizing and focusing on the paper **you** produce and distribute.

The Case Study on *Focus, Inc.* that we mentioned earlier shows a dramatic savings in time and money simply by distributing financial reports electronically rather than printing, collating, stuffing into envelopes and sending. There were further efficiencies as the recipients received the reports faster through electronic distribution and were able to review and react quicker to the data they received.

Where is your organization creating the most paper? Some common paper culprits are invoices, membership renewals, monthly service fee invoicing, loan statements, purchasing document and, perhaps the most common, monthly financial reports.

Most nonprofits can make an immediate and significant change simply by routing routine reports electronically.

Granted, this step requires that the recipient is equipped to receive electronic documents – and there are those who cannot. However, if only 50% can receive electronic documents, that's a 50% improvement over the status quo. Chances are, a much higher percentage of people are able (and probably prefer) to accept electronic documents, which means even more savings in time and money for your organization.

Papers Shuffled Within Your Organization

Human Resources and Payroll

Ask any HR manager or Payroll administrator how they feel about chasing paper. It's inefficient, costly and stressful. These may be the reasons why many organizations zero in on these areas to not only go green and save green, but to place the data entry at the source. What do we mean by that? Why send an employee a paper document to fill out and then return to HR or Payroll so that someone else can enter the information into the system?

Wouldn't it be better to have electronic time sheets that the employee filled out online and routed to managers for approval and then sent to Payroll? Why create paper forms when an electronic form can be used, routed, approved, processed and filed in a fraction of the time at a fraction of the cost?

In addition to employee time sheets, collection and updating of employee information such as address, phone numbers, or notifications and changes to benefit packages can be done electronically.

Getting Started: assess your organization

In a system like AccuFund, with its Employee Self-Service, Payroll, Human Resources, and Employee Time Entry components – employees can access the system through a web-based portal and enter their time or personal data as well as access organizational news and information.

Internal Reports

Any periodic (weekly, monthly, quarterly) report generated by your organization is a paperless opportunity waiting to happen. Think of all the financial reports, all the reports surrounding grant management – and the frequency with which they are distributed – then multiply by the number of recipients. That's a LOT of paper moved through your organization on a monthly basis.

All of these reports can be distributed via email. For example, in AccuFund, you can set up as many distribution lists as required. Your reports can be produced on-demand or automatically scheduled to run according to your predetermined due dates.

Using email to distribute reports, gets campaign, grant, project, and other financial information in the hands of managers faster – allowing them more time to digest, analyze and act on information quicker.

Start Small

Identify areas in your organization that could go paperless. Start small and don't tackle everything at once, rather, implement one or two paperless processes at a time. Start with one or two department then spread out to other areas of the organization: Accounting or HR is typically an excellent starting point.

Paperless Culture and Philosophy

A paperless culture and philosophy affects everyone.

Management

Your organization's management team will appreciate the improved efficiency of going green. Paperless, electronic access to financial reports that can be accessed anytime, from anywhere, or through email distribution to managers, **improve productivity through increased insight into critical data and quicker response time**. Further efficiencies, through online requisitions for example, are gained through information being entered once (versus duplicate data entry) and routed for approval.

Employees

Your organization's employees will be empowered via online processing to manage their own time sheets, expenses, and employee information. Going green is usually something that employees support with enthusiasm – not just for the efficiencies of an electronic system but also for the **convenience, ease of use, and opportunity to be a better ecological citizen**.

Community

Savings of time, money and resources within your organization translate **to more time, money and energy servicing your mission**. Fulfilling your mission is the primary reason for the existence of your organization – and with the (often considerable) savings that come with going green, there are more resources available for those activities.

About AccuFund

AccuFund was founded in 2001 and our only focus, throughout our history, has been nonprofit and government organizations. We serve more than 1,000 nonprofit and government clients. We can help your organization go green and save green.

AccuFund software solutions include:

AccuFund Anywhere – Nonprofit Cloud Accounting

AccuFund Anywhere is a true browser-based accounting solution designed specifically for nonprofit and government organizations, based on our award winning on-premise software. Access your accounting from anywhere that you or your users have Internet access.

AccuFund Accounting Suite – Nonprofit Accounting

The Accounting Suite is a complete fund accounting solution. Designed specifically for nonprofits, it has multiple features to meet your needs including Allocations, Grant Accounting, Payroll with extensive labor distribution capabilities and Client Accounting to name a few.

AccuFund CRM – Fundraising/CRM

AccuFund CRM provides a cloud-based fundraising solution for the development department based on the Salesforce platform. AccuFund CRM gives the development staff complete control over the donor development, solicitation and management process. AccuFund CRM is integrated with AccuFund's accounting products for the single entry of all donations.

Representative Payee

Representative Payee gives social service agencies the specialized accounting to easily manage the custodial accounts for clients. The clients' funds can be grouped into single bank accounts while maintaining separate reportable bank and financial statements for each client and social security reporting requirements.

Government Accounting Suite

The Government Accounting Suite is designed for municipalities and special districts to meet their unique financial management needs. It starts with AccuFund Accounting Suite and adds government-specific modules such as Utility Billing, Fees, Taxes and License, Court Fines and more.

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