

A top-down view of a collaborative workspace. Several people are working at a dark grey desk. In the upper left, a person's hands are on a silver laptop. To the right, another person is writing in a notebook. In the lower right, a person is typing on a laptop. The desk is cluttered with various items: a green coffee cup with a white lid, a white coffee cup, a small green plant in a pot, a spiral notebook, a pen, a pencil, a smartphone, and a camera lens. The overall atmosphere is professional and busy.

ACCOUNTING FOR YOUR MISSION

Learn Why Nonprofits Turn to Cloud Financials to Streamline Operations and Accelerate their Mission



Grab a seat and enjoy.
Read Time: 5 minutes

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Nonprofits operate in a world of significant complexity, limited resources and software solutions that hinder efficiency. Whether it is the continuous friction between the fundraising and accounting departments around actual revenue and delivering a superior donor experience or trying to link outcomes with the true cost of programs, nonprofits have struggled to find business application solutions that can meet their needs in an affordable manner.

Nonprofits regularly rely upon a hairball of dangerously unreliable spreadsheets supporting aging accounting systems in an attempt to generate insight into their mission. Many are constrained with solutions that were built for a different time, where the accounting system of record was all that mattered and where systems had limited computing capability. The relatively low cost of maintaining those systems masks the cost of inefficiencies in routine tasks like

the monthly close or, more importantly, the dissemination of reliable information upon which decisions can be confidently made in a fast-paced environment.

This mattered much less when nonprofits had limited competition and faced little change. With the advent of ever-changing Charity Navigator ratings criteria, increasing expectations to accurately measure outcomes and the growth of social enterprises, nonprofits can no longer afford to use obsolete technologies that can't provide real-time visibility and insight into their operations and their mission.

Growing nonprofits are especially challenged because the opportunities afforded by a combination of globalisation and the rise of the Internet have not been matched by the development of their in-house systems. Thus, nonprofits are faced with the difficult questions that come with growth.

In this white paper, we will address the following three questions:

Chapter 1

What benefits does a true nonprofit accounting solution offer?

Chapter 2

How do nonprofits take advantage of modern technologies without overloading the organisation with cost and complexity?

Chapter 3

Who can nonprofits trust to provide both a solid accounting foundation and a platform for future growth that extends beyond the back-office?

Chapter 1

BEST-IN-CLASS NONPROFIT ACCOUNTING FUNCTIONALITY

While for-profit and not-for-profit business models often have more in common than many think, nonprofits still face a unique set of challenges that cannot be managed in a standard accounting system built for commercial organisations.

By taking advantage of true nonprofit accounting, nonprofits can realise enormous benefits including:

- **Innovated Stewardship of Funds**

When it comes to accounting for funds, handling numerous revenue streams can traditionally be painstaking. An upgraded nonprofit accounting solution should deliver an auditable and comprehensive fund accounting framework that allows the nonprofit to manage diverse revenue streams, correlate fund sources to associated expense transactions, and efficiently manage fund restrictions and grant requirements. This provides complete visibility into restricted/unrestricted fund balances and grant contributions at both transactional and summary levels for true transparent reporting.

- **Automated Grant Lifecycle**

Many nonprofits depend heavily on grants from philanthropic foundations, corporations and government agencies.

Accounting for how those grants are spent, however, is a huge pain point. True grant accounting elevates efficiency and visibility into the grant lifecycle with the ability to track terms and conditions, track many projects to many grants, and manage expenses across multiple years. In turn, the nonprofit is given automated tracking and unparalleled visibility into grant contributions.

- **FASB Compliance with Ease**

FASB standards put compliance at the top of nonprofits' minds. With modern accounting software, nonprofits are able to eliminate guesswork, manual export and manipulation of data with built-in FASB defined reporting. This makes transparent reporting simple for board members, auditors or leadership.

NetSuite has built leading practices around all of these capabilities, and more—so nonprofits can hit the ground running with a solid financial foundation. NetSuite understands that nonprofits need this system accountability, scalability and visibility in order to achieve, and propel their missions; and has built a solution to help them achieve this.

Chapter 2

TAKING ADVANTAGE OF SOCIAL IMPACT RESOURCES

Now that evaluating a cloud system has become the new norm, the next hurdle nonprofits encounter is the need for a solution that acts as a partner in its mission. Beyond providing modern technology, it is critical that any vendor truly understands a nonprofit's goals and is dedicated to helping them achieve them.

Whether the mission is serving the local community or providing international outreach to empower and educate for global causes, one thing is certain—nonprofits are working incredibly hard to fulfil their mission, while being a good steward of donor dollars. However, this does not mean that they should have to sacrifice solid system infrastructure and technology due to lack of financial resources.

Through Oracle NetSuite Social Impact, NetSuite's commitment to the success of every nonprofit goes well beyond the basic economics of a cloud-based vendor. Software donations, discounts, pro bono services and a singular focus on supporting the capacity of our customers to effectively use NetSuite technology all combine to drive the success of nonprofits using NetSuite.



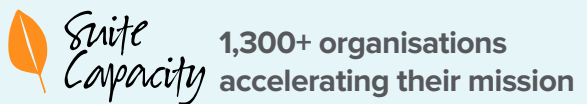
The mission of Oracle NetSuite Social Impact is to support the success of nonprofits globally through the power of cloud technology.



Nonprofits of all sizes are eligible for a base donation of our nonprofit solution with a no-cost activation.



NetSuite employees are paired with nonprofits to help the customers innovate on NetSuite, and use the system more effectively.



Every Social Impact customer is supported by NetSuite capacity building resources including dedicated account management and online learning.

A PLATFORM FOR GROWTH

Beyond back-office functionality, the power of a strong operational system lies in the integrated nature of a suite—which spans the whole of a nonprofit. This platform approach allows the whole organisation to view operations as a single version of the truth.

Furthermore, predefined roles and dashboards that are oriented around a user’s day-to-day tasks allow for the most efficient consumption of information throughout the entire organisation.

These and many other benefits separate the world of the old from the new, but customers need to rely upon solid references from other nonprofits that have already taken the journey to cloud-based computing. There is an increasing number of organisations who have migrated from QuickBooks and shown demonstrable benefits as a result.

For example, Kiva, an early innovator in microfinance, found itself held back by antiquated technology that caused delays and imprecision in its financing and reporting processes. QuickBooks and Excel made it impossible to access the timely and comprehensive information needed to make important decisions.



Loans that change lives

Benefits Realised

- Streamlined accounting and expenses and payables, freeing staff to focus on the core mission of connecting lenders to borrowers.
- Improved financial management practices and visibility across developmental, managerial and programmatic areas for better compliance and reporting.
- Saved time and lowered costs with automated multi-currency conversions for micro-loans across dozens of nations.
- Reduced the time spent processing per diem expense report approvals from a week to a day for approximately 60 employees traveling through more than 60 countries.
- Reduced the time for budget vs. actuals reporting from two days to an hour.

“Having switched to NetSuite we have already doubled the number of countries we are in, we’ve supported over a billion loans, and all those pieces coming together has empowered over three million borrowers.” – **Pam Yanchik Connealy**, Chief Financial Officer and Global Head of Operations, Kiva

With a mission to connect people through lending to alleviate poverty and success in the form of a triple digit growth rate, Kiva couldn’t afford to waste time with the cumbersome manual processes and disparate data sets that were limiting its growth and social impact.

Since swapping out QuickBooks for NetSuite, budget reports are now generated in hours instead of days, expense reports are approved quicker, compliance and auditing processes have been automated, and accounting and reporting capabilities have improved. Kiva

got more than technology from NetSuite; it got a trusted partner in its growth. Through Social Impact, NetSuite donated a comprehensive cloud solution that has helped Kiva to streamline and optimise everything from expense and payables management to accounting, reporting and multi-currency calculations.

It’s examples like this that make the case for nonprofits to move beyond the limitations imposed by the likes of QuickBooks and to reach out to meet their true potential in the cloud.

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