



Leveraging cloud-based workflows for nonprofit organizations

Meredith Smith, CPA



CPE Process

In order to receive CPE credit

- Be sure to sign in or scan your badge for this session
- You must stay in the session for the duration of the training
- This session is eligible for **1 hour of CPE**
- CPE certificates are emailed directly to you within 4 weeks of the conference date to the same email address you used to register

Today's speaker



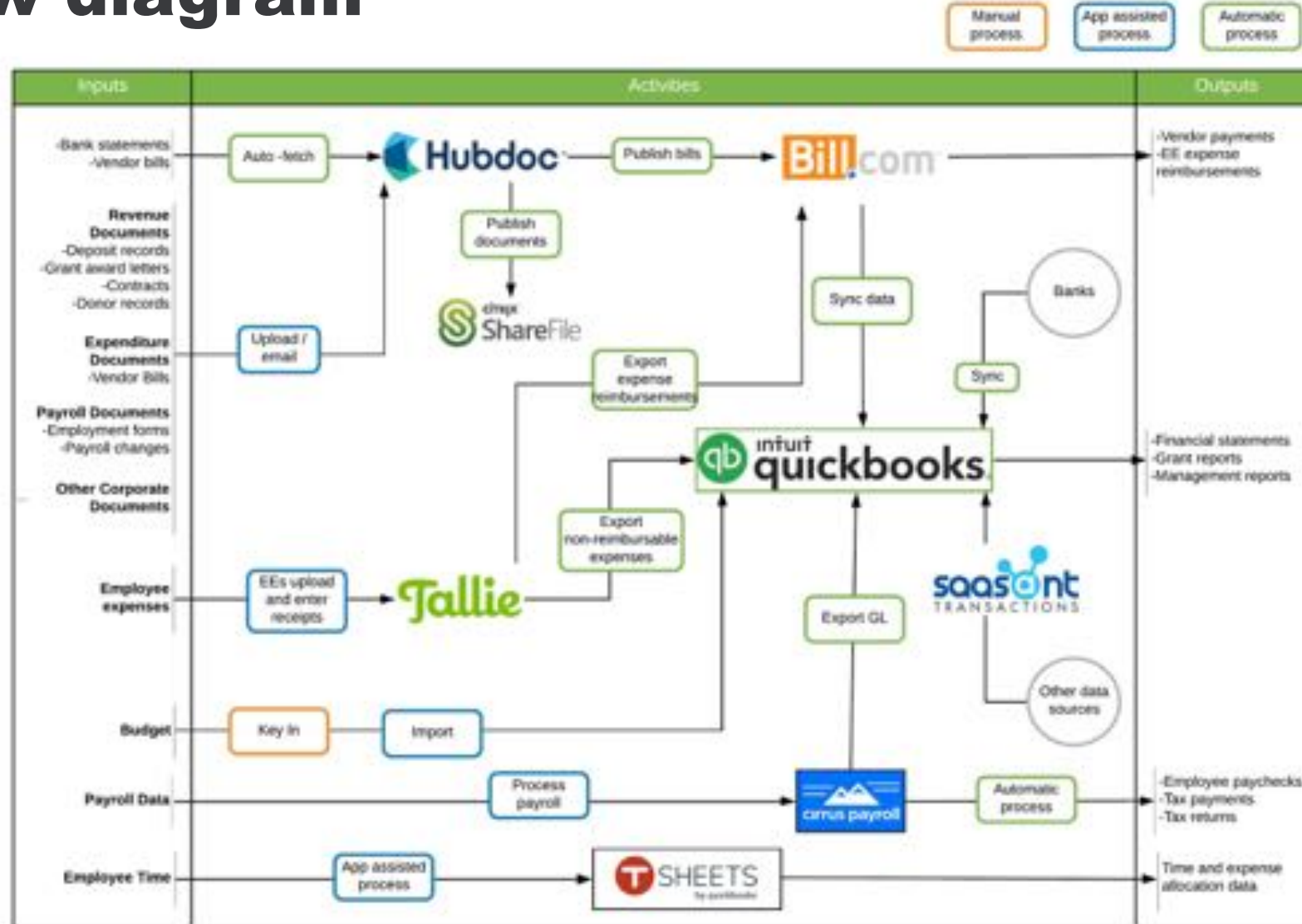
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Workflow diagram





Approximately 1.56 million nonprofits were registered with the Internal Revenue Service in 2015

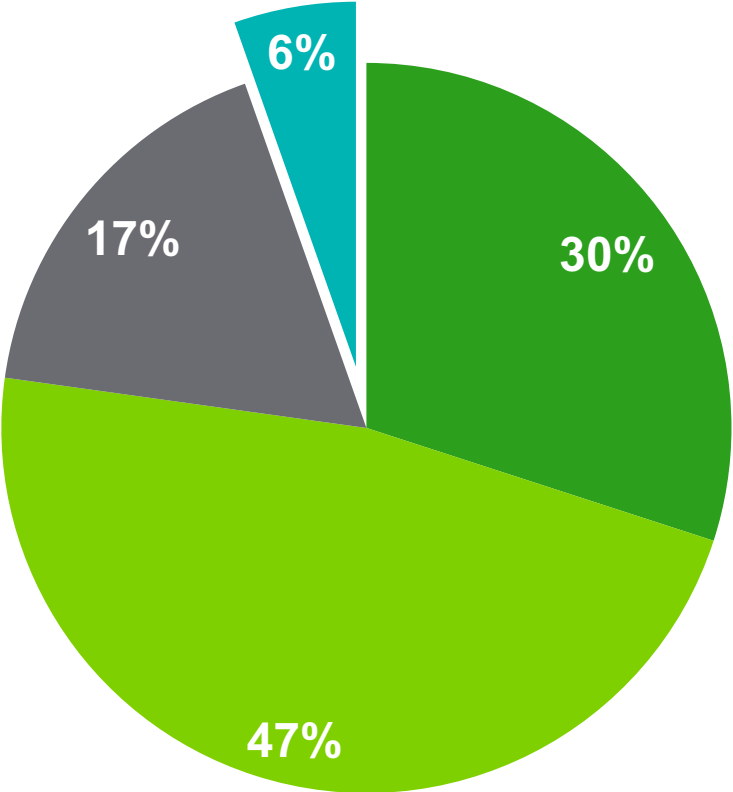
The Urban Institute “The Nonprofit Sector in Brief 2018”



Public charities by annual expenses

1,090,000 Public Charities

- Under \$100K
- \$100 to \$999.99 thousand
- \$1 to \$9.99 million
- \$10 million plus



Source: Urban Institute "The Nonprofit Sector in Brief 2018"

What is unique about nonprofit clients?

Some things are exactly the same

Payroll and payroll tax compliance

1099 filings

Can be messy and disorganized just like for-profit clients

Passionate about what they do but confused about bookkeeping, accounting and tax!

Sources of revenue

GRANTS

DONATIONS

MEMBERSHIP DUES

FUNDRAISING EVENTS

PROGRAM INCOME

Unique needs of nonprofits

GAAP

- Accrual
- Revenue recognition
- Financial report requirements
- Track restricted funds

Federal reporting and auditing requirements

State reporting and auditing requirements

Boards of directors

Internal controls and segregation of duties

Unique needs of nonprofits

These are the unique needs we focus on when setting up QuickBooks and workflows

Financial Report Requirements

Standard set of financial statements includes the Statement of Functional Expenses. Expenses are allocated by 3 functions:

- Administrative
- Program
- Fundraising

Track Restricted Funds

When a donor makes a gift for a specific purpose, expenses related to that donation must be tracked and reported (also a financial report requirement)

Internal Controls and Segregation of Duties

Important for all clients, but nonprofits receive extra scrutiny during audits.

Key features of cloud-based workflows

Requires little or no manual process – you are not sitting at a computer keying in data.

Sometimes data is entered at the source by someone else – like an employee or a donor.

Apps use OCR and AI to capture data from source documents.

Apps talk to each other and to other data sources –sync, publish, fetch, import, export, upload, download

Additional benefits to nonprofits

Segregation of duties - More people can participate in the review and approval of transactions, including the client accounting services firm.

Growth - As the organization grows it is easy to plus in new people and add new apps. The system has endless capacity.

Audit Trail - Documents are digital and apps have built in audit trails. It is much easier for the auditor to review.



Let's Do It!

Step 1: Make sure your client is on board!

Access

Is there sufficient internet bandwidth?

Do they have devices that can access the internet?

Do they have access to smartphones?

Is there cellular coverage?

Do they have an office scanner?

Willingness

Understand the benefits of moving to the cloud,

Make sure you have buy in from the team at the client,

Provide training,

Listen to the client and offer solutions that meet their needs and solve their problems.

Step 2: Set up QuickBooks Online



Tech Soup – www.techsoup.org

Set up QuickBooks Online



QuickBooks is your backbone!

Start with QuickBooks Online (QBO) Plus or QuickBooks Online Advanced (QBOA) (need to have class tracking)

Keep it simple

Make sure each list is only tracking one type of information

Turn On

Expense tracking for restricted funds
(Expenses > Track expenses and items by donor)

Class tracking for functional expenses
(Advanced > Categories > Track classes)

Set up QuickBooks Online

Create lists:

Chart of accounts for natural classifications

Classes for functional expenses

Items (if needed)

Clean up and import, vendor list, customer list and employee list (if applicable)

Sync:

Banks and credit cards

Stripe

PayPal

Square

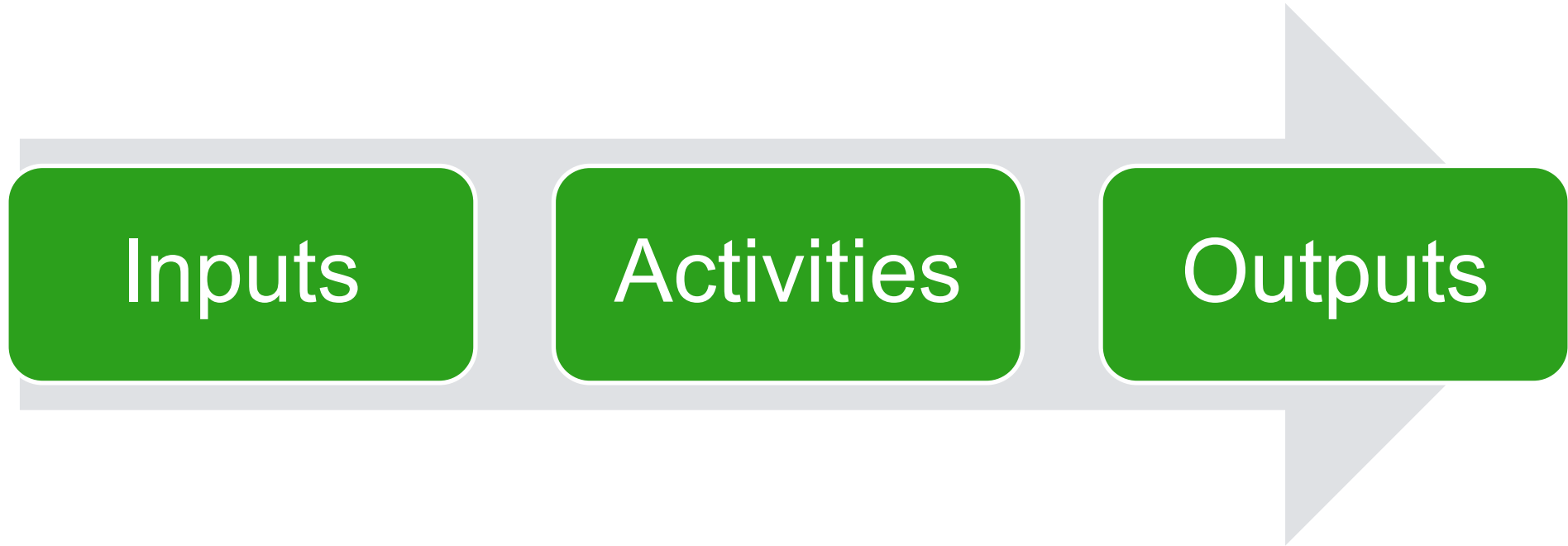
Payroll

Automate:

Bank rules

Step 3: Design your workflow

3 Components



Inputs

Identify all the data sources

Statements

Invoices

Contracts

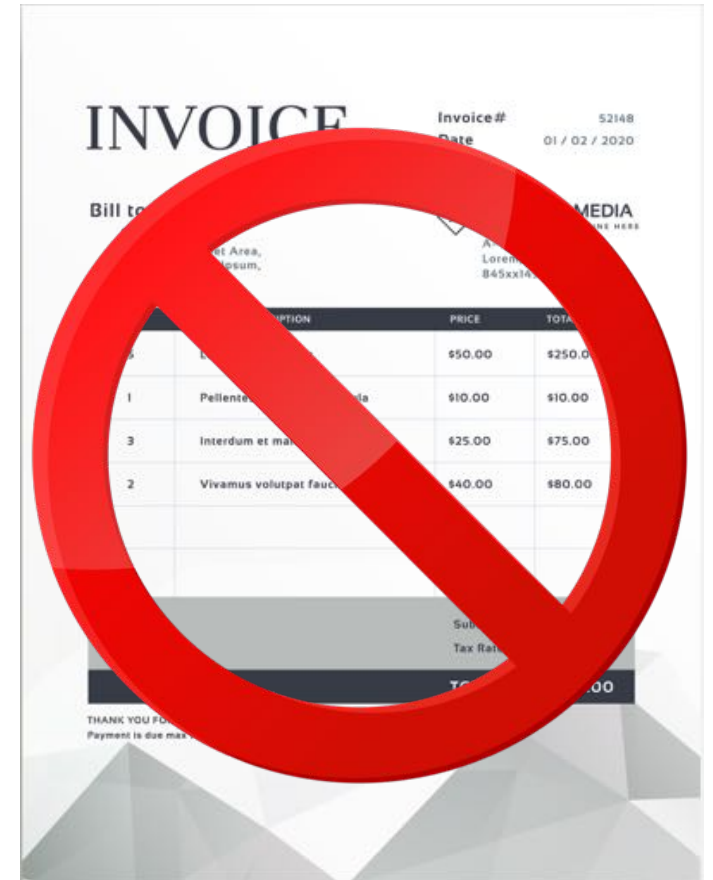
Receipts

Time sheets

Deposits

Donor records

Other data basis



Activities

Capturing and processing the inputs

Use your **tech stack** to capture and process as much information as possible without touching a piece of paper or doing very much data entry.



Tech Stack

QuickBooks Online

HubDoc

Tallie

ShareFile

Bill.com

Tsheets

Saasant

Outputs



Everything the system produces for you and other cool data.



Financial reports

Management reports

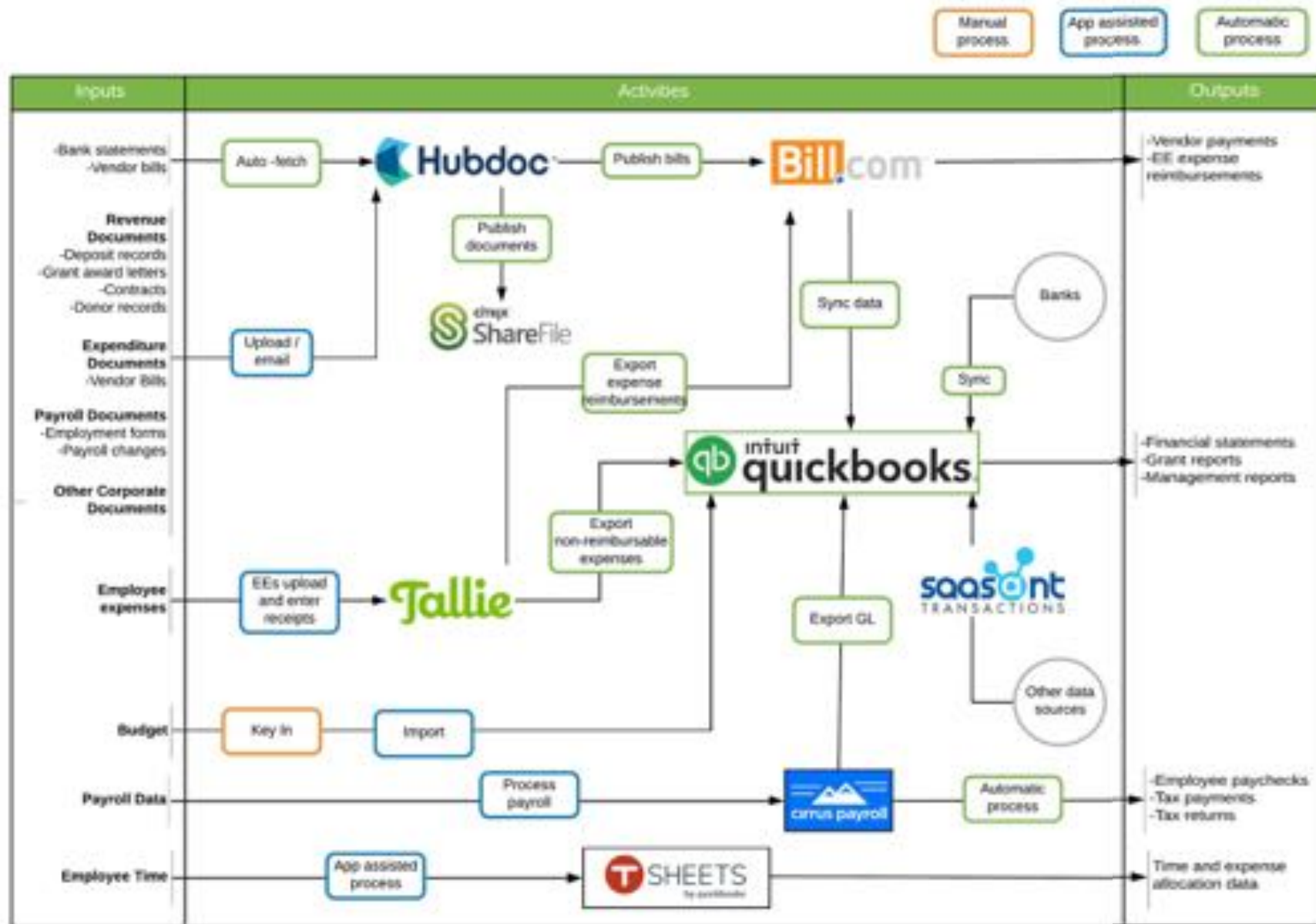
Grant reports

Payments to employees and vendors

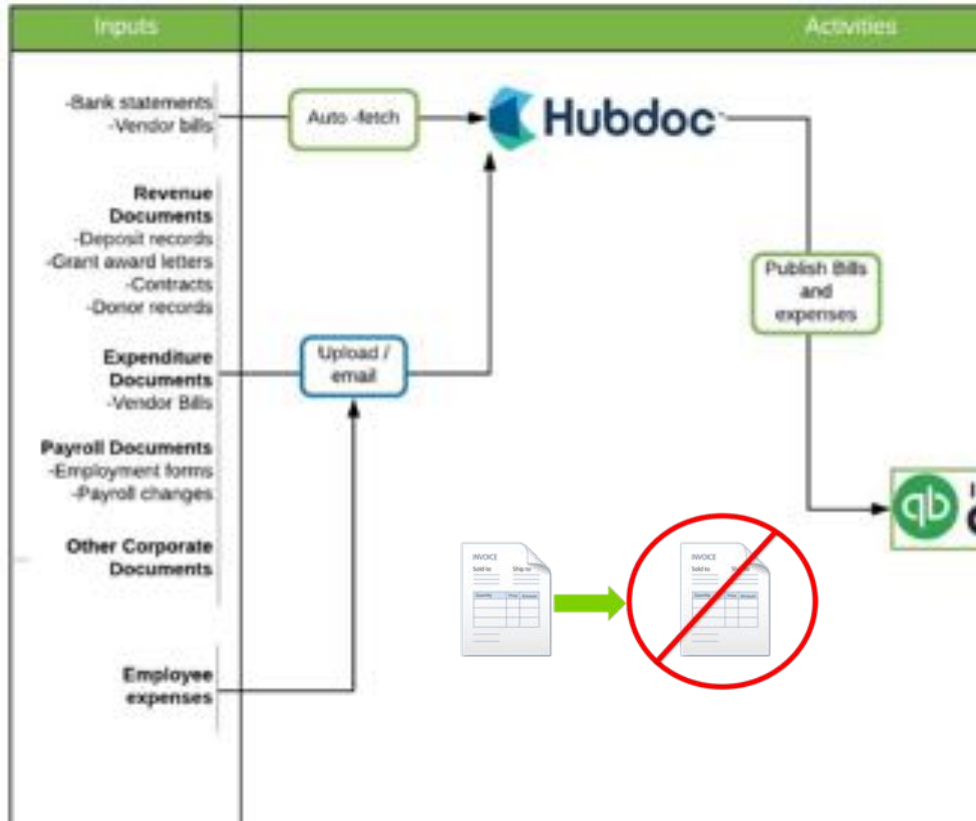
Time and expense allocation information

Forecasts and budgets

Analytical data



#1: Pick an App to capture documents and data



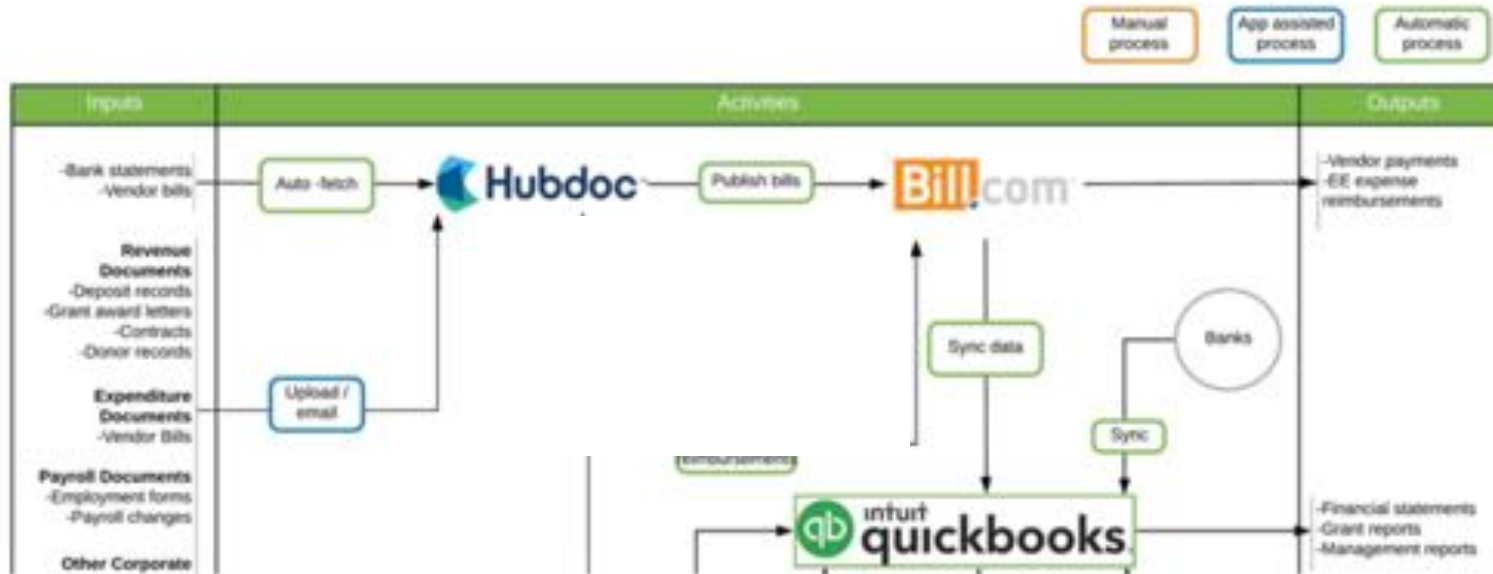
Pick one app that clients can use to get documents to you

Make sure the app integrates with QuickBooks.

Other features to look for:

- Uses OCR or AI
- Easy for clients to get documents into: email, smartphone capture, upload
- Integration with apps in addition to QuickBooks so you can build your workflow as you client grows

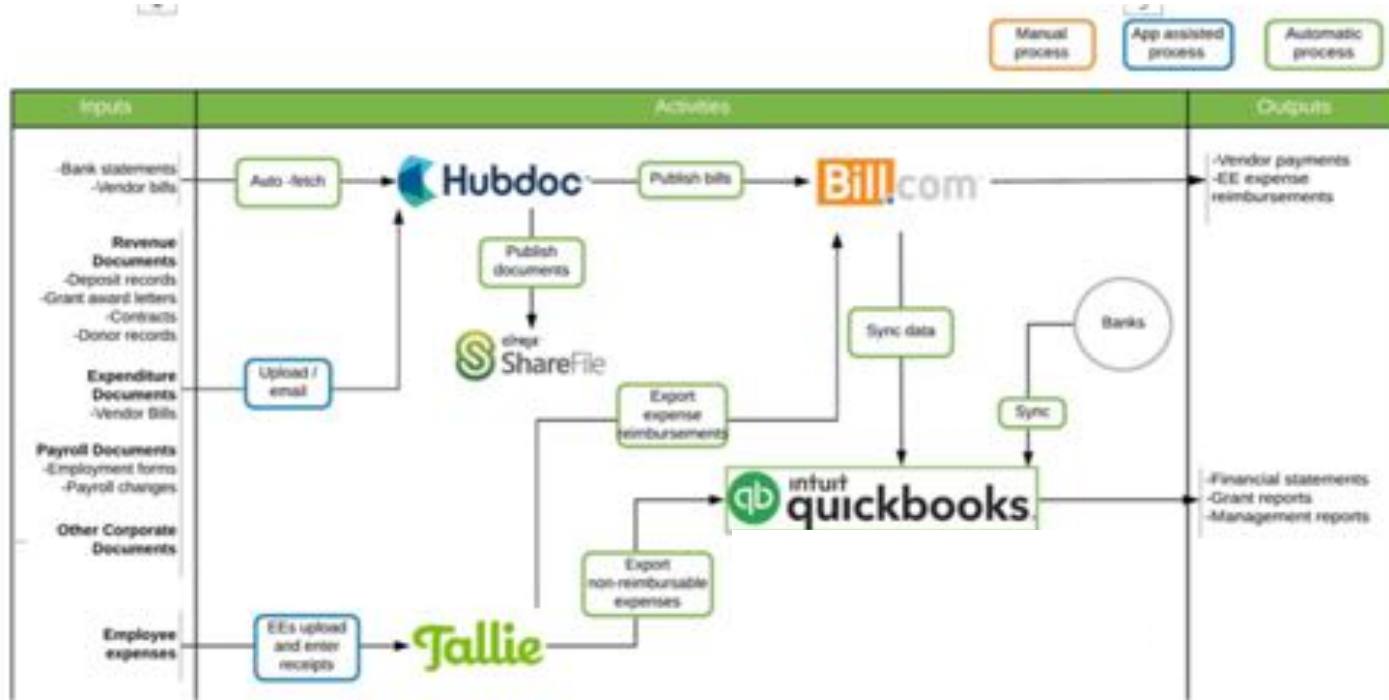
#2: Add Bill.com



Enter, approve and pay bills in the cloud

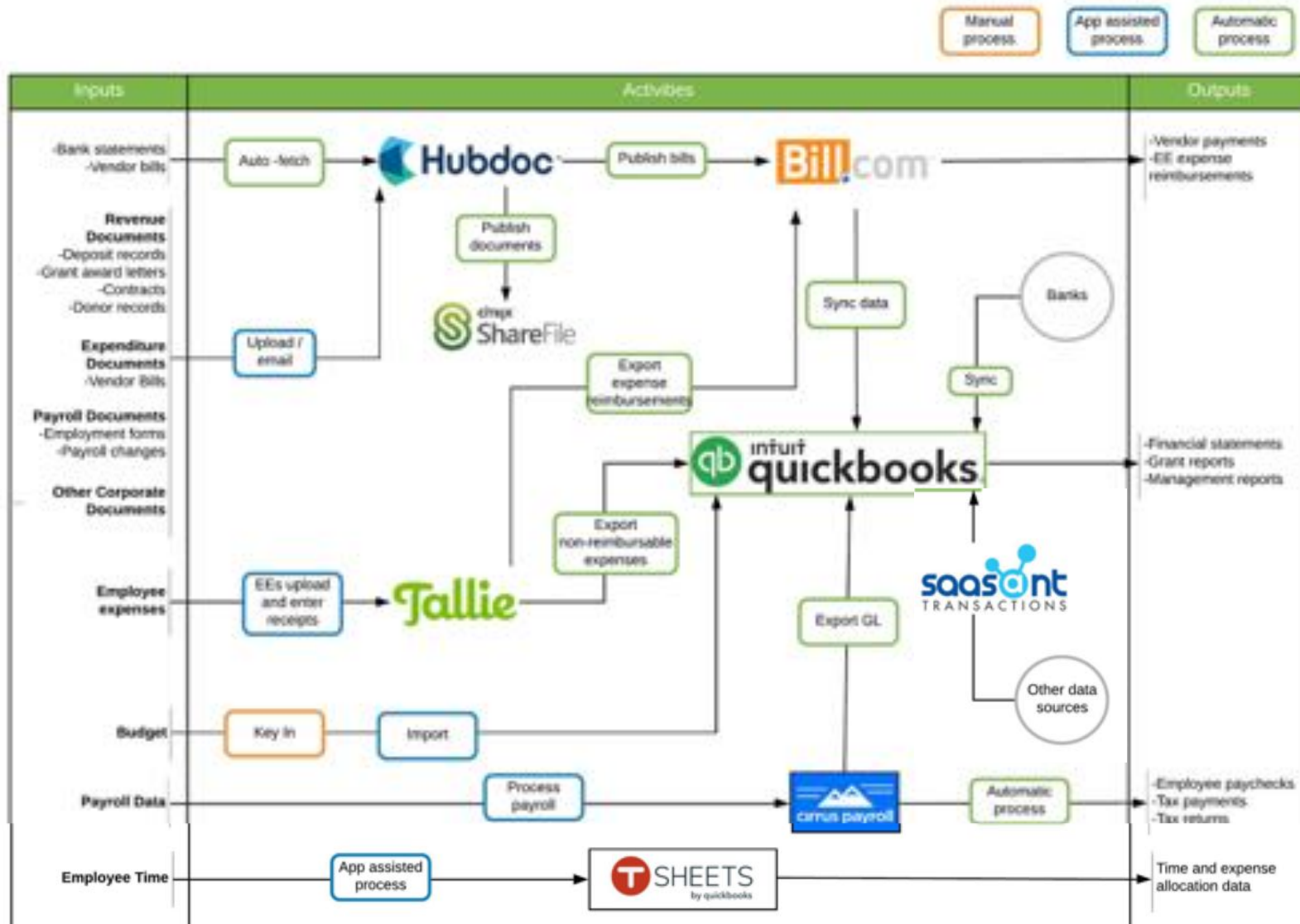
- Audit trail
- Segregation of duties
- Multi-level and customizable permissions
- Automated approval policies
- Syncs with QBO and other apps

#3: Add expense reporting and tracking



- Data captured and entered at the source by employees
- Additional layer of rules and approvals
- Reimbursable expenses sync with Bill.Com
- Non-reimbursable (debit/corporate cc) sync with QBO

#4: Keep adding apps



SaaSAnt

Import transactions from other databases that do not sync with QBO

TSheets

Track time for expense allocation data
Important if receiving federal or state grants/contracts

On-boarding and supporting clients – 4 steps

Initial conversation

Assessment

Implementation

On-going support

On-boarding clients

FREE CONSULT

This is the initial interview with the client where we check each other out. I describe how our firm works with clients and we all decide if we want to move forward with an engagement. There is no charge for the initial meeting. This meeting is usually by phone or video conference.

On-boarding clients

Assessment

For a flat fee, we meet with the client, learn how their organization works, and identify their needs and pain points.

- Analyze the current accounting system
- Get an understanding of their existing accounting procedures and workflow
- Gain a deeper understanding of their revenue sources and types of expenditures
- Document our recommendations and draft a workflow model
- Provide them with a proposal for implementing the recommendations and workflow



On-boarding clients

Assessment (cont'd)

The proposal and recommendations from the assessment include:

- Workflow showing inputs, activities and outputs
- Steps needed to implement the plan, who is responsible for each step, and the information, documents or decisions required to complete each step



On-boarding clients

Implementation

This is the fun part!

For a fee we implement the agreed-upon plan

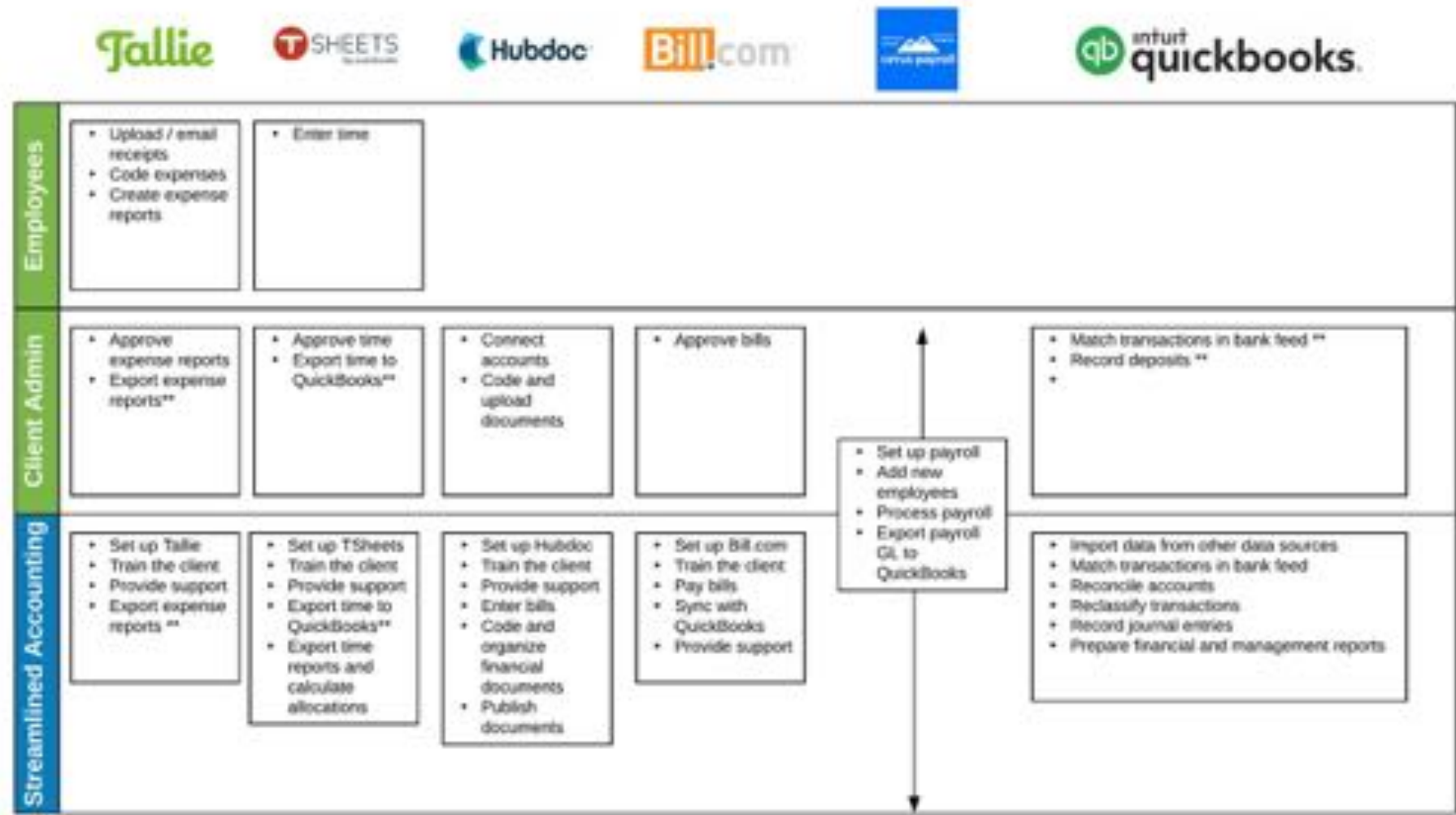
On-boarding clients

On-going support

Once the plan is implemented. We provide:

- An updated workflow that incorporates any changes made during the implementation process
- Fixed fee for on-going client accounting services. This varies widely depending the client's resources, contributions to the process and complexity of their accounting system
- Provide a roles diagram that outlines the segregation of duties for the client

Roles diagram





Questions?

Nonprofit resources

Tech Soup <https://www.techsoup.org>

TechSoup supports nonprofits, charities, and libraries by providing access to donations and discounts on software, hardware, and services from major brands.

National Council of Nonprofits, <https://www.councilofnonprofits.org/tools-resources-categories/financial-management>

The National Council of Nonprofits produces and curates tools, resources, and samples for nonprofits. Topics include audits, federal tax laws, FASB standards and other forms of financial management. They also publish the [Nonprofit Audit Guide](#)

Nonprofit Quarterly, <https://nonprofitquarterly.org/>

NPQ uses a range of media channels to help advance critical conversations that can refine nonprofit and social movement policy and practice.

Nonprofit resources

Stanford Social Innovation Review, <https://ssir.org/>

Stanford Social Innovation Review is a quarterly magazine-cum-website about social innovation published by the Stanford Center on Philanthropy and Civil Society. SSIR covers a wide range of topics, including nonprofit management, philanthropy, corporate citizenship, and social change.

The NonProfit Times, <https://www.thenonprofittimes.com/>

Resources for best practices on organizational management. Articles delve into industry news and research, as well as fundraising, accounting, and daily operational tips for nonprofit staff.

Blue Avocado, <https://blueavocado.org/tag/accounting/>

Blue Avocado is an online magazine fueled by a bimonthly newsletter designed to provide practical, tactical tips and tools to nonprofit leaders.

Board Source, <https://boardsource.org/research-critical-issues/>

Provides support to individual nonprofit leaders and organizations through work to identify and map trends within the nonprofit sector and to inspire action on critical issues facing nonprofit organizations.

Nonprofit resources

CompassPoint, <https://www.compasspoint.org/publish>

CompassPoint helps leaders, nonprofit organizations, and movements acquire essential skills and knowledge.

Guidestar, <https://learn.guidestar.org/news/publications/>

GuideStar experts and other authorities throughout the field share insights about issues affecting nonprofits and info about the nonprofit sector as a whole.

Harbor Compliance, <https://www.harborcompliance.com/information>

Information guides and support to navigate regulatory requirements.

Center for Nonprofit Leadership / Adelphi University

<https://nonprofit.adelphi.edu/resources/tools-for-executive-directors-and-boards-of-directors/>

Provides resources that are responsive to the needs of the nonprofit sector. Information available includes nonprofit governance, focusing on the crucial work of the board of directors and its leadership role that includes strategic planning.

Nonprofit resources

The American Institute of CPAs Not-for-Profit Section, www.aicpa.org/interestareas/notforprofit.html

The AICPA's Not-for-Profit Section provides resources to support those who work with and for not-for-profit (NFP) organizations.

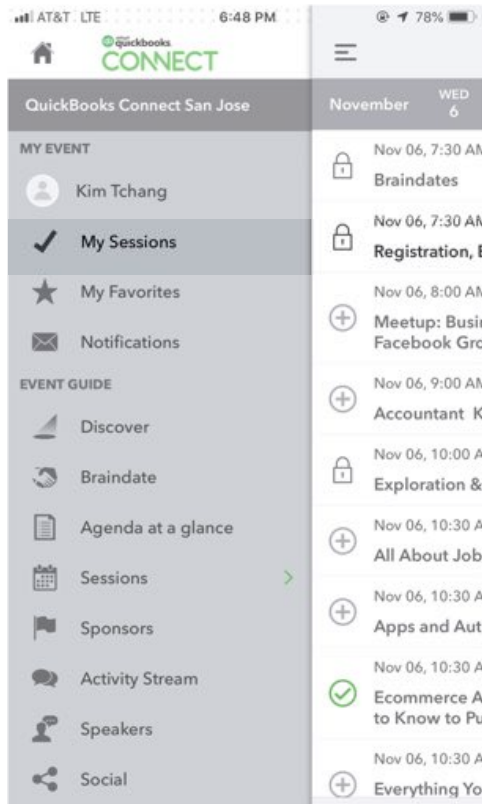
The Internal Revenue Service, Charities and Nonprofits, www.irs.gov/charities-and-nonprofits

News, forms and educational resources for nonprofits.

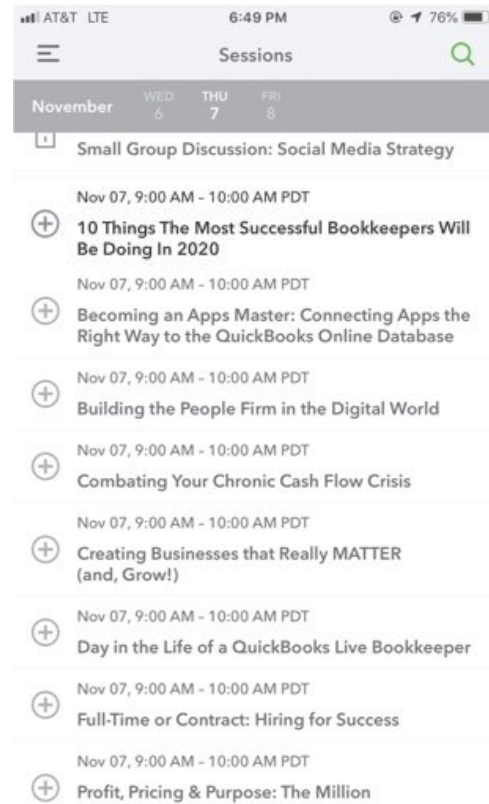
Rate this Session on the QuickBooks Connect Mobile App

Provide feedback to help us design content for future events

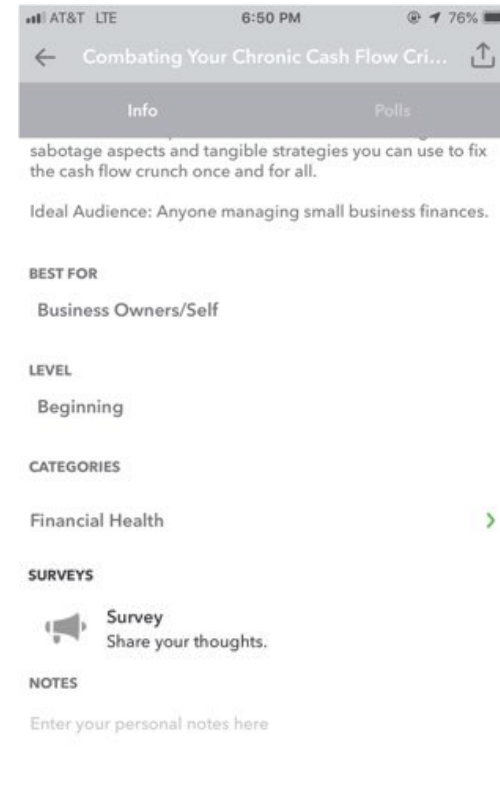
1. Select Sessions



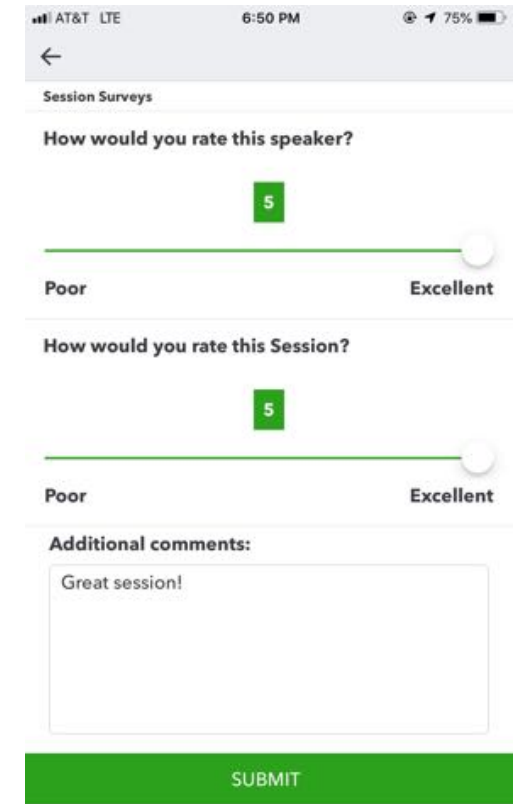
2. Select Session Title



3. Select Survey



4. Add Ratings



Material Download

1. Find the session on the agenda
2. Select + for more information
3. Download PDF of slides and/or supplemental material

<https://quickbooksconnect.com/agenda/>

The screenshot shows the QuickBooks Connect agenda page for November 7. The header includes the QuickBooks Connect logo, navigation links (Why Attend, Agenda, Speakers, Pricing, Sponsors, Travel, FAQ), and a 'Register now' button. Below the header, there are tabs for November 6 (Accountant Day), November 7 (selected), and November 8. A 'Print Agenda' link is also present. The main content area features a search bar labeled 'Search for sessions' and a row of filters: Business Growth, Life & Business Skills, Organizational Culture, Technology Training, Advisory, and Financial Health, with an 'Expand all +' link. The agenda list for November 7 includes: 7:30-7:00 am (empty), 7:30-10:30 am (Registration, Breakfast & Exploration), 8:00-8:30 am (Yoga), and 8:00-8:45 am (Breakout Sessions). The Breakout Sessions section lists five items, each with a '+' icon for more information: Small Business Meetup: Relationship Marketing and the Power of Human Connection, Small Group Discussion: Social Media Strategy, Small Group Discussion: Showing up - Why What You Wear Matters, and Small Group Discussion: Build Your Dream Bookkeeping firm.

QuickBooks
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Register now

November 6: Accountant Day November 7 November 8

Print Agenda

Get new insights from experts in business growth, organizational culture, financial health, technology and life skills. Book a Braindate with peers and expert consultant for one-on-one learning. Unwind in the evening with our legendary celebration.

Search for sessions

Filters: Business Growth Life & Business Skills Organizational Culture Technology Training Advisory Financial Health Expand all +

7:30-7:00 am

7:30-10:30 am

8:00-8:30 am

8:00-8:45 am

Registration, Breakfast & Exploration

Braindates

New this year, you can use Braindates to book time with fellow attendees, expert consultants and the QuickBooks support team. [Learn more](#)

Best for: All Audiences
CPE Hours: not eligible

Yoga

Breakout Sessions

Small Business Meetup: Relationship Marketing and the Power of Human Connection

Small Group Discussion: Social Media Strategy

Small Group Discussion: Showing up - Why What You Wear Matters

Small Group Discussion: Build Your Dream Bookkeeping firm



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