

# Scaling Financial Systems for Sustainability

*Fulfilling Your Mission Over the Long Term*

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# Empowering Nonprofits Through Integrated Support



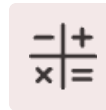
## Our Mission

Enable nonprofits to focus on impact through integrated financial and operational expertise

## Our Vision

Build a high-performing, sustainable nonprofit community

## Services We Provide:



### Financial Management

Accounting, Payroll, Form 990



### Technology Solutions

Database selection, implementation, support



### Organizational Excellence

HR, Governance, Grant Writing, Strategic Planning

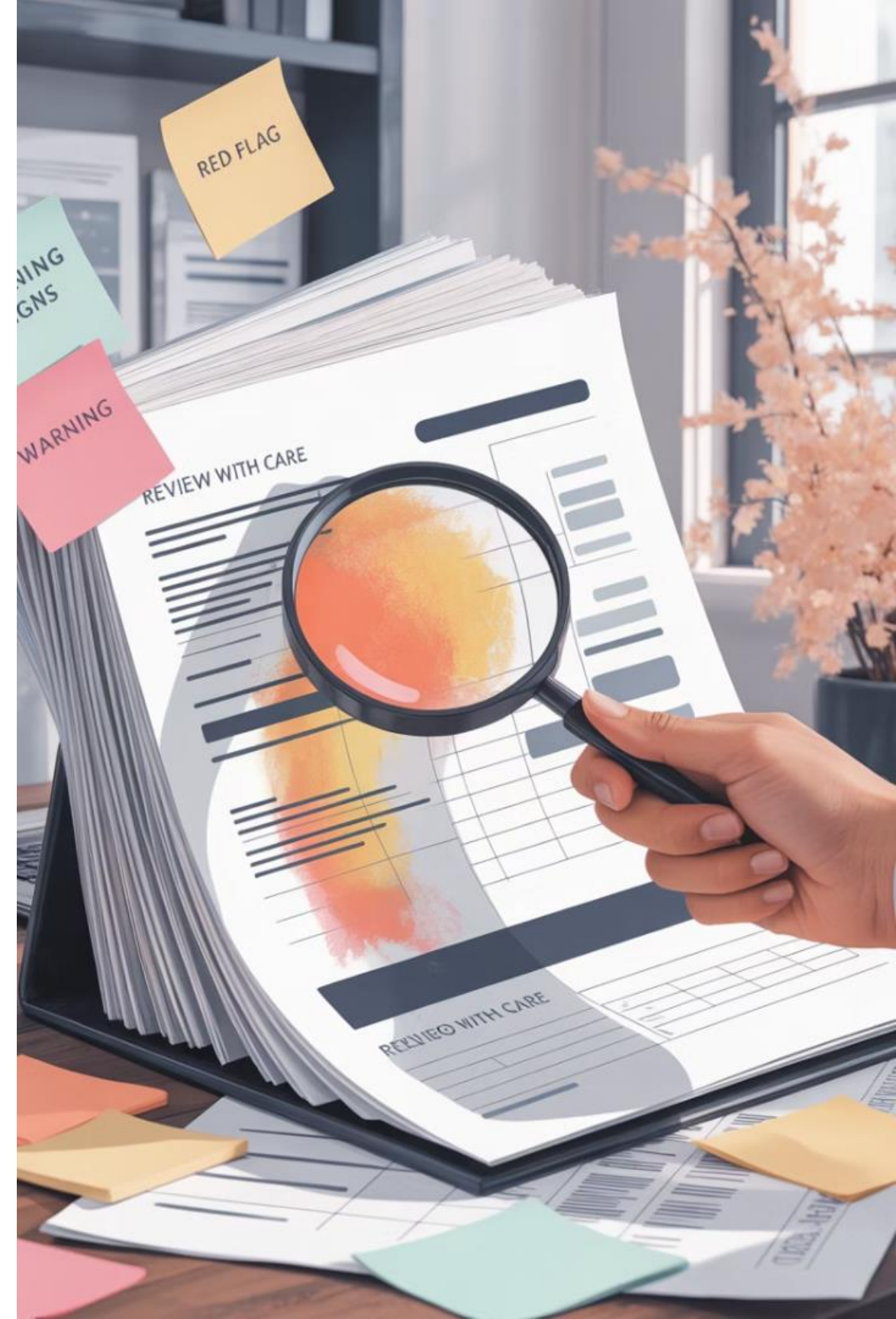
# The Case for Scaling Financial Operations

## Risk Exposure

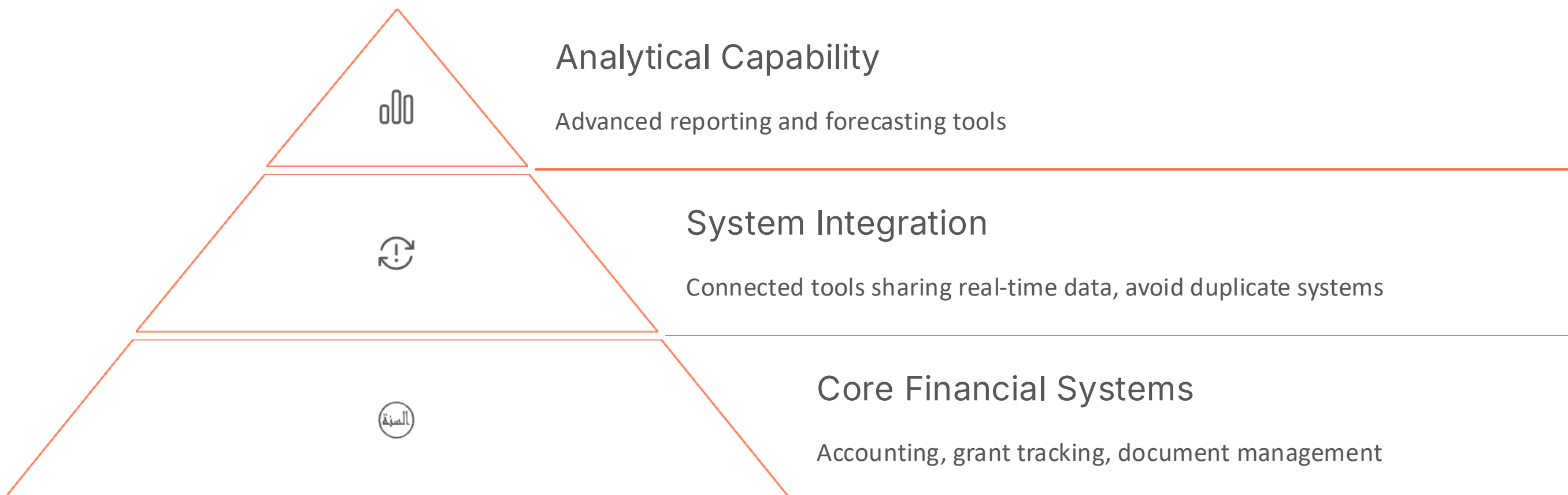
Outdated financial systems create compliance gaps and reporting errors as organizations grow.

## Sustainability Impact

Robust financial infrastructure ensures your mission thrives through periods of rapid expansion.



# Key Elements of Financial Infrastructure



# Financial Systems: The Backbone



## Program Segmentation

Separate department for each major program area



## Tracking with Donor Restrictions

Cost accounting "customer" mapped to funding source requirements



## Compliance

Structure follows nonprofit accounting standards, ease for pulling information for 990 and grant reporting



## Reporting Efficiency

Designed for quick analysis and funder reports

# Integration of Core Financial Systems





# Document Management Processes

## Capture & Digitize

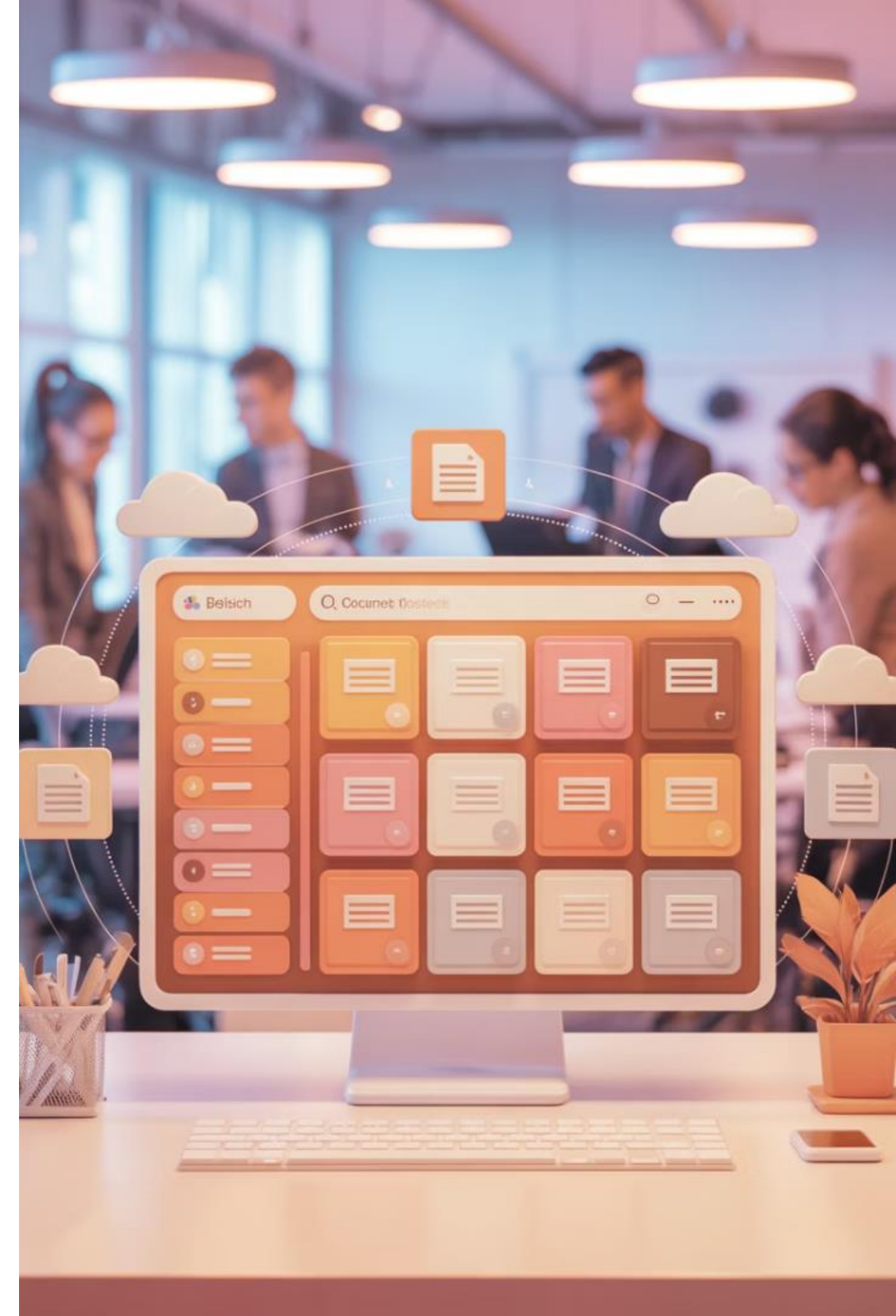
Standardized procedures for scanning and uploading financial documents.

## Organize & Index

Consistent filing system for quick retrieval.

## Secure & Protect

Storage with appropriate security,



# With Donor Restriction: Tracking Systems

## Timeline Management

Track deadlines for reports and deliverables



## Fund Segregation

Monitor restricted vs. unrestricted balances



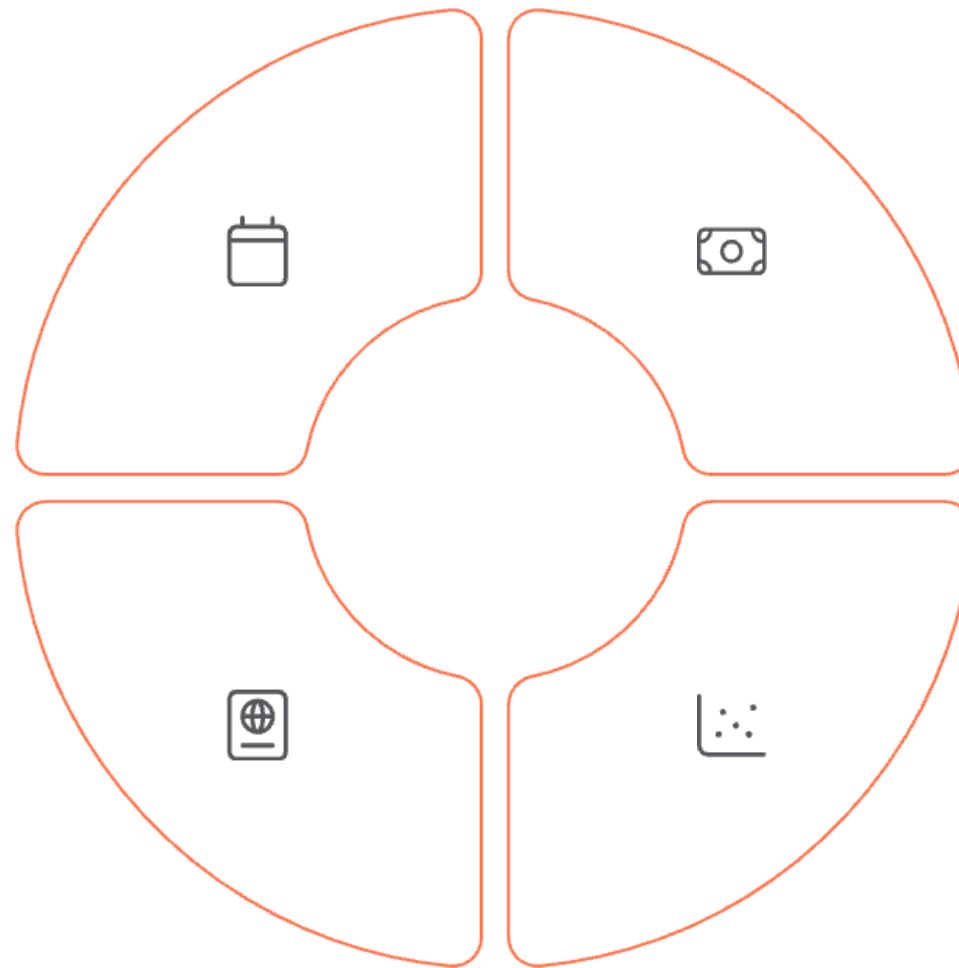
## Compliance Documentation

Store grant requirements and submission records




## Multi-Grant Dashboard

Unified view increases reporting accuracy





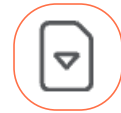


# Common Scalability Challenges



## Manual Reconciliation Burdens

Staff spends hours managing disconnected systems.



## Document Management Failures

Lost records cost organizations.



## Audit Complexity

Growth brings additional compliance requirements and scrutiny.



## Staffing Limitations

Finance teams often don't grow proportionally with programs.

# Solutions and Best Practices

## Early Infrastructure Investment

Build systems for where you're going, not just where you are today.

## Process Automation

Eliminate manual processes to reduce errors and free staff time.

- AP/AR automation
- Digital expense reporting
- E-signature implementation

## Resource Development

Engage professional assistance in development of systems.

Train staff and volunteers

# Conclusion & Next Steps



## Conduct Systems Audit

Evaluate current financial infrastructure against future needs.



## Map Core Processes

Document financial workflows and identify improvement opportunities.



## Develop Technology Roadmap

Create phased implementation plan for system improvements.



## Budget for Infrastructure

Include financial systems in strategic investment planning.



# In The Real World

Financial challenges organizations commonly face:



Capital Campaign



Fundraisers



Chart of accounts that lumps items together and not in natural categories



Cash flow vs income – unrestricted



Sales tax



Time blocking for financial items (leadership)



With Donor Restriction



No budget or budget that does not align with chart of accounts



Payroll – everything payroll



Unrelated business income



Accrual accounting and audits



Compliance understanding of due dates



# Resources



## IRS Nonprofit Hub

Comprehensive resource for nonprofit and charity tax information

[IRS Charities and Nonprofits](#)



## IRS Charitable Contributions

Official guidelines on charitable donations and tax deductions

[IRS Publication 1771](#)



## TechSoup

Discounted software and technology resources for nonprofits

[TechSoup.org](#)



## Nonprofit Finance

Financial management fundamentals for nonprofit organizations

[NFF Fundamentals](#)



# Chart of Accounts

## Revenue

- 4000 Unrestricted Contributions
  - 4005 Unrestricted Individual
  - 4010 Unrestricted Foundation
  - 4015 Unrestricted Business
  - 4020 Unrestricted Other
- Total 4000 Unrestricted Contributions
- 4100 Restricted Contributions
  - 4120 Restricted Other
- Total 4100 Restricted Contributions
- 4200 Government Grants
- 4300 Program Revenue
  - 4305 Resident Dues
- Total 4300 Program Revenue
- 4900 Miscellaneous Revenue
- Total Revenue

## Expenditures

- 6000 Personnel Expenses
  - 6005 Salaries
  - 6010 Payroll Taxes
- Total 6000 Personnel Expenses
- 6100 Professional Services
  - 6105 Legal
  - 6110 Accounting
  - 6111 Grant Writing
  - 6115 Professional Services - Other
- Total 6100 Professional Services
- 6200 Program Expenses
  - 6201 House Rent
  - 6202 House Utilities
  - 6203 House Insurance
  - 6204 House Repairs & Maintenance
  - 6205 House Supplies
  - 6210 Training
  - 6215 House Manager
  - 6220 Client Assistance
  - 6240 House Internet TV
  - 6250 Other Program Expenses
- Total 6200 Program Expenses
- 6400 Office/General Administrative Expenditures
  - 6405 Bank Charges & Fees
  - 6410 Insurance
  - 6430 IT Equipment & Software
  - 6435 Office Supplies
  - 6445 Postage
  - 6450 Website
  - 6455 Dues & Subscriptions
  - 6460 Licenses, Fees & Permits
  - 6465 Internet & TV Services
  - 6475 Community Care Link
- Total 6400 Office/General Administrative Expenditures
- 6500 Fundraising Expenses
- 6600 Donations to Other Organizations
- 6650 Meetings & Meals
- 6700 Advertising & Marketing
- 6750 Travel
- Total Expenditures
- Net Increase (Decrease) in Net Assets

# Question & Answer



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