INCREASING YOUR NONPROFIT'S MISSION IMPACT WITH SAGE INTACCT

April 18, 2023

Sage

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Agenda

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INTRODUCTION AND RSM OVERVIEW

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With you today

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Sage Intacct Nonprofit Team

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Manager, Technology Consulting

Sage Intacct Nonprofit Team

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RSM breadth of services

- As a leading provider of audit, tax and consulting services, RSM is well-positioned to bring the network of experience and resources to help overcome any unexpected challenges.

Consulting

The RSM Consulting practice provides an extensive range of capabilities and expertise, from infrastructure set-up to strategic planning. Whatever the challenge, RSM can provide the right experts to help determine the right solution.

Our Consulting Services Include:

- Application and infrastructure support
- Business intelligence
- Business process improvement
- Cost optimization
- Finance and accounting outsourcing
- Information security
- Internal control consulting
- IT strategy and optimization
- Lease due diligence
- Operations and supply chain
- People and organization optimization
- Project management
- SOX compliance
- Systems integrations
- Systems selections

Audit

The RSM Audit practice offers a full-scale line of services to help build, establish and verify trust in your financial reports. We have strict quality standards and deliver a full, fair and independent perspective throughout our services.

Our Audit Services Include:

- Asset valuation
- Complex debt and equity transactions
- Derivatives (hedging)
- Discounting and other promotional activities
- Exclusivity agreements/purchase commitments
- Gift card accounting and related breakage
- Incentive compensation arrangements
- Lease accounting
- Loyalty programs
- Self-insurance

Tax

RSM Tax services helps clients take a comprehensive perspective in a highly-dynamic and complex world of tax to deliver real savings. Our practitioners deliver value by creating a customized, integrated approach for each client to help achieve their specific objectives.

Our Tax Services Include:

Credits and Incentives
- EOTCs
- Research and development
- TIPS credits
- WOTCs

Expenditure analysis
- Meals and entertainment
- Charitable
- Package design costs
- Research and development

Leasing
- Anchor tenant benefits
- Qualified leasehold improvements
- Tenant allowances

Fixed assets
- Bonus depreciation
- Cost segregation
- Retail depreciation
- TARS

State and local issues
- Sales and use
- Structuring/planning
- Unclaimed property/property tax

International
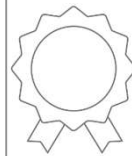- Tax treaty/withholding comp.
- Transfer pricing
- VAT/GST

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RSM consulting service overview

The right strategies and solutions require specialized knowledge, on-point experience and the depth of resources to respond quickly.

STRATEGY AND MANAGEMENT CONSULTING	TECHNOLOGY CONSULTING	RISK CONSULTING	TRANSACTION ADVISORY SERVICES	FINANCIAL ADVISORY SERVICES
Business transformation and improvement ▪ Finance and accounting ▪ Technology and digital ▪ Human capital ▪ Supply chain ▪ Operations **Strategy execution** ▪ Strategy and planning ▪ Economic and social impact ▪ Mergers and acquisitions ▪ Program and project management ▪ Change enablement	▪ Business applications— enterprise resource planning (ERP) ▪ Business applications—customer relationship management (CRM) ▪ Corporate Performance Management (Budgeting & Planning) ▪ Data and analytics ▪ Finance and accounting outsourcing ▪ Infrastructure ▪ Cloud solutions ▪ Managed services ▪ Application development and integration ▪ E-commerce solutions ▪ Lease accounting, including LeaseQuery	▪ Internal audit and controls ▪ Cybersecurity and data privacy ▪ AML and regulatory compliance ▪ Technology risk ▪ Risk management process automation ▪ Enterprise and strategy risk ▪ Third-party and credit risk ▪ Systems and process assurance	▪ Due diligence ▪ Merger integration ▪ Divestitures and carveouts ▪ Portfolio optimization	▪ Valuation services ▪ Litigation and dispute advisory ▪ Financial investigations

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Our Sage Intacct practice

RSM US is the **leading provider** of audit, tax, and consulting services focused on the middle market.

Annually one of the Top 10 **Sage Intacct partners**

RSM offices in 85 U.S. cities and 4 Canadian cities
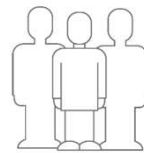
Regionally based Sage Intacct resources

- Certified Public Accountants
- ERP Consultants
- Application Developers
- Project Managers

25+ Sage Intacct certified consultants

2022 Sage Growth Partner Award recipient

500+ Sage Intacct customers
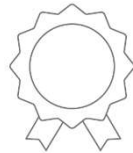
Sage Intacct Sage Partner Award for 5 years in a row
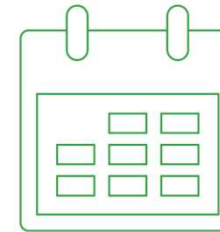
2009 Sage Intacct practice began

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Objectives

When you leave here today you will be able to:

✓Learn how to track non-financial metrics in reports and dashboards

✓Understand how to enhance reporting and visibility using dimensions

✓Improve dashboard focus through user and dashboard permissions in Intacct

✓Identify types of reports that are essential for oversight into program spend and performance

✓Identify areas where efficiency and accuracy can be increased with system integrations

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CHALLENGES FACING NONPROFITS

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Common challenges facing nonprofit organizations

Lack of Resources

Nonprofits are continuously having to strike a balance between allocating resources to their mission versus investing in areas such as information technology or hiring additional staff

Fundraising & Donor Management

In addition to spending time on furthering their mission, nonprofits must also fundraise and continuously keep their existing donors engaged and up to date on their recent initiatives

Complexity in Non-Profit Accounting

Nonprofits must manage cash flows and income streams from several different sources. They may also sometimes have for-profit subsidiaries that create unique challenges.

Reporting

Reporting is a crucial element of a nonprofit's ability to be transparent with donors and the general public. Reporting may be difficult due to disparate systems of record or unique donor requirements.

Communicating the Effectives of their Initiatives

Nonprofits must be able to track outcomes and communicate the effectiveness of their initiatives in order to gain new donors, develop new donors, and build awareness for their mission.

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What concerns are we encountering?

- Visibility into program effectiveness

    ⁻ Delays in recording transactions
    ⁻ Program managers lack access to financial statements on demand
    ⁻ Inability to visually show data
    ⁻ Minimal insight into operational metrics

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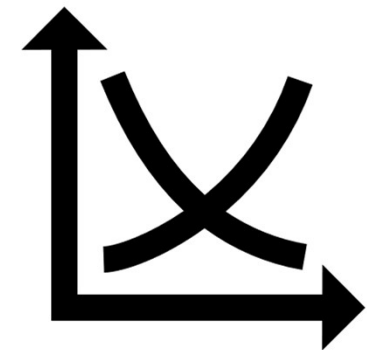
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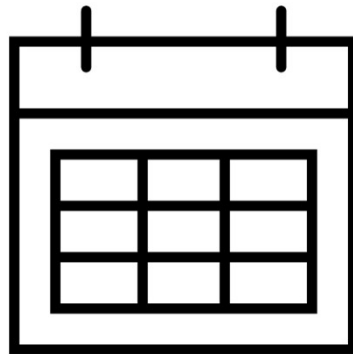
- Inability to focus on mission success

  - Lack of resources to analyze current spend and forecast for future financial success
  - Increasing costs and revenue uncertainty affecting ability to demonstrate mission impact

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Opportunities overview

- Opportunities for addressing these challenges with Sage Intacct:

  - Integration of statistical information
  - Efficiency ratios on spend across functional areas
  - Real time reporting/dashboards
  - Dimensional tracking/reporting
  - Automation through 3rd Party Integrations

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OPPORTUNITIES PROVIDED BY NON-FINANCIAL METRICS AND RATIOS

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Operational metrics with statistical accounts

- **What are Statistical Accounts?**
  - Non-financial metrics
  - Quantitative measures that cannot be expressed in monetary units

- **Common Examples**
  - Headcount
  - Members
  - Registrants
  - Communities served
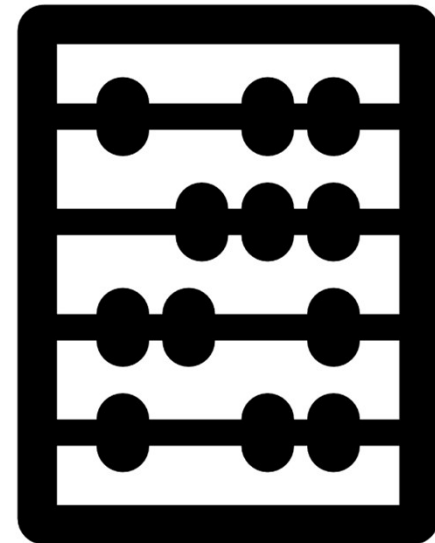
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Operational metrics with statistical accounts

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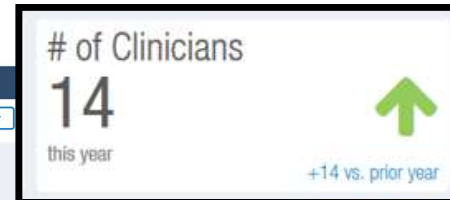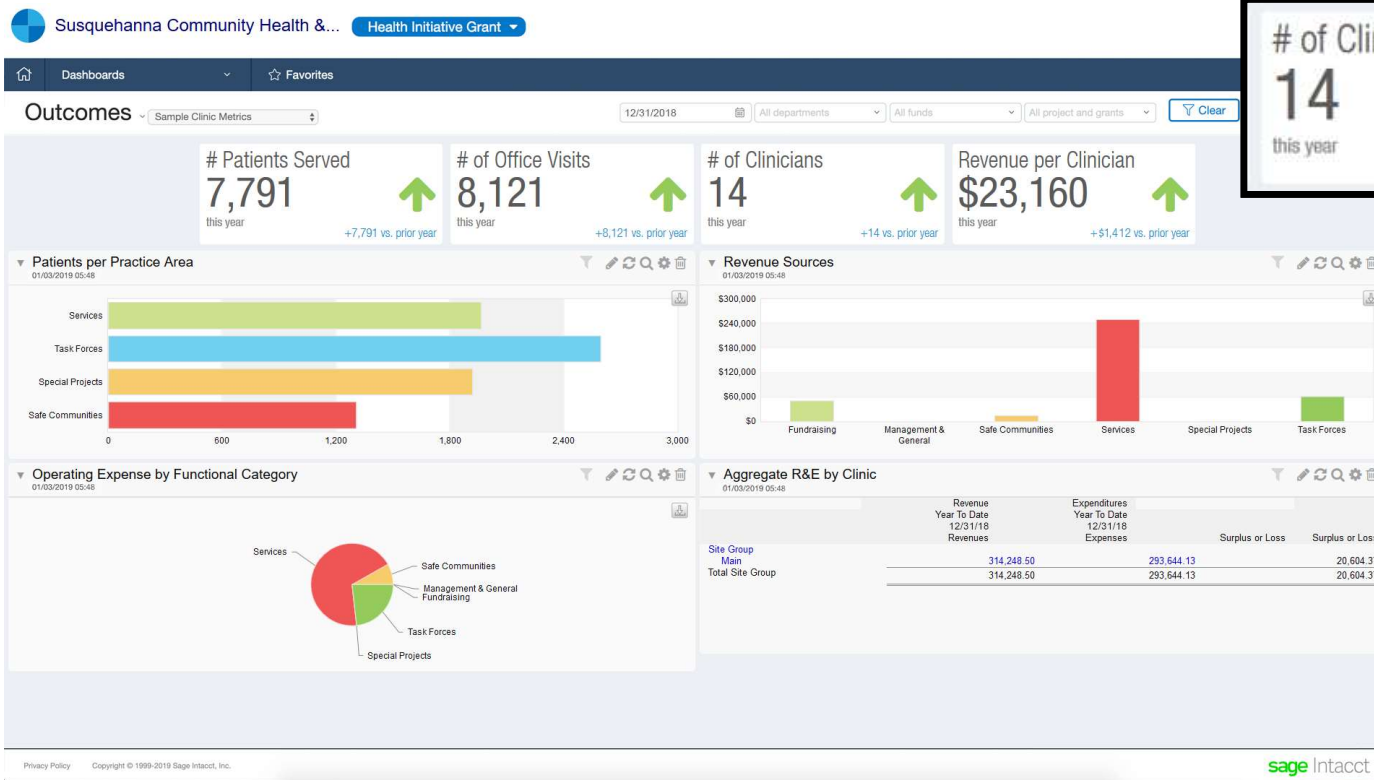
Understand organization spend with efficiency ratios

- **Fundraising Efficiency Ratio**
  - Demonstrates $ generated in comparison to $ spent
  - = Fundraising Revenue / Fundraising Expense

- **Program Efficiency Ratio**
  - Measures amount spent of programming in comparison to overall expenses
  - = Program Expenses / Total Expenses

- **Nonprofit Burn Rate**
  - Measures monthly negative cash flow to ensure reserves will not be depleted
  - = (Starting cash – Ending cash) / # of Months
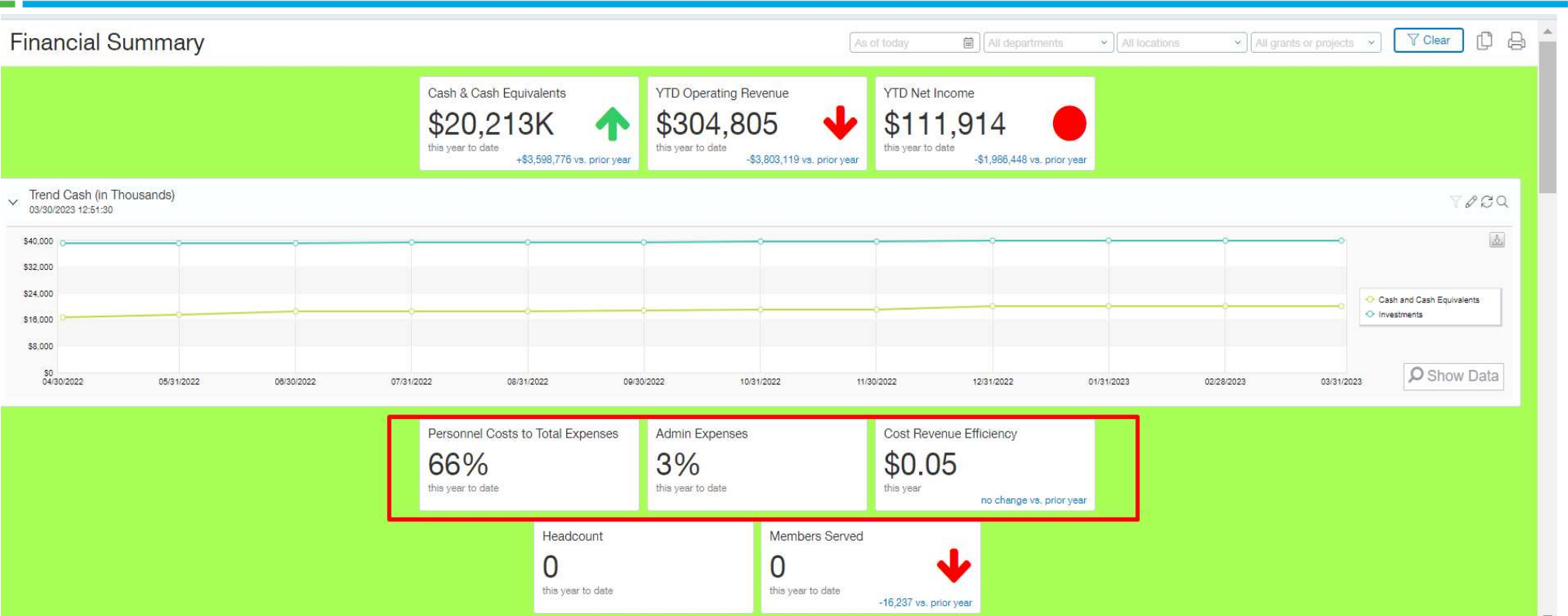
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Understand organization spend with efficiency ratios

OPPORTUNITIES PROVIDED BY DIMENSIONAL REPORTING AND DASHBOARDS

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Gain insights through dashboards
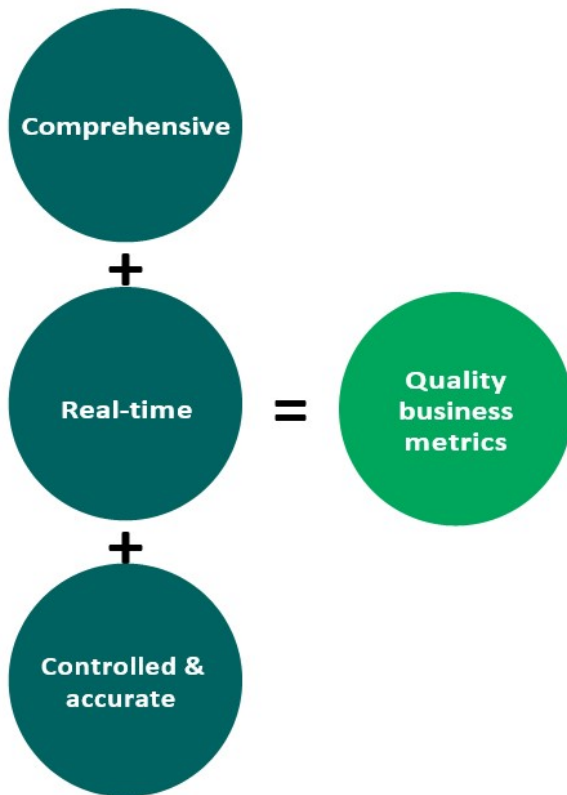
- Means to view and manage data from across the organization using:

  - Performance cards
  - Financial reports
  - Financial graphs
  - Custom and memorized reports
  - Period close and consolidation checklists
  - External links and custom navigation
  - Instant drill-down into transaction detail

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Gain insights through dashboards

Role based dashboards

Financial leaders benefit from instant visibility into revenue, operational efficiency, and other key markers of financial stewardship.

Program managers see metrics related to programs, locations, and budgets.

The development team will pay close attention to fundraising efficiency and efficacy of campaigns.

Grant managers may monitor grant renewals, new awards, and funding pipelines.

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Role based dashboards

Role Based Dashboards

Introduction to Dimensional Reporting

WHAT? — Item, Class/Restriction

WHO? — Customer/Donor, Vendor, Employee

WHERE? — Project/Grant, Dept, Entity/Location

Dimensions
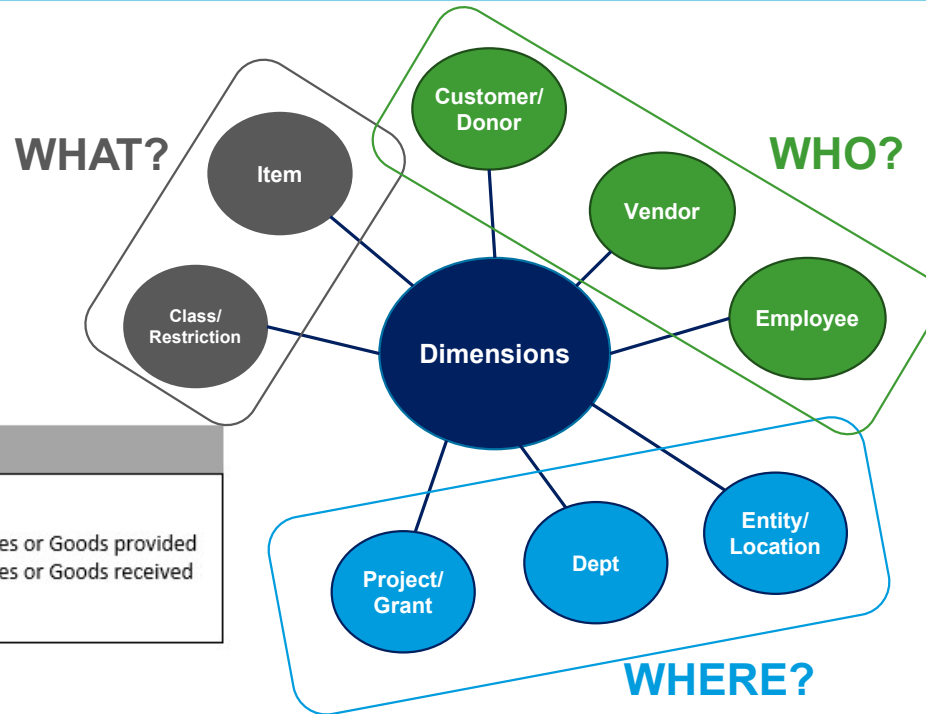
Customer	Vendors
• Individual donors • Institutional donors • Members, students • Board members • Constituencies served	• Vendors/Contractors • Grant Recipients • Employees

Class	Items
• Restriction Classification (Unrestricted, Temporarily Restricted, Permanently Restricted)	• Services or Goods provided • Services or Goods received

Entity	Location	Department	Projects
• Related and/or Supporting organizations • "Fund" as Entity (only if required, ex. Government fund accounting)	• Site/Facility • Division • Region	• Program Functions (Program Areas, Initiatives) • Cost Centers (Fundraising, Administration, Operations)	• Grants and Contributions • Contracts with Customers • Internal Projects • Events • Fundraising Campaigns

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Dimension Tracking and Reporting

Dimension Tracking and Reporting

Leverage dimensions to slice and dice your data for **maximum visibility and impact**
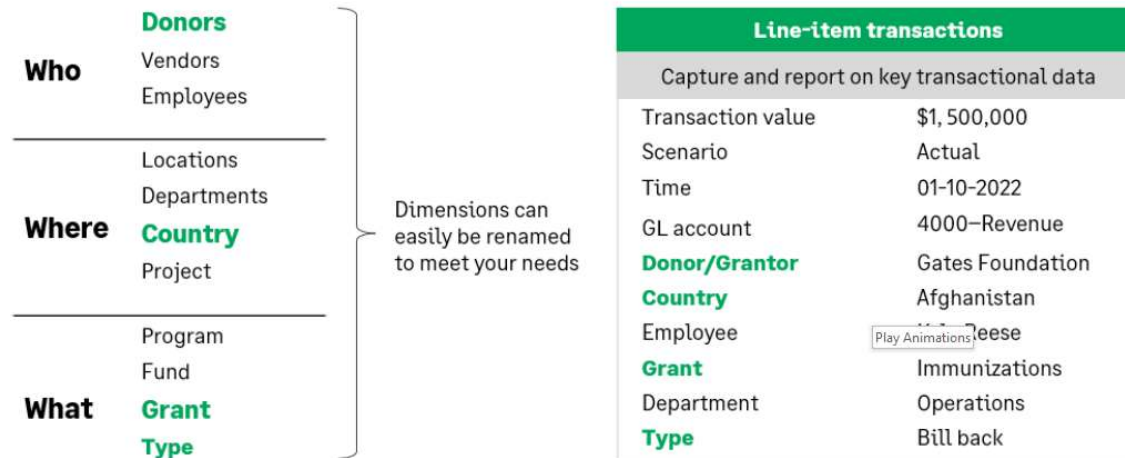
Dimension Tracking and Reporting

Column and row expansion by dimension for quick insight into organization activity

Department Functional Expenses - Actual vs Budget

|	Agriculture Year Ending 12/31/2018			Health Year Ending 12/31/2018			Water Year Ending 12/31/2018			Emergency Year Ending 12/31/2018			All Departments Year Ending 12/31/2018		
	Actual	Budget	Variance	Actual	Budget	Variance	Actual	Budget	Variance	Actual	Budget	Variance	Actual	Budget	Variance
▼ Expenditures															
▶ Personnel Expenses	759,407	1,042,704	(283,297)	322,127	412,062	(89,936)	74,537	112,254	(37,717)	53,241	80,181	(26,940)	1,209,311	1,647,201	(437,890)
▶ Professional Fees	678,532	820,810	(142,278)	272,175	417,018	(144,842)	244,597	298,481	(53,885)	150,582	184,087	(33,505)	1,345,886	1,720,396	(374,509)
▶ Program Expenses	171,094	224,073	(52,979)	83,880	88,096	(4,216)	164,564	176,193	(11,627)	69,694	44,048	25,645	489,234	532,410	(43,177)
▶ Occupancy	99,548	155,390	(55,842)	158,055	246,717	(88,662)	42,831	66,857	(24,027)	73,397	113,386	(39,988)	373,830	582,350	(208,520)
▼ General and Administrative Expenses															
▶ Bad Debt Expenses	16,034	19,509	(3,474)	0	0	0	0	0	0	0	0	0	16,034	19,508	(3,474)
▶ Business Licenses and Permits	37,613	49,164	(11,553)	23,917	31,262	(7,346)	3,187	4,166	(979)	15,787	22,396	(6,608)	80,504	106,989	(26,485)
▶ Conferences, Conventions, and Meetings	64,291	20,984	43,308	34,107	44,583	(10,476)	35,269	45,280	(10,011)	39,289	55,734	(16,446)	172,956	166,581	6,375
▶ Insurance	74,628	97,549	(22,921)	0	0	0	24,593	32,147	(7,554)	17,349	22,678	(5,328)	116,571	152,374	(35,803)
▶ Office Supplies	54,660	70,704	(16,044)	18,954	26,888	(7,933)	54,737	66,858	(12,121)	40,877	53,431	(12,555)	169,227	217,882	(48,655)
▶ Other Expenses	150,049	194,376	(44,327)	90,332	118,077	(27,745)	121,459	157,167	(35,708)	90,330	118,073	(27,744)	452,171	587,694	(135,523)
▶ Postage and Delivery	730	0	730	0	0	0	0	0	0	0	0	0	730	0	730
▶ Travel Expenses	69,636	91,024	(21,388)	82,979	108,465	(25,486)	118,584	155,006	(36,422)	28,294	36,352	(8,057)	299,492	390,845	(91,353)
Total General and Administrative Expenses	467,641	543,310	(75,669)	250,289	329,275	(78,986)	357,829	460,624	(102,795)	231,926	308,664	(76,738)	1,307,685	1,641,873	(334,188)
Total Expenditures	2,176,222	2,786,287	(610,065)	1,086,526	1,493,168	(406,642)	884,358	1,114,409	(230,051)	578,840	730,366	(151,526)	4,725,946	6,124,230	(1,398,284)

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Dimension based dashboards
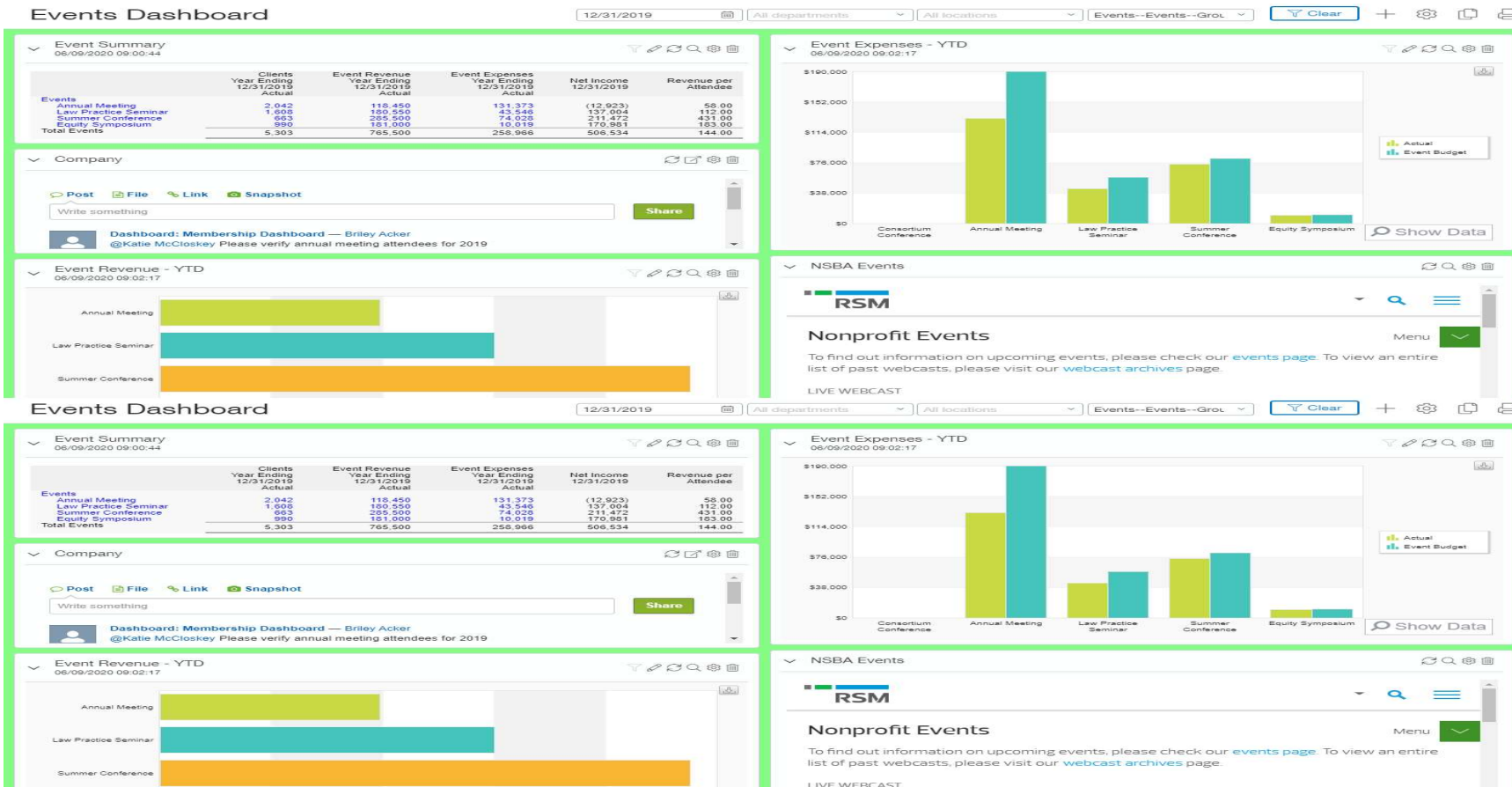
OPPORTUNITIES PROVIDED BY SYSTEM INTEGRATION

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Automating processes through integration

- Easy integration with other streams of organizational data can:

  - Provide executives and stakeholders with ability to track metrics central to your organization's operations and programs
  - Save valuable time and effort granting resources more time to devote to increasing mission success

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Automating processes through integration

Customer Management

Expense Reporting

sage Intacct

Procurement

Payroll

Budgeting and Planning

Best-in-Class cloud platform allows you to choose best product for your organization

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Automating processes through integration

With the Sage Intacct open API web architecture, you are free to choose business applications based on functional fit.

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Additional Modern Systems Examples

| ERP / Financial Close | CPM | CRM | HRIS | Donor Management | Business Intelligence |

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Automation: Other Areas of Consideration

- Project Billing

- Budget Management

- Contract Tracking

- Revenue Recognition

- Expense Allocation

- Nonprofit Restriction Release

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Summary of opportunities

- Integration of statistical information

- Efficiency ratios on spend across functional areas

- Real time reporting/dashboards

- Dimensional tracking/reporting

- Automation through 3rd Party Integrations

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