

EBOOK

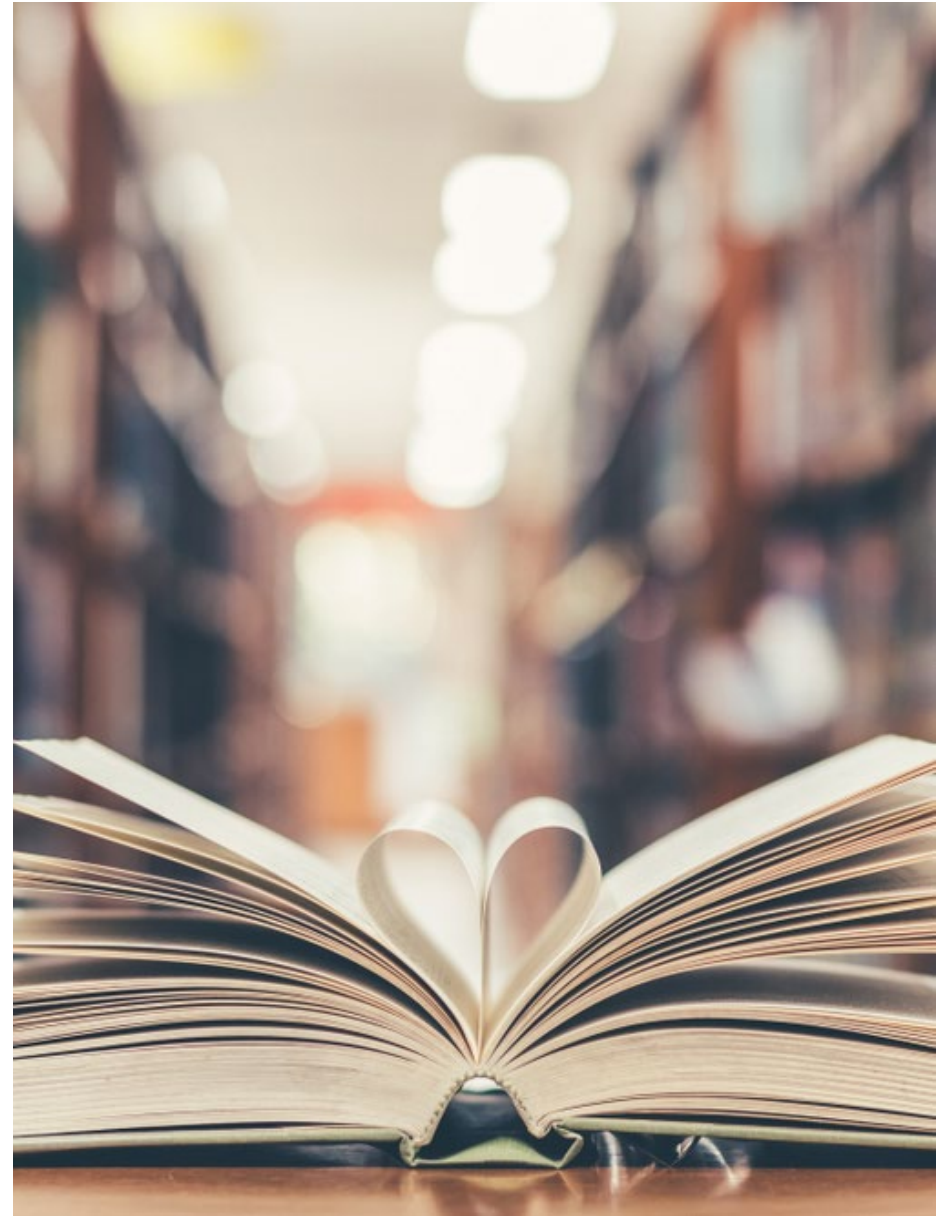
The Modern Nonprofit Chart of Accounts

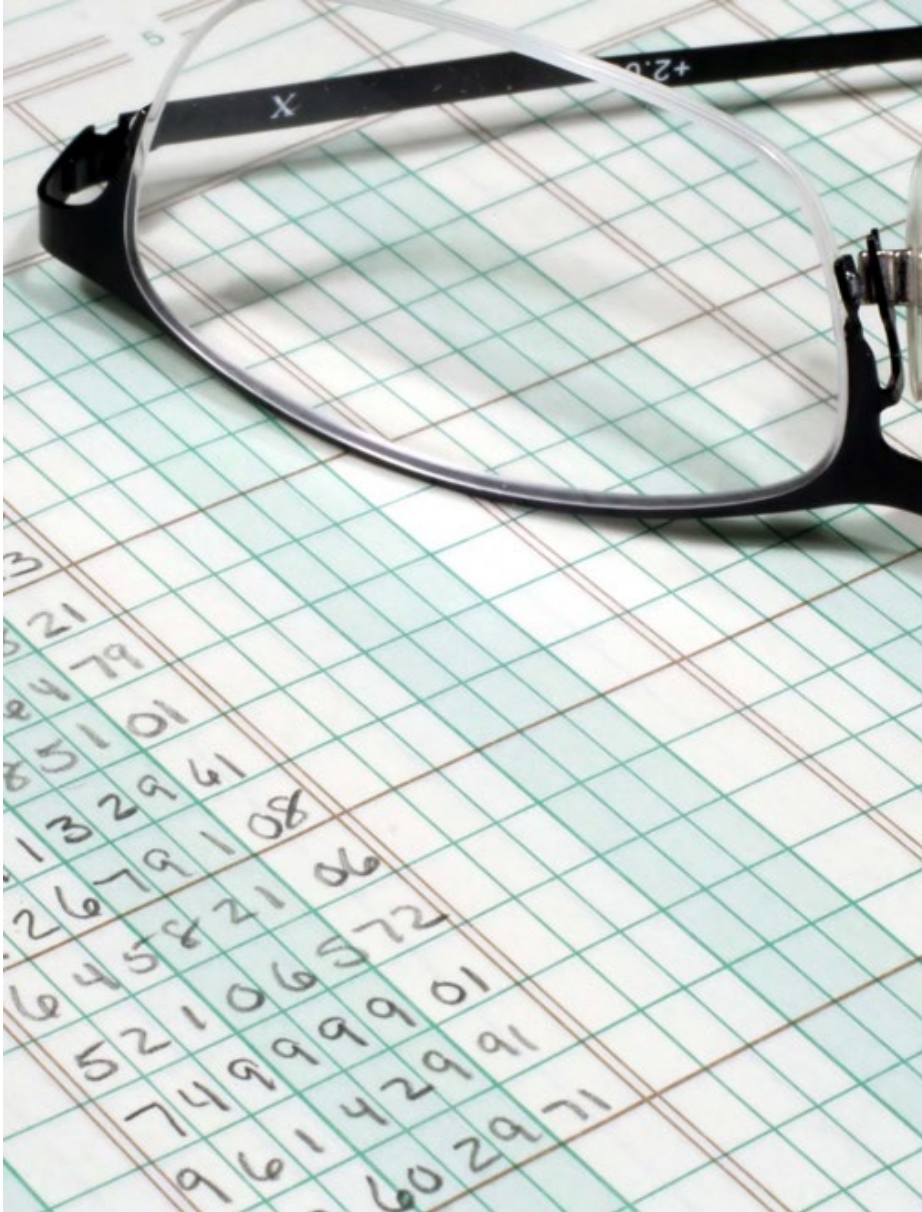
(Hint: It's not your
mother's general ledger)

Nonprofit



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- 2. Nonprofit chart of accounts:** Then and now
- 3. Reducing Complexity:** Logic-based chart of accounts
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Stewardship begins in your chart of accounts

Can you find and analyze your financial data easily?

In the past, most nonprofit fund accounting systems had poor (if any) data integration to other nonprofit systems. As a result, nonprofit finance teams often struggled to provide executives, board members, and funders with a complete view of financial performance and mission impact.

Today, modern financial management solutions centralize and integrate data streams from across the organization, providing better visibility. Best-in-class cloud solutions allow you to make huge efficiency strides and strengthen stewardship.

It is easier to find, sort, report, and analyze your organization's financial data when it is created in a modern, dimensional chart of accounts. In this eBook, we'll explore the five biggest benefits you can expect from an accounting system that leverages a dimensional chart of accounts.

The foundation of nonprofit financial management

A chart of accounts is a list of all accounts used in the general ledger by a nonprofit organization.

The chart of accounts is a foundational part of your financial management system. It defines classes of items your accounting system will use to aggregate transactions into your organization's financial reporting. The structure of your chart of accounts determines how financial data gets entered and how it's extracted for reporting.

As the basis of your framework for accounting, the chart of accounts affects most tasks the finance team needs to perform. With so many stakeholders to keep informed, are you spending too much time and effort searching for information, manipulating, and formatting reports only to run out of time for deeper analysis?

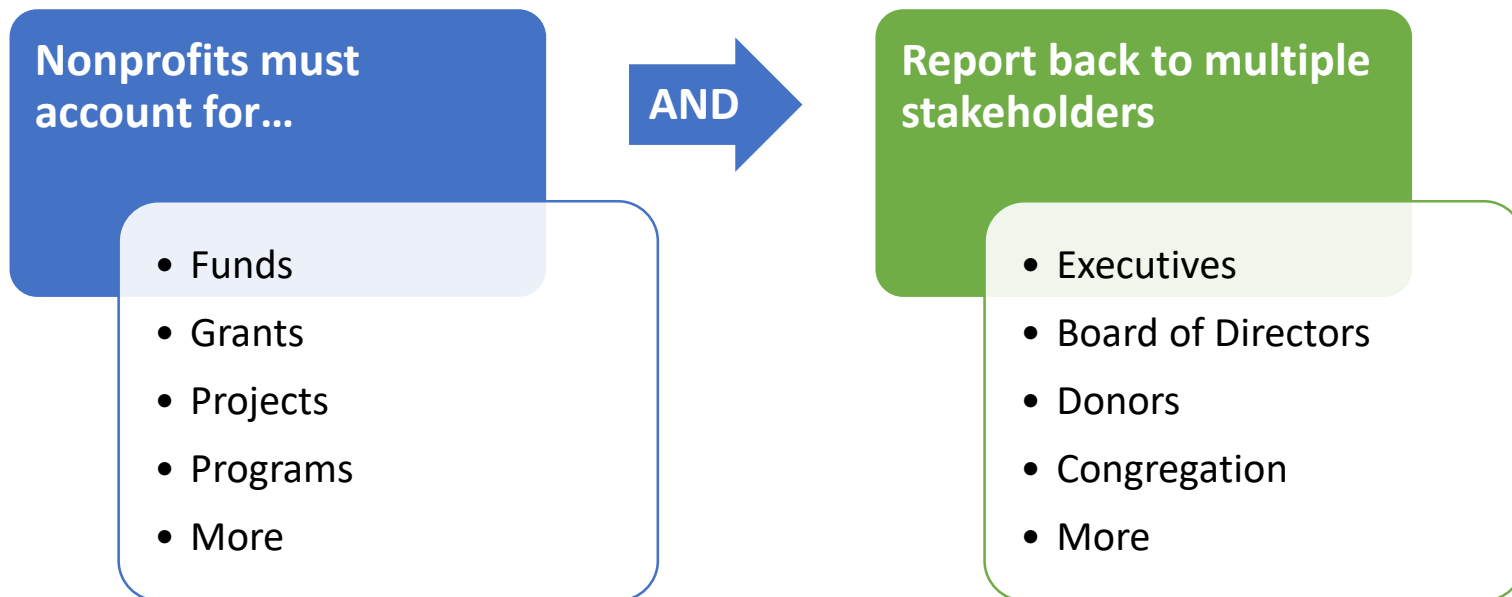
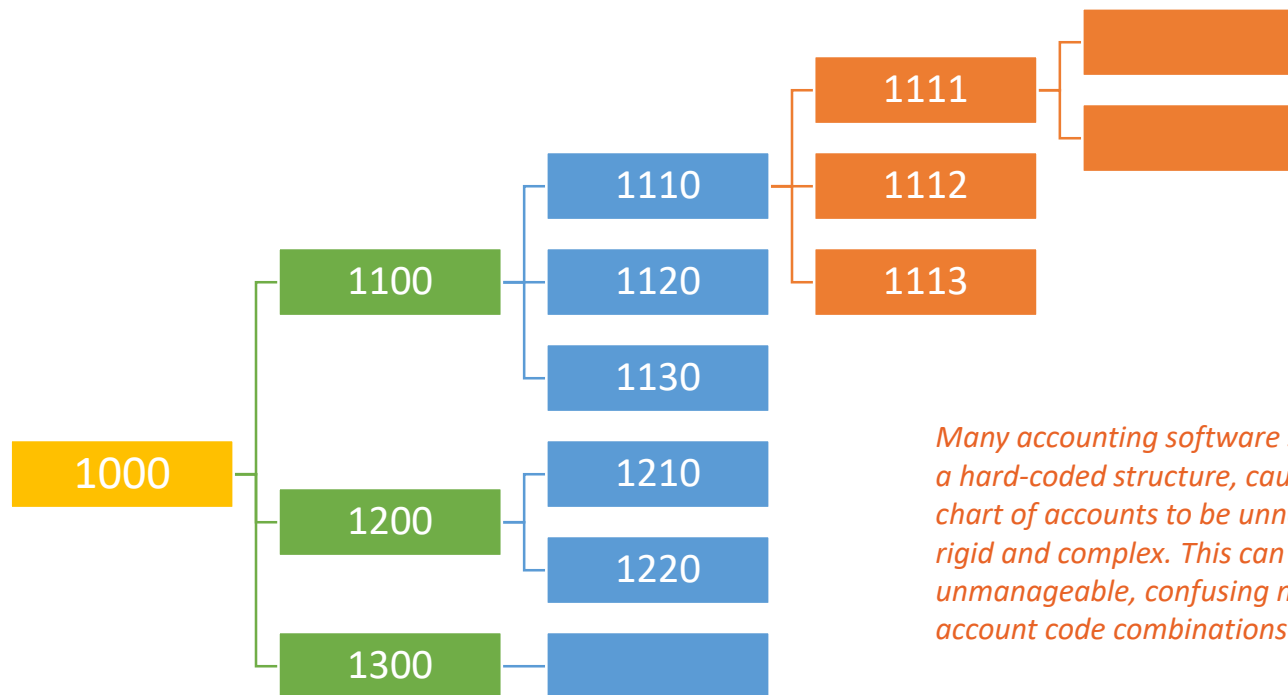


Chart of accounts gone wild

Ease and functionality vary dramatically between a traditional chart of accounts and a modern, dimensional chart of accounts.

An older, hard-coded chart of accounts structure tends to produce thousands—if not tens of thousands—of unique account numbers. Over time, an ever-burgeoning chart of accounts becomes unwieldy. For example, in a traditional chart of accounts, if you have 5 funds, 4 grants, 3 programs and 1 restriction, you’d need to set up 60 GL accounts for every natural account. All those codes take time to set up and increase your chances of making errors.



Many accounting software solutions use a hard-coded structure, causing the chart of accounts to be unnecessarily rigid and complex. This can result in an unmanageable, confusing number of account code combinations.



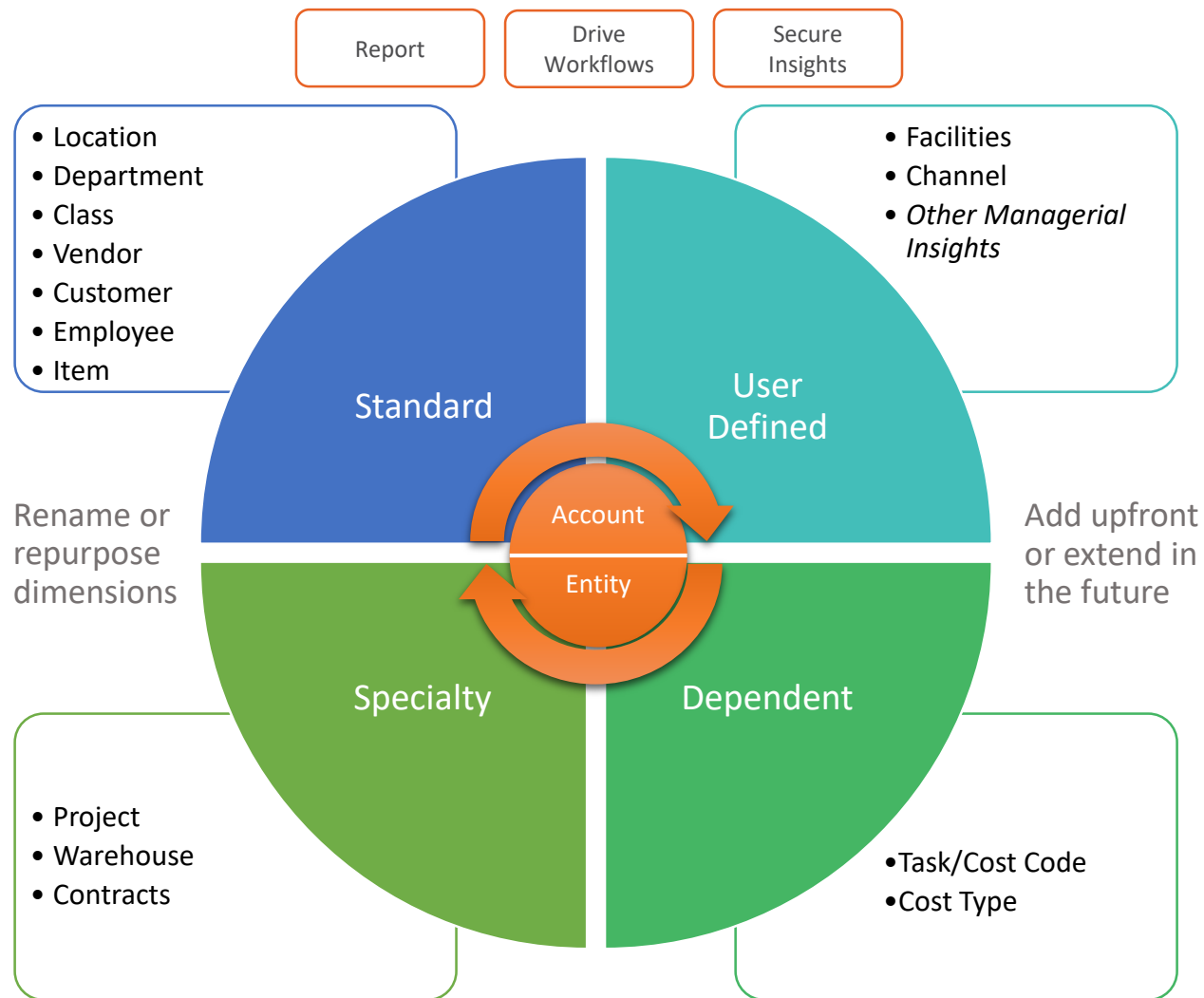
Reduce effort while extending insights with a logic-based chart of accounts

Sage Intacct uses a modern, table-driven architecture that structures financial and operational data around logic-based dimensions.

This dimensional structure allows nonprofit finance professionals to categorize or tag a single element with multiple attributes for complex analysis and comparison.

In Sage Intacct, you can define the key attributes that you want to use in accounting and reporting, like program, department, location, fund, grant, project, etc. You can use dimensions to apply context to any transaction — general ledger, receivables, payables, time, revenue management, fixed assets, and more. A few drop-down menus, a few clicks and you're done adding context to any transaction.

Sage Intacct Dimensions deliver reporting insights, drive workflows, and secure views of information





Five Benefits of a Modern Nonprofit Chart of Accounts



Benefit #1: Reduced complexity

Dimensions add rich contextual information while simplifying both data entry and data analysis.

Continuing the earlier example of an organization with 5 funds, 4 grants, 3 programs and 1 restriction, you would need just one natural account in Sage Intacct to capture the same information that required 60 account numbers in a hard-coded chart of accounts. This not only makes your chart of accounts much simpler; it also helps you gain the visibility and insights needed to drive more efficiency and value.

Room to Read reduces its chart of accounts from 56,000 accounts down to just 100 with Sage Intacct

“In the streamlining of our chart of accounts with the Sage Intacct Dimensions and our variants, we’ve been able to really get deeper into the detail. We’re able to pull data out around our donor reporting that we could never touch before. Our management team is looking at the financials for the first time and thinking ‘wow they’re not 6 months old, they are from last week.’ The finance and accounting team has just really risen in their own sense of empowerment.”



Room to Read®

Shari Freedman
Chief Financial Officer





Benefit #2: Easier ‘slicing and dicing’ of financial data

Dimensionality improves the ease and accuracy of reporting.

A dimensional chart of accounts provides critical ‘point-and-click’ functionality so you can slice, dice, measure, and calculate data to quickly analyze performance. As you automate reporting, your team will gain efficiency and improve accuracy. You’ll also save all the time you previously spent manually capturing, aggregating, and manipulating data in multiple Excel spreadsheets to produce reports.

Sage Intacct dimensions allow for comparative (cross-tab) and hierarchical (drill-down) organization of your organization’s key information. When a stakeholder calls with a question about the numbers, you won’t have to ‘get back to them.’ Obtain answers immediately by slicing and dicing your data with ease.

Boys & Girls Clubs of Greater Tarrant County turns financial management efficiency into greater youth impact

“We’re able to produce better reports with more information faster with Sage Intacct. The ability to slice and dice data with dimensions is extremely useful. The more efficiently we can allocate and track costs, the more bang for the buck we can get. That equates to more youth served.”



BOYS & GIRLS CLUBS
OF GREATER TARRANT COUNTY

Robert Ehret
Vice President of Finance





Benefit #3: Insightful, multi-dimensional analysis

Dimensions provide the ability to analyze your data across multiple data points at one time.

No more will you have to call up one report, export it into an Excel spreadsheet and then do the same again for a different area before trying to piece both data streams together manually. With the ability to analyze data from multiple dimensions, you can make more informed decisions across your organization.

When you spot something that needs more investigation, you can drill all the way down to the transaction-level details and documentation. Take action as soon as you see new opportunities or challenges on the horizon. You don't need to wait for distribution of month-end offline reports.

The Roman Catholic Diocese of Portland streamlines consolidations and reporting for multi-entity financials

“Thanks to the insight we have in Sage Intacct, we’ve provided new value-added services and information to our department directors that we were never able to offer before. Sage Intacct’s Dimensions really are life-changing, and the system’s reporting possibilities are endless. There isn’t anything it can’t do.”

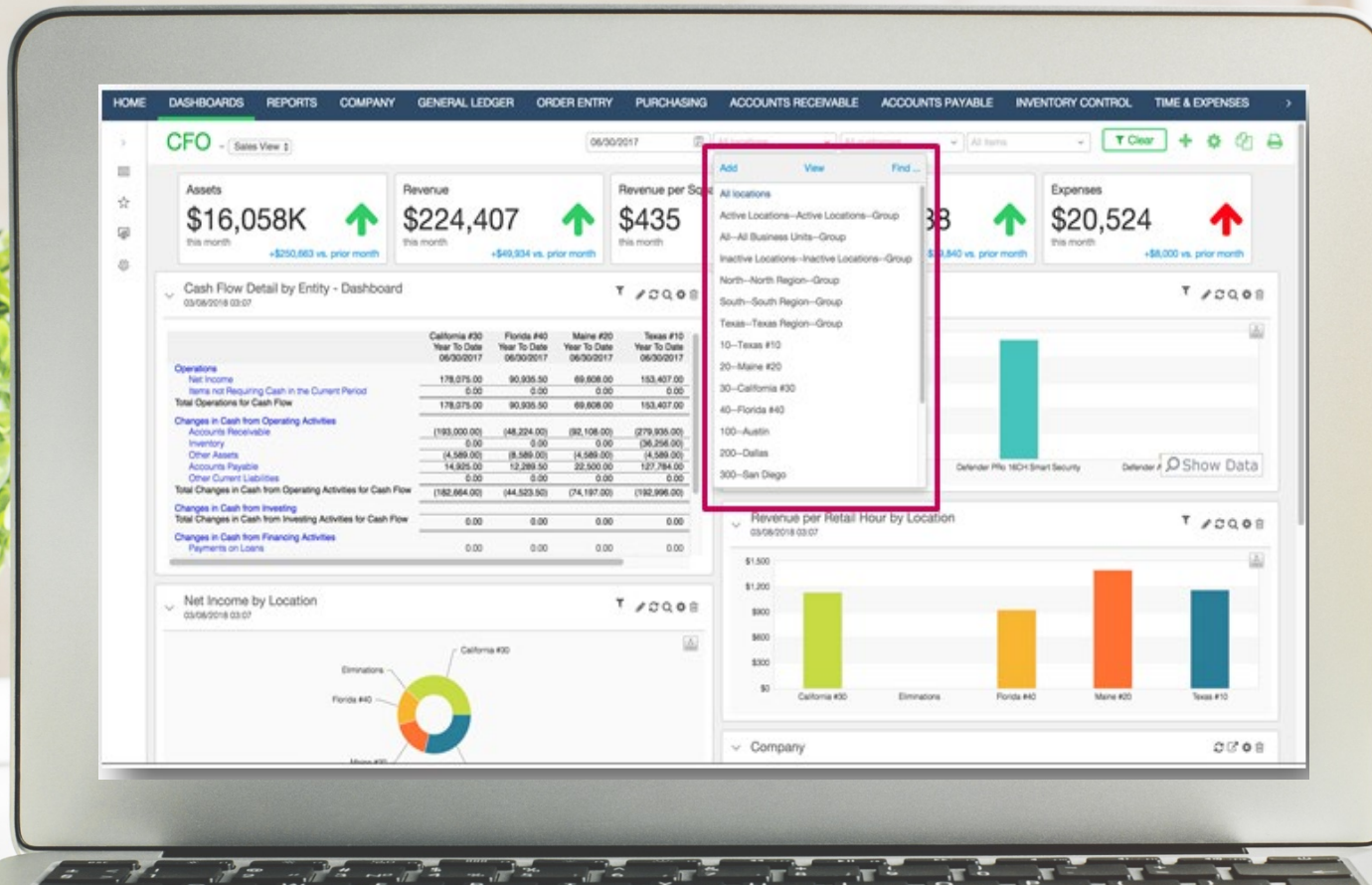


Laurie Downey
Controller



Everyone in your organization gets the information they need

The role-based CFO dashboard below provides at-a-glance insights into revenues and expenses across different locations. Individual role-based dashboards can be configured for all key stakeholders including executives, board members, program managers, even auditors.





Benefit #4: Visibility across financial and operational data

One of the primary benefits of dimensions is better visibility and reporting.

Dimensions make it much easier to gain visibility and insight into the data. Sage Intacct makes it easy to capture a more granular level of operational and financial data, tailored to your organization. Reporting analysis and role-based dashboards become much more contextually rich when both critical outcome metrics and financial performance data get included.

This is the kind of visibility that empowers everyone — from program managers to executives — to plan and manage better. Trying to rein in expenses? Provide program managers with online access to up-to-the-minute budget vs. actuals reports. Need more funding? Show grant managers and fundraisers the cost of impact and seek out new donations.

The Big Ten Conference scores a touchdown with best-in-class financial automation

“With Sage Intacct’s dimensions, we can map things to how we practically manage our business. Once we create a dimension, we can use it to categorize any transaction – general ledger, receivables, payables, etc. – and as our business changes, it’s quick and easy to add the dimensions we need and re-classify things accordingly, so we can monitor what’s most important to us.”

BIG

Julie Suderman
Associate Commissioner, Finance





Benefit #5: Increased transparency with donors

Inspire giving by showing donors the numbers behind your story.

As a nonprofit financial leader, you know how important it is to be able to tell donors a compelling story about your organization's mission and impact. It's not just donations and expenditures in a spreadsheet — it's about helping make the world a better place, one outcome at a time.

Cloud-based financial management solutions provide a more efficient way to distribute information to donors and the board. With Sage Intacct, you can not only provide anytime, anywhere access to key stakeholders, you can also create custom, outcome metrics that highlight your organization's impact and back it up with key metrics.

As your organization changes or expands its mission, you can add dimensions to track new things that become important to your board or donors.

Children's Hunger Fund streamlines program management for rapid disaster relief funding

"We do a lot of disaster response work, and in the past, it took tons of work to figure out how much money had come in for a particular earthquake or hurricane and how much of it we spent. But now we can just run a project report based on the dimensions in Sage Intacct and see an instant snapshot of all the donations, whether we have enough funding left over to support the next disaster, and how this kind of work affects our overall operations."

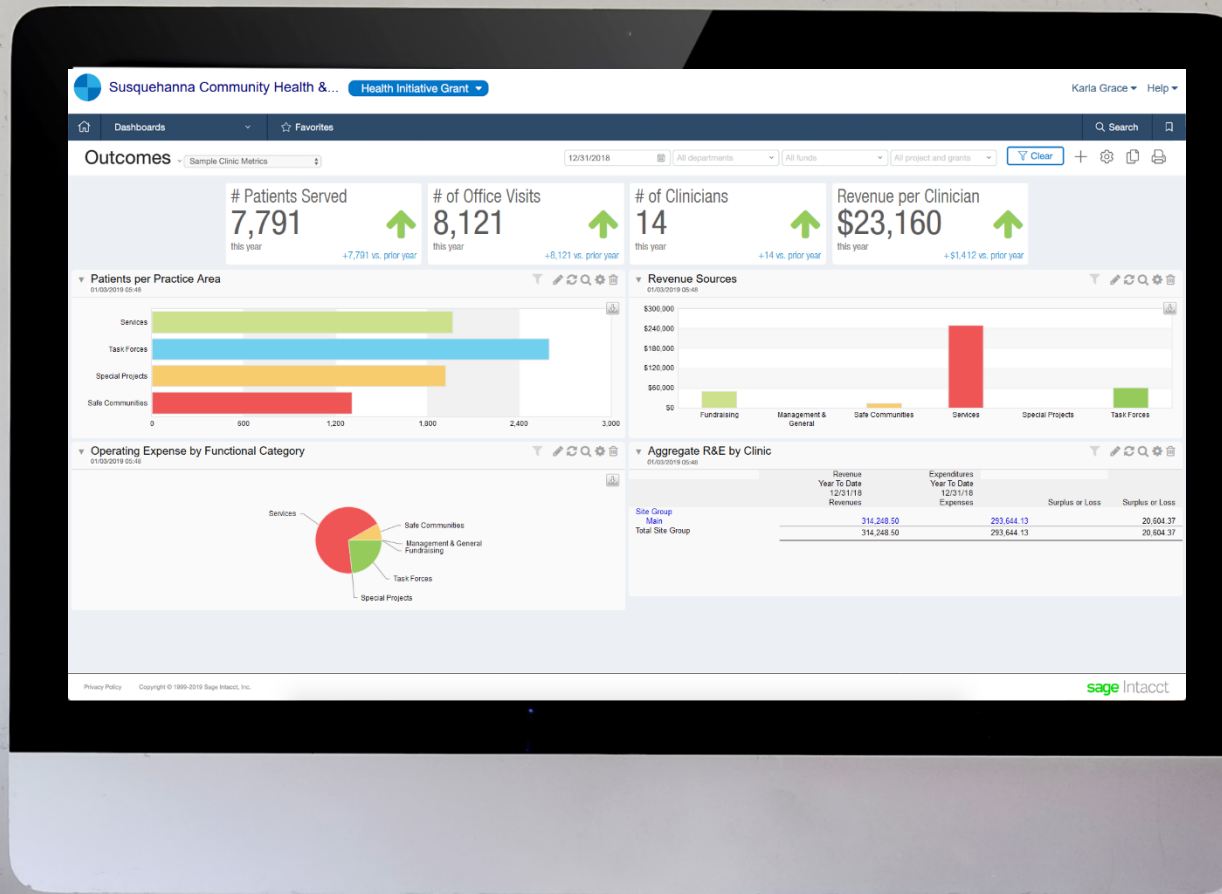


Roger Bayramian
Controller



Share the story of your mission in a single Outcomes dashboard

When you combine financial and operational data into a single multi-dimensional Outcomes dashboard, you can share a true picture of your organization's impact with donors.



Hunter Health easily meets compliance requirements and gets a dynamic view of operations with a dimensional chart of accounts

“In the world of community health centers, you have to be able to look at your financials in a very dynamic way in order to both meet compliance requirements and actively manage operations. From my own experience, as well as every other CFO I’ve asked, there’s no financial system better than Sage Intacct when it comes to analyzing data across multiple dimensions.”



Lora Winchell
Chief Financial Officer



Enhance insights with dimensionality

Don't observe your data—Use it to drive greater mission impact.

A dimensional chart of accounts makes the difference between reviewing your data and really using it to advance your mission.

- Traditional chart of accounts provides backward-looking reports you struggle to complete and deliver at regular intervals.
- Dimensional chart of accounts enables dynamic ad-hoc analysis you can use to adjust your plan in real-time to increase mission impact.

A dimensional chart of accounts, combined with the flexible reporting and analysis capabilities in Sage Intacct, will allow you to plan your specific needs by program or department. A dimensional chart of accounts enables the finance team to provide internal and external stakeholders the benefits of reduced complexity; more accurate, tailored reporting; deeper and wider visibility; multi-dimensional analysis, and increased transparency.





Sage Intacct

Sage Intacct is the AICPA's preferred provider of cloud financial applications

Specializing in helping nonprofits and faith-based organizations of all types, Sage Intacct's modern solution and open APIs streamlines grant, fund, project, and donor accounting—while delivering real-time visibility into the metrics that matter. At Sage Intacct, we help nonprofits strengthen stewardship, build influence, grow funding, and achieve mission success.

For more information, visit: [Sage Intacct for Nonprofits](#)



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