

E-book

Sage Intacct

The Modern Nonprofit Chart of Accounts

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

Sage

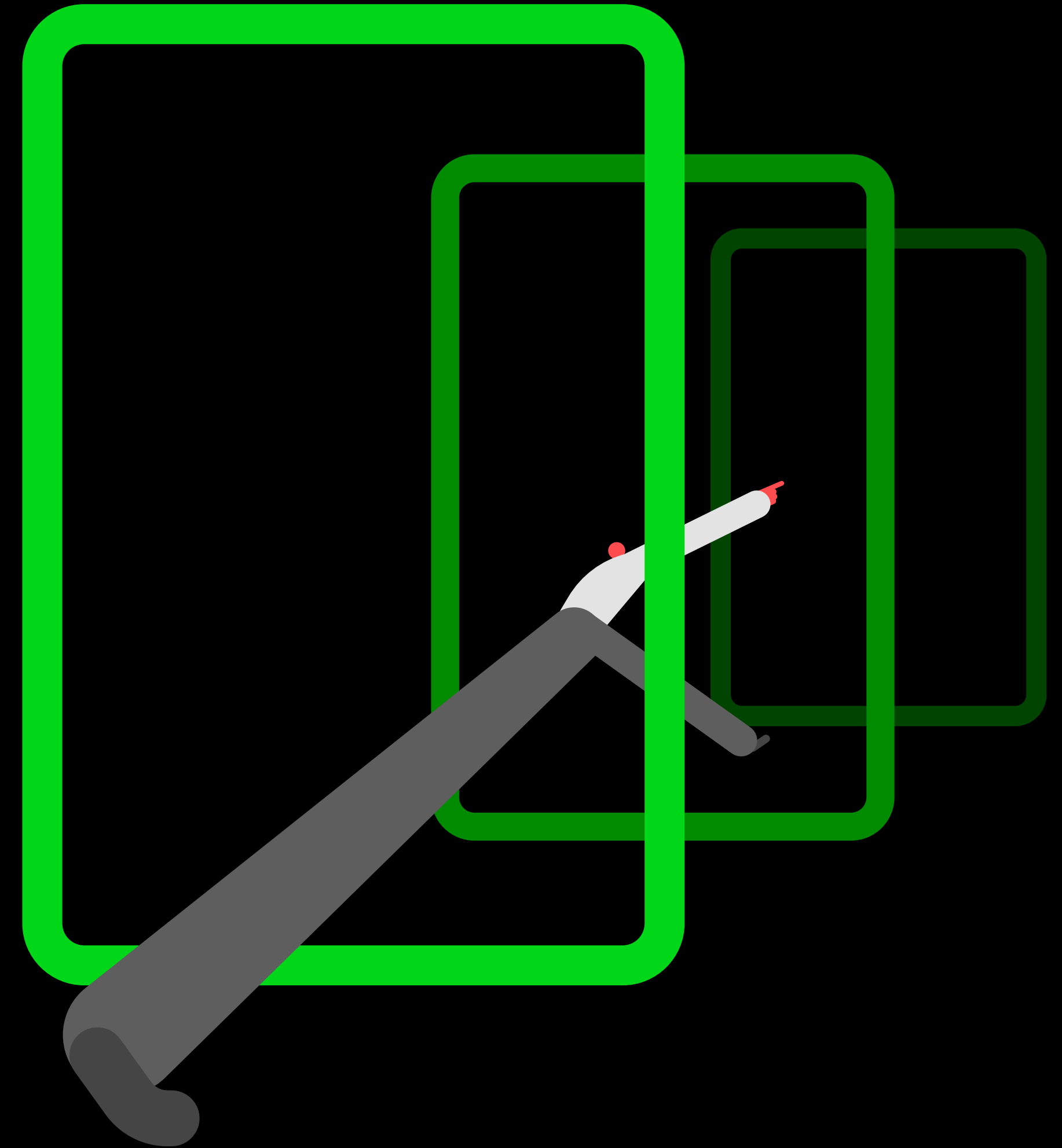
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THE EXPERTS IN
MISSION-DRIVEN
NONPROFIT FINANCE



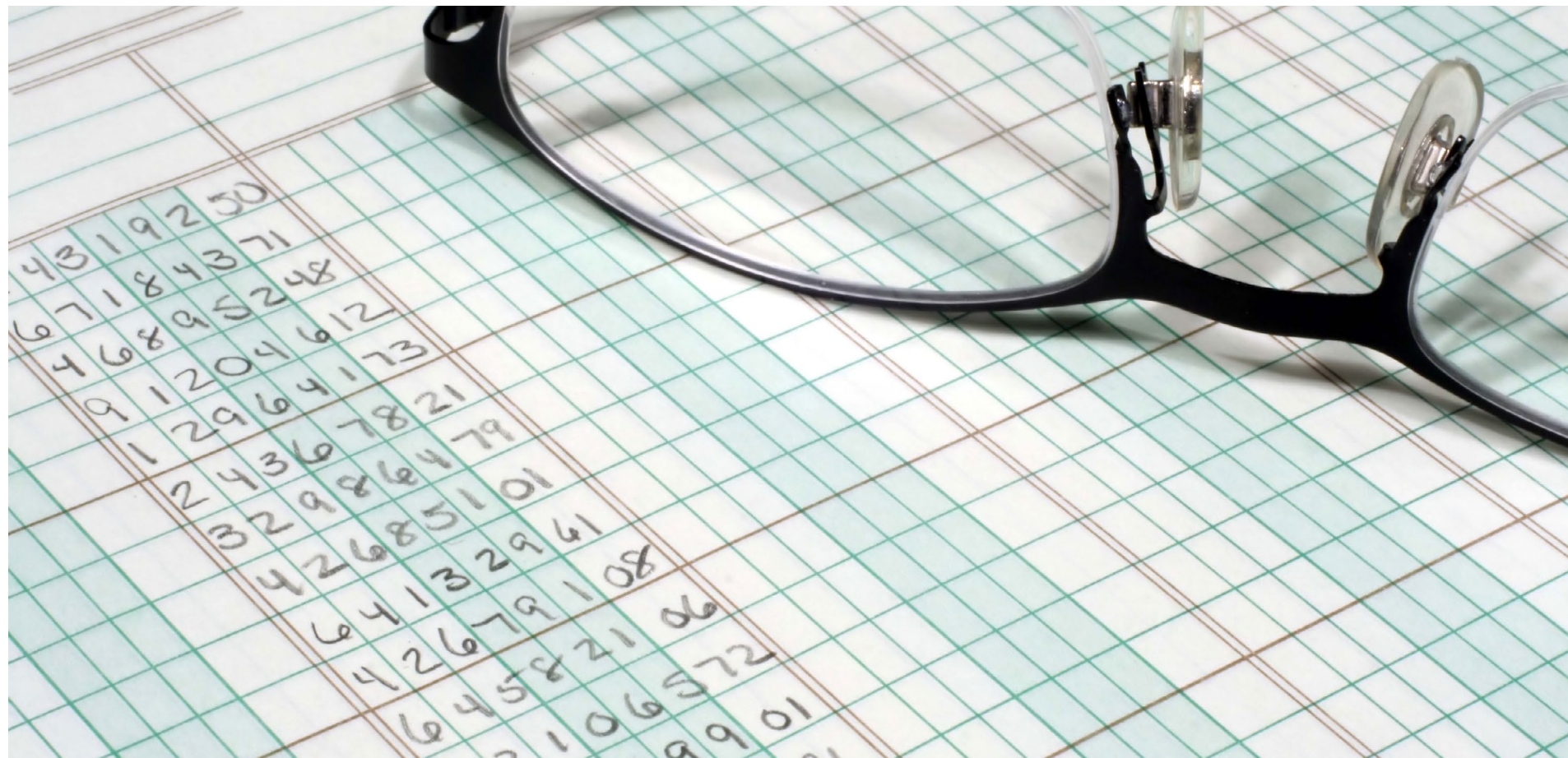
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Introduction

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 e-book, we'll explore the five biggest benefits you can expect from an accounting system that leverages a dimensional chart of accounts.

Chart of accounts—then and now

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 the foundation of your accounting system. It defines classes of items your system will use to aggregate transactions into your financial reporting. Its structure determines how financial data gets entered and how it's extracted for reporting.

As the basis of your accounting framework, 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?



Nonprofits must account for:

- Funds
- Grants
- Projects
- Programs
- More



And report back to multiple stakeholders:

- Board of directors
- Donors
- Executives
- Congregations
- More

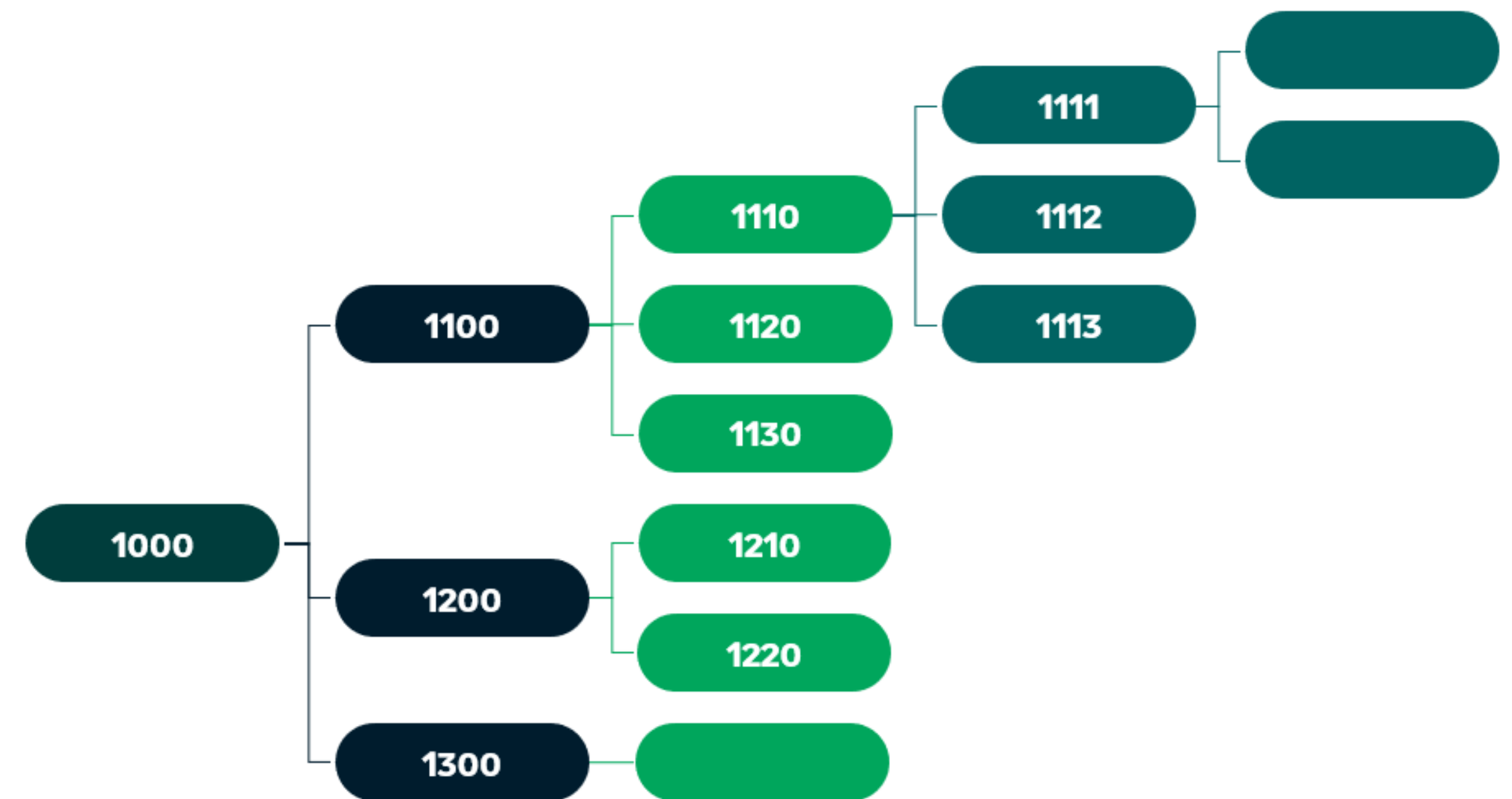
Chart of accounts gone wild

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 general ledger 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.



Reducing complexity

Save time 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.

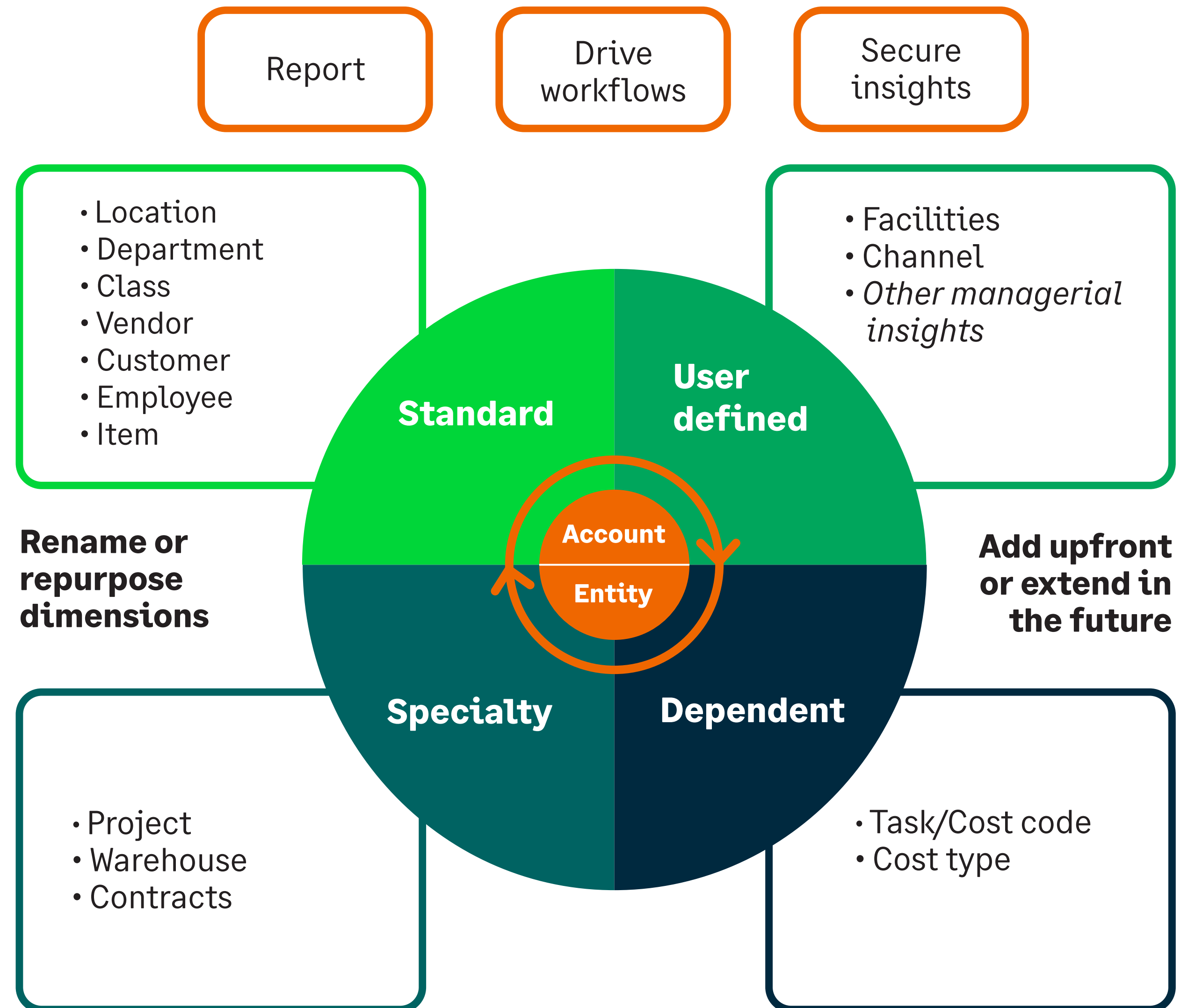
This dimensional structure allows nonprofit finance professionals to categorize or “tag” a single element with multiple attributes for complex analysis and comparison. Dimensions customize reporting around activities, facilitating both comparative (cross-tab) and hierarchical (drill-down) organization of key data with context.



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 minimizes complexity, reduces the number of account codes, and saves the finance team time.

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



Five benefits of a modern nonprofit chart of accounts

1. Reduce complexity
2. Easier “slicing and dicing” of financial data
3. Insightful, multi-dimensional analysis
4. Visibility across financial and operational data
5. Increased transparency with donors



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 reduced its chart of accounts from 56,000 to 100 gaining deeper insight

“Streamlining of our chart of accounts with the Sage Intacct dimensions, we’ve been able to get deeper into the detail. We’re able to pull data around 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 really risen in their sense of empowerment.”

~ Shari Freedman, CFO, Room to Read



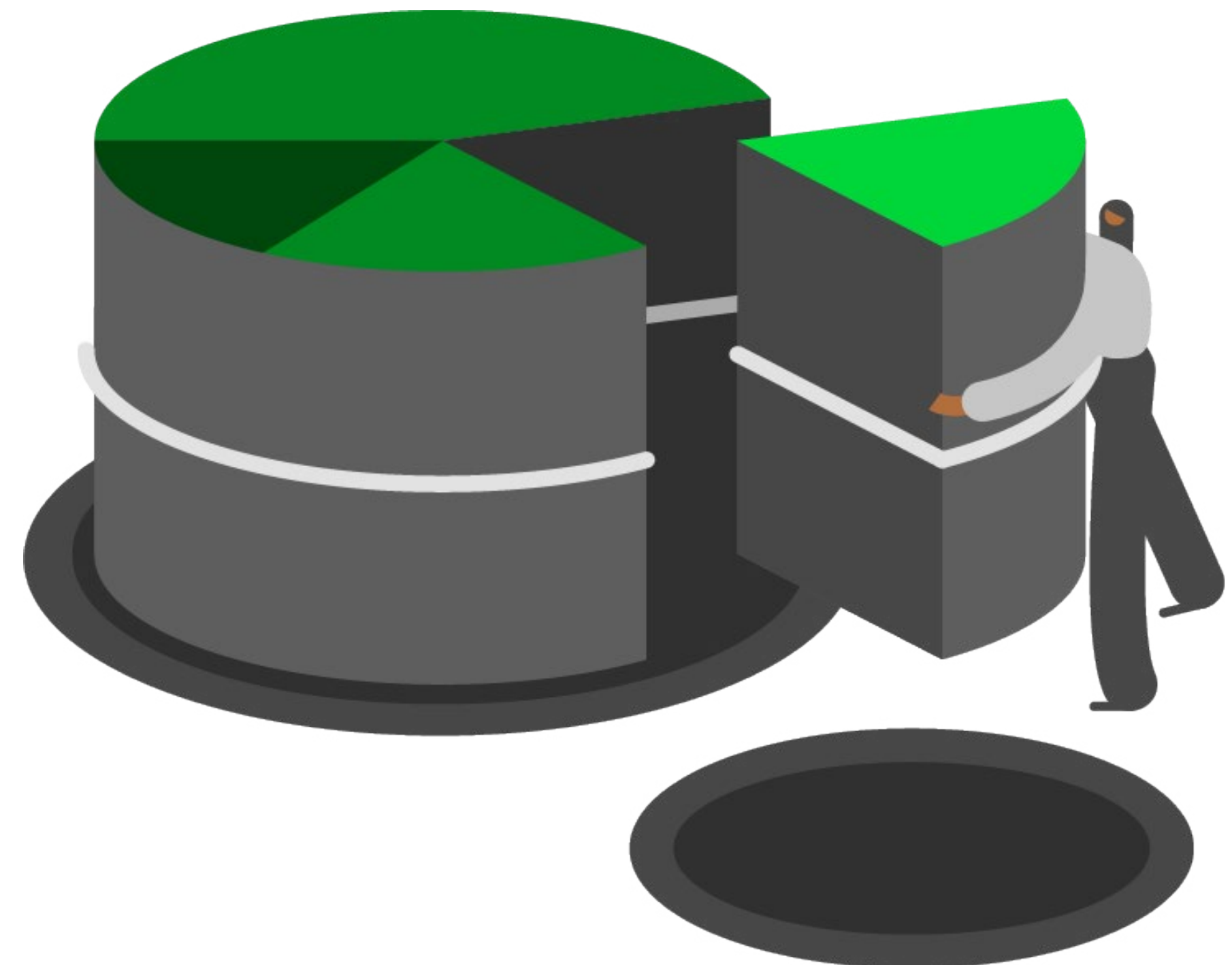
Benefit 2

Easier “slicing and dicing” of 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 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.”

~ Robert Ehret, Vice President of Finance, Boys & Girls Club of Greater Tarrant County



Benefit 3

Insightful, multi-dimensional analysis

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

You will no longer 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 reports.



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

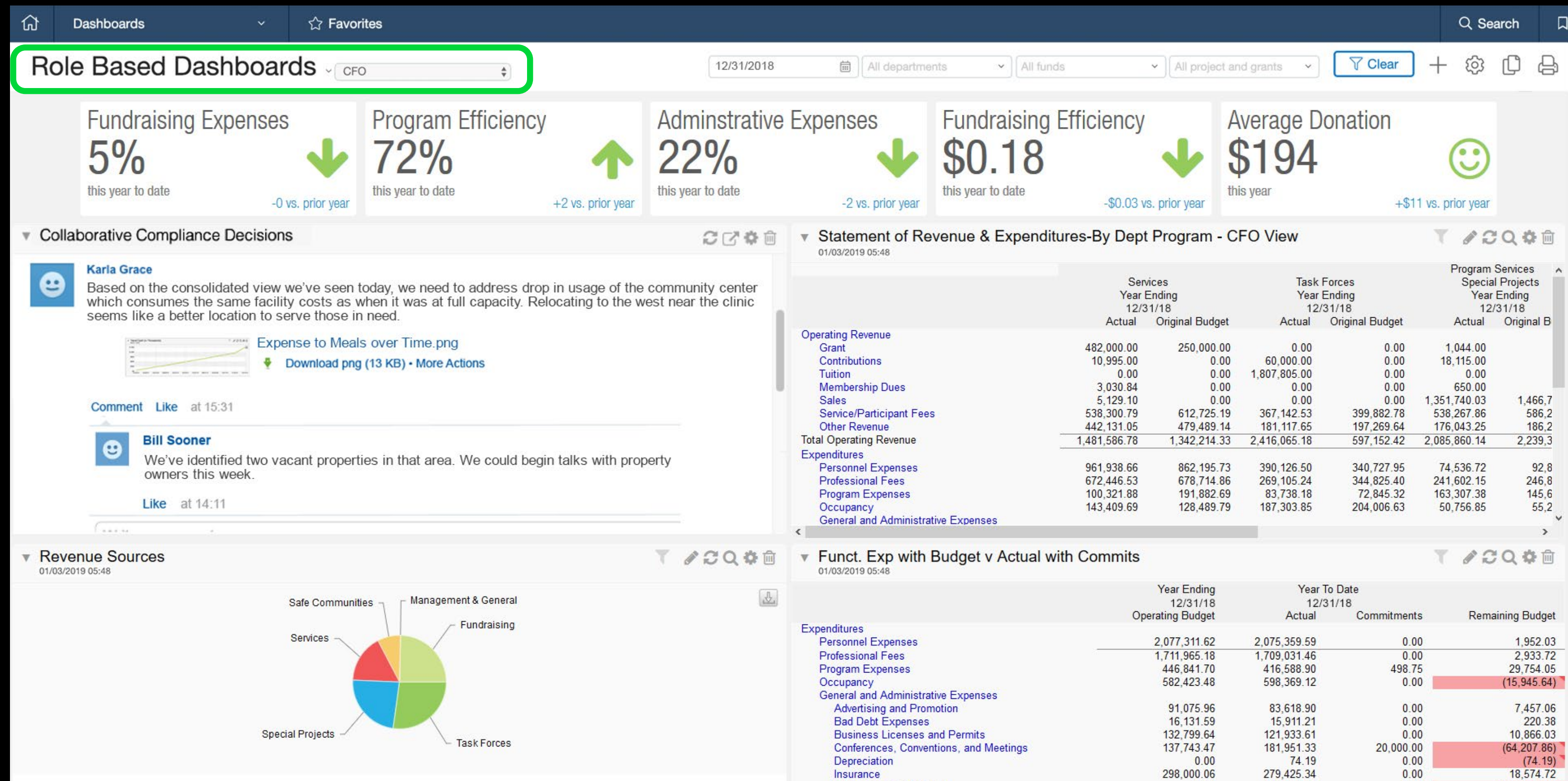
“Thanks to the insight we have in Sage Intacct, we’ve provided new value-added services and information to our department directors that we were never able to offer before. Sage Intacct’s Dimensions really are life-changing, and the system’s reporting possibilities are endless. There isn’t anything it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

~ Laurie Downey, Controller, Roman Catholic Diocese of Portland



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Give everyone the information they need



This role-based CFO dashboard 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, controllers, program managers, even auditors.

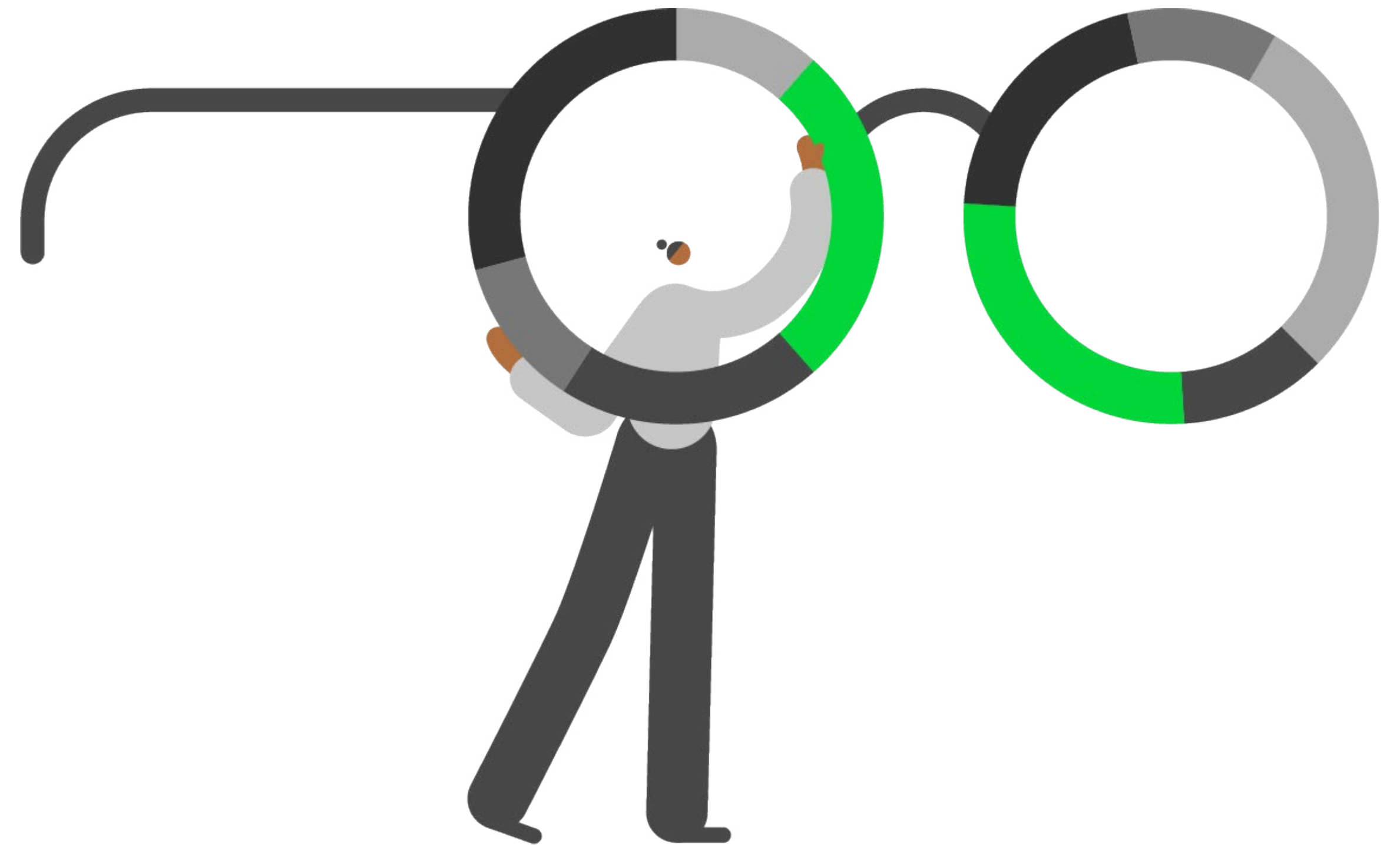
Benefit 4

Visibility across financial and operational data

One of the primary benefits of dimensions is better visibility and insight into the data.

Sage Intacct makes it easy to capture a granular level of operational and financial data, tailored to your nonprofit. Reporting analysis and dashboards become much more contextually rich when both critical outcome metrics and financial performance data are 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 real-time budget vs. actuals reports. Need more funding? Show grant managers and fundraisers the cost of impact and seek out new donations.



Hunter Health meets compliance requirements and gets a dynamic view of operations

“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, CFO, Hunter Health Clinic



Benefit 5

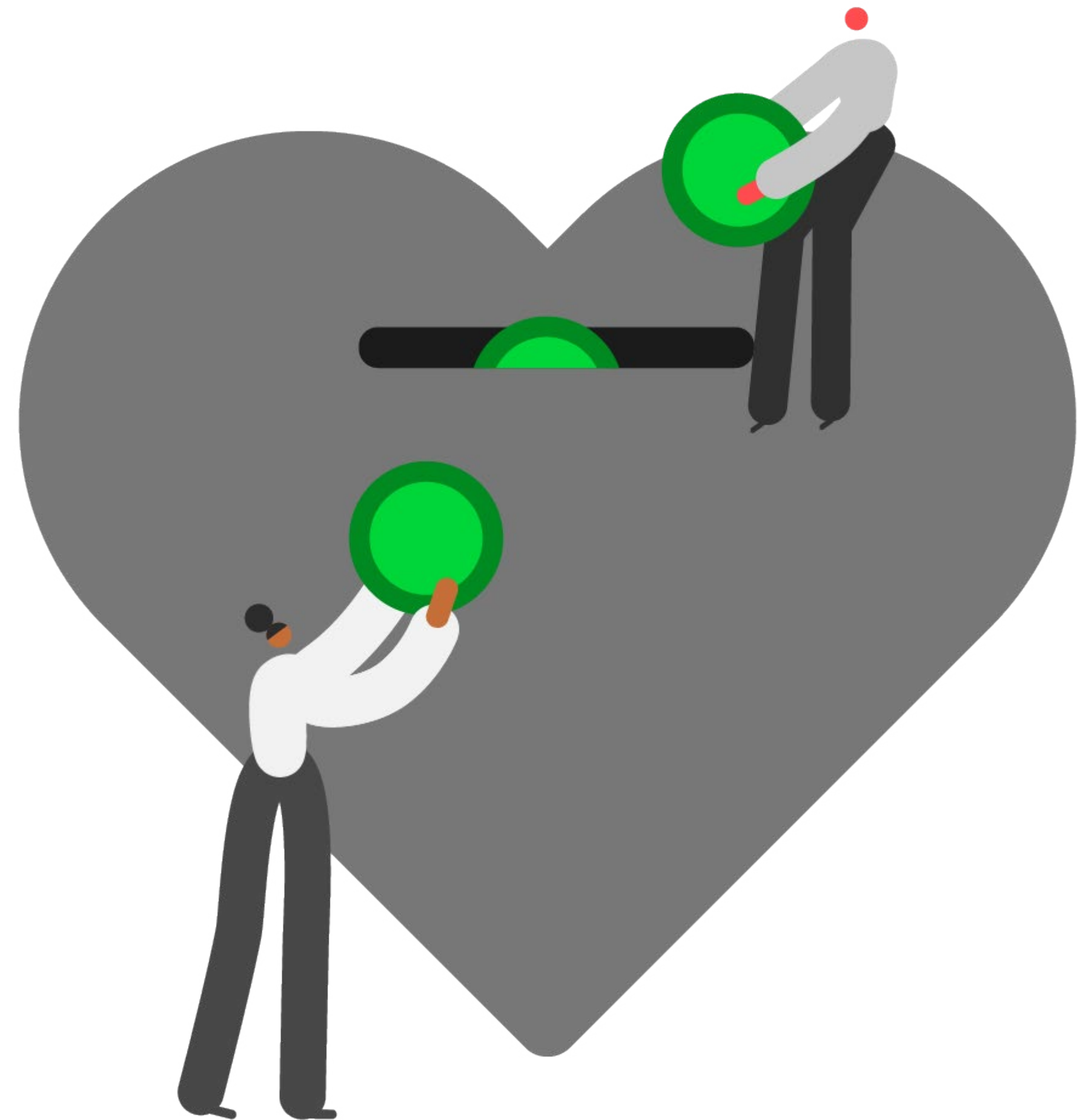
Greater transparency with donors

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 accounting 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 nonprofit changes or expands its mission, you can add dimensions to track new things that become important to your key stakeholders.



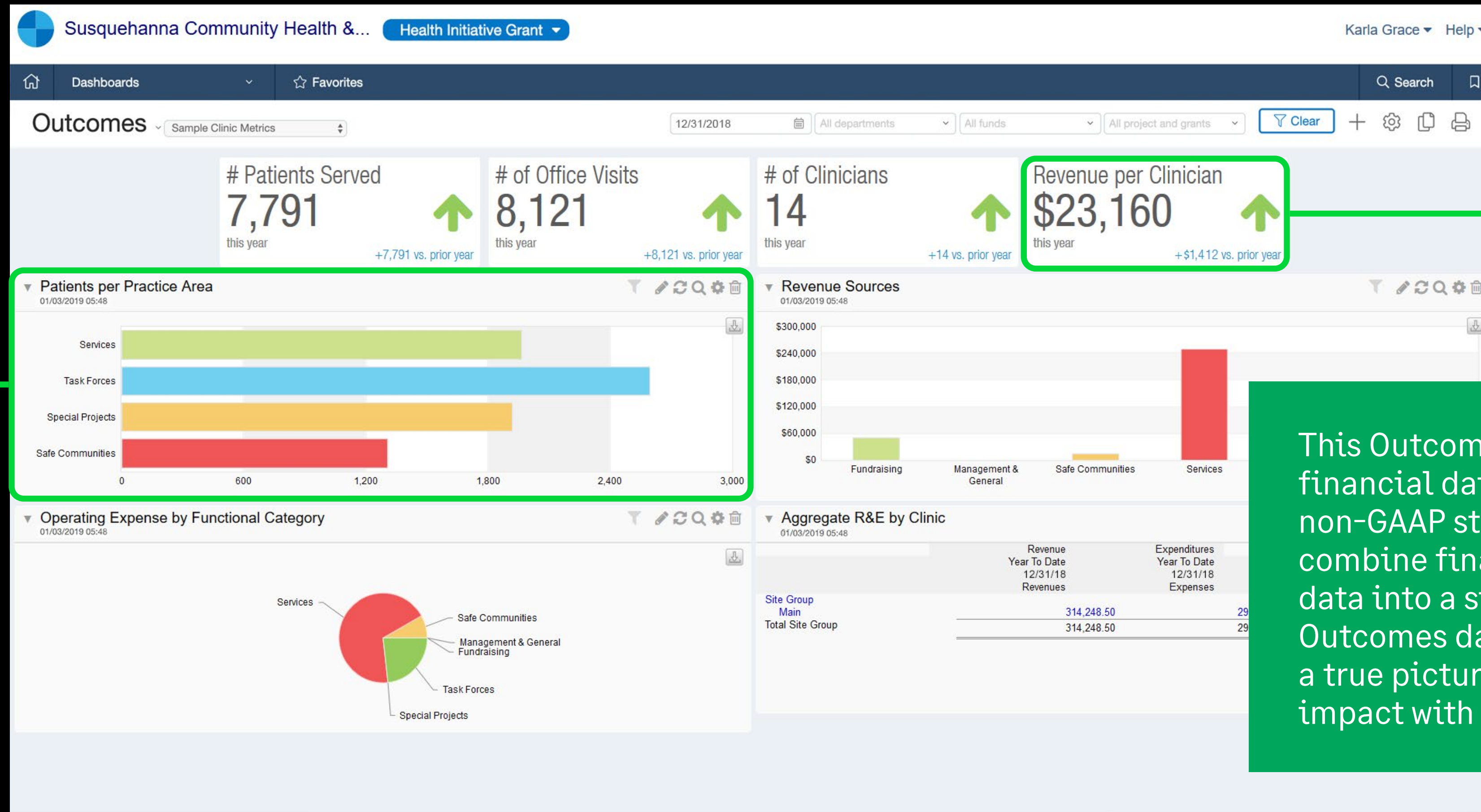
Children's Hunger Fund streamlines program management for rapid disaster relief funding

“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, Children's Hunger Fund



Real-time dimensional analysis of outcomes



Patient per practice area

Revenue per clinician

This Outcomes dashboard combines financial data from Sage Intacct with non-GAAP statistical data. 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.

Conclusion

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 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. It also 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.

About Sage Intacct

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

Specializing in helping nonprofits of all types—including health and human services, NGOs, charities, trade and membership associations, cultural institutions, and faith-based organizations—Sage Intacct streamlines grant, fund, project, and donor accounting, while delivering real-time visibility into the metrics that matter.

Our modern, true cloud solution, with open APIs, gives nonprofits the connectivity, visibility, and efficiency they need to do more with less. At Sage Intacct, we help nonprofits strengthen stewardship, build influence, grow funding, and achieve mission success.

In addition to intuitive software solutions, Sage Membership provides members with access to actionable human advice from experts and peers through exclusive content and tools to help you make even better mission-critical decisions.



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AICPA®

Business Solutions

Preferred Provider of Financial Applications

Quick links to educational resources

Looking to move your nonprofit finance operations to a new cloud accounting system? Here are some additional resources to help you make the right decision.

Product overview video

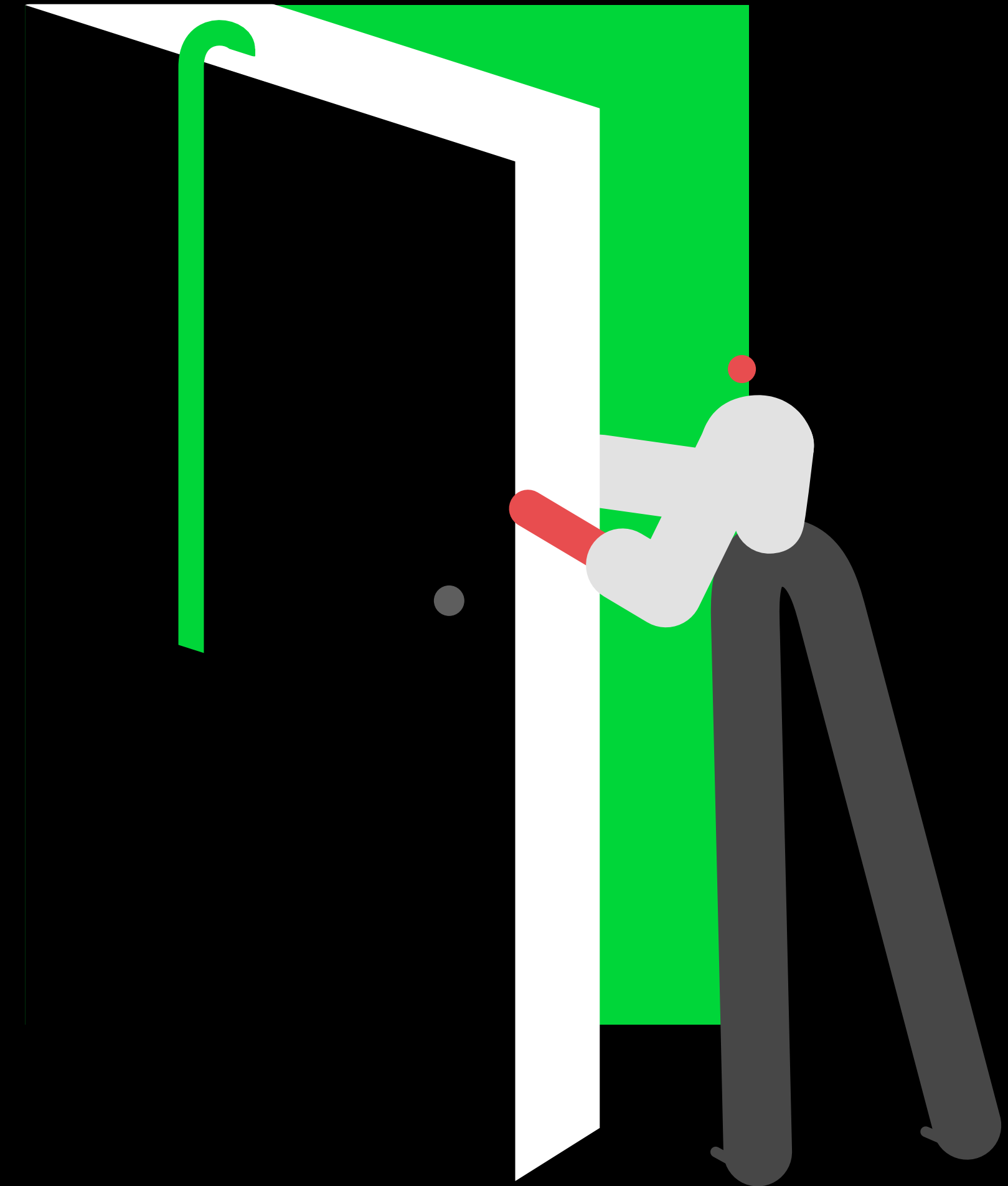
[Sage Intacct for Nonprofits](#)

Customer story video

[Room to Read](#)

More resources

[Browse all nonprofit resources](#)





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