



Thank you to our sponsors!





















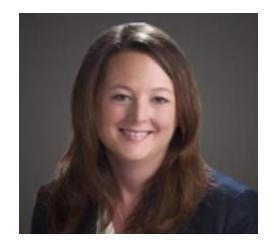








Reclaim Your Time & Resources: The Strategic Advantage of Outsourced Nonprofit Finance



Beth Larsen

SVP, Client Accounting & Advisory
Services
blarsen@JMTConsulting.com



Cameron Bowman
CAAS Solutions Consultant
cbowman@JMTConsulting.com





Today's Session

- > Recognize Signs of Risk in Finance Function
- > Understand Trends in Accounting Industry
- Identify Strategic Opportunities for Outsourcing





The Mission-Distraction Dilemma: Is Finance Pulling You Away From Your Mission?

- > Leadership spread too thin
- > Staff overwhelmed with compliance and reporting
- Difficulty interpreting financial information or translating into meaningful insights







Signs You're in the Danger Zone

When Finance Becomes a Risk, Not a Resource

- ➤ Missed deadlines (990s, grant reports)
- > Unreliable financial data
- Limited or no cash forecasting
- ➤ Difficult & expensive audits





State of the US Accounting Profession

- > Large decrease in new talent
 - Accounting Degree Graduates Down 16.5% from 2015-2022 - AICPA Trends Report
- > Large percentage of talent nearing retirement age
 - Estimated 75% of CPAs are at or near retirement age
 AICPA
- Increase in Accounting Jobs Demand
 - o 7% job growth in 2024 *Bureau of Labor Statistics*
- > Less available talent and more competition for that talent









Interactive Poll

Quick Check:
Where Do You Feel the Biggest
Financial Strain?







Myth vs. Reality

Debunking Common Outsourcing Myths

Myth	Reality		
"We'll lose control"	You'll gain <u>more</u> transparency		
"It's too expensive"	Costs less than hiring FTE's + Diverse Expertise		
"Only large organizations outsource"	Small nonprofits benefit most		





Why Outsourcing Makes Strategic Sense: The Big Picture

- > Focus leadership energy where it counts
- ➤ Get CFO-level guidance affordably
- Improve cash flow forecasting and planning
- ➤ Ensure audit-ready records year-round
- > Strengthen your team's capabilities
- ➤ Leverage tools not affordable as a standalone





Case Study

<u>Annual Revenue</u>: \$3.5m; Donations, Grants, Fee-for-Service

Org Type: Arts & Culture Organization

<u>Presenting Scenario</u>: CEO & CFO vacancies, outsourced monthly bookkeeping to local CPA firm, Board and LT discouraged with lack of visibility to financial insights and analytics needed for strategic financial leadership.

<u>Solution</u>: JMT provided a Business Process Assessment, GL cleanup, new software implementation & support, postimplementation co-sourcing model.







Outsourcing Models: What are your options?

- > Traditional Outsourcing
- > Co-sourcing
- Strategy
- Process and Technology Advisement
- > Data Cleanup/Alignment









Annual Revenue: \$92m; 90% government grants

Org Type: Statewide Human Services Organization

<u>Presenting Scenario</u>: Siloed finance technology, significant finance team turnover, manual processes resulting in delayed period close, inaccuracies, lack visibility to financial insights and grant utilization, loss of Board confidence in finance team.

<u>Solution</u>: JMT provided a Business Process Assessment, GL cleanup, new software implementation & support, postimplementation co-sourcing model.







Discussion

What Would Success Look Like for Your Organization?





How to Transition Smoothly

Client Signs Service Agreement Onboarding Assessment Initial Service Recommendations Made

roject Setup

Services Begin

Ongoing Check Ins



We sign SLA and NDA with agreement of services to be delivered by JMT



JMT will conduct a detailed assessment of your current workflows, procedures, and reporting



JMT will prepare an initial summary of recommendations for service delivery



JMT will prepare a project plan with a list of to-do's, timelines, resource assignments, etc.



JMT services begin on agreed upon start date



JMT schedules recurring checkins to ensure complete client satisfaction

Client Accounting & Advisory Services Onboarding Process



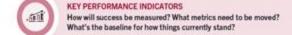
Change Management

Preparing Your Team for Success

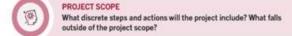
- Over communicate benefits clearly to staff reinforcement/strengthen team vs. replacement
- > Set expectations
- Develop a change plan
- > Communicate even more
- > Offer training
- > Celebrate early wins

4 Elements of Effective Plans for Change











What Does Success Look Like to you?







Action Steps | Where to Start When You Get Back

- > Assess your current state
 - Discussions with Leadership
 - > Identify pain points, bottle necks





Outsourced Finance Readiness Assessment Worksheet

Instructions: Use this worksheet during or after the session to reflect on your organization's current financial management realities, identify pain points, and begin framing next steps toward possible outsourcing.

Section 1: Quick Self-Assessment

What areas of financial management currently create the most burden for your organization? (Check all that apply)

- · Bookkeeping and reconciliations
- · Payroll management and reporting
- Budget creation and monitoring
- · Grant financial tracking and reporting
- Audit preparation
- · Cash flow forecasting
- · Strategic financial planning (e.g., long-term projections)

ther:				

Section 2: Pain Points

In your own words, what are the top 2-3 financial pain points your organization is currently facing?

1.	
2.	
3	
٥.	

Section 3: Impact on Mission

How do these financial challenges affect your ability to achieve your mission? (Briefly describe)







Q & A

Ask Away!







Beth Larsen

SVP, Client Accounting & Advisory Services blarsen@JMTConsulting.com

Cameron Bowman

CAAS Solutions Consultant cbowman@JMTConsulting.com



