

Nonprofit Accounting Buyer's Guide





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Introduction

Nonprofits are unique organizations with unique needs.

When it comes to managing finance and accounting at a nonprofit, having the right software directly impacts cash flow and strategic decision-making. Nonprofits may only need to evaluate accounting software once, so it's critical to choose wisely.

This guide will help you understand how an accounting solution should work in different nonprofit scenarios, important features to look for, and how to get the most out of your software.

Important Considerations

One of the first things to consider is the deployment method your organization needs—cloud or on premise. This can be determined based on the factors below.

Consider the functionality that is most important to your team.

Most nonprofit accounting teams need effective core functionality that includes fund accounting, General Ledger, accounts payable, accounts receivable, grant administration, and budgeting. Accounting teams often need to leverage additional features to meet the needs of their organizations, such as FASB- and GASB-compliant reporting tools, integrated payroll and human resources management, requisitions/purchase order management, and advanced security protection. Having access to a streamlined, user-friendly system for reporting and budgeting based on multiple funding sources, allocations, fixed assets, payroll is a must.

Consider the return on investment.

Every nonprofit ultimately wants to reduce capital expenditures while still providing staff with access to the latest features. When evaluating solutions, consider how any time-savings from better efficiency saves your organization money. Some organizations have been able to operate with less headcount by choosing a comprehensive, end-to-end accounting solution. Keep in mind that subscriptions (cloud-based) and perpetual licenses (on premise) have different finance considerations and are even treated differently under IRS rules—think about how a new accounting solution will benefit your organization's top and bottom line. Consider both quantitative and qualitative benefits.

Consider whether a cloud-based solution would benefit your organization.

Increasingly, nonprofits are looking for cloud solutions to provide employees with convenient, remote access, reduce costs for in-house IT hosting/management, and unlock other features that only cloud solutions offer (e.g., modern, browser-based user interfaces and dashboards). Cloud-based solutions eliminate the need for dedicated hardware and the associated costs of ongoing maintenance, support, and security along with the need for costly on-site labor to manage the facility. Choosing the cloud is the right option if your IT team has indicated that an on-site server is expensive to maintain or no longer will be supported. The best cloud providers also ensure that you have multiple layers of physical and virtual security to deliver superior protection for your data.

Consider how data security in the cloud will work.

You may need to present a case that includes the ways in which moving to a cloud-based software will benefit your organization and address critical questions. Some of the most important things to note are:

- The security standards the cloud provider follows
- How backups and updates are handled
- Disaster recovery processes
- Impact to existing business processes

Consider what the migration process will look like.

Before any new software is implemented, it's highly recommended to understand what the process will be from start to finish. Some of the most important things to note are:

- How easy it will be to migrate data
- How long it will take to get up and running
- How much (if any) potential downtime is involved
- What ongoing maintenance will involve
- What ongoing training and support will be necessary

Consider how to achieve sustained success.

Choosing accounting software isn't just about choosing a new program to use—it's a partnership. The right software provider will make you comfortable during the purchasing process, answer any questions, and address any requirements you may have. Additionally, the provider should guide you through the implementation process, provide access to training resources to get staff up-to-speed, and offer access to both customer and technical support to assist you down the line. Also, remember that in order to sustain your success in the future, you'll need to choose an accounting solution that has the flexibility to scale with your organization as you grow and evolve.



Questions To Ask

The process for evaluating accounting software providers can often be distilled into a list of questions.

A best practice is to develop a list of questions and considerations that matter most to your organization to make it easier to know what to look for in a provider. Remember that choosing a new accounting solution is about the product functionality and the provider itself—choosing a provider with experience working with nonprofits ensures there is a baseline understanding of your business model and goals.

When considering a new accounting solution, some questions to ask include:

- Was this accounting solution created for nonprofit organizations and does it incorporate nonprofit-specific compliance rules and take into account how nonprofits operate?
- What features are necessary for our finance team to function? (e.g., General Ledger, financial reporting, budgeting, grant administration, etc.)
- How does the software handle our trickier processes?
- What processes do we want to streamline or gain more efficiency?
- We have a complex funding structure. How flexible is the Chart of Accounts and will it allow us to accurately code our funds and easily track our funding streams and the fiscal performance of all out programs and activities?
- Research shows that many nonprofits use 6-8 different software programs, which can lead to teams working less efficiently. Will this accounting solution reduce the total number of tools we use to manage accounting and payroll?
- Will this accounting solution enable us to connect and integrate with other software/tools we use?
- Will this accounting solution enable us to easily track all our funding streams and the fiscal performance of all our programs and activities?
- Will this accounting solution enable us to easily manage and report on multiple budgets spanning multiple fiscal years?
- How quickly does this solution generate the reports that matter to our stakeholders, board, and grantors?
- Will this accounting solution allow us to bring payroll in-house and easily integrate accounting with payroll and direct deposit?
- Does this accounting solution support strong internal controls and data security?
- Will this accounting solution allow us to save time by automating some finance processes (e.g., bank reconciliation, procurement, etc.)?
- If we need to access data 24/7 or have a hybrid/remote work arrangement, is this solution secure and cloud-based?
- Will this accounting solution allow us to go paperless?
- If we need to add additional capabilities in the future, how easy is it to scale and add on new features?
- What are the risks associated with not replacing our current system? What will it cost in financial resources and time if we don't upgrade? Are there opportunities we will have to forgo?

Services To Get the Most Out of Your Software

The best software providers provide top-line services and ongoing support. Some essential components of any new accounting software purchase are client services (implementation), training, and support. These ongoing services ensure each member of your team—from IT and accounting staff to leadership—is supported as they progress through their implementation and in the future.

Masterful implementation makes migrating to cloud-based software easier than ever.

Whether your organization is migrating finance to the cloud for the first time or adopting a new solution, a great customer services team makes it simple and covers all the bases. A new software provider should work hand-in-hand with your team to migrate and convert data to ensure everything is set up appropriately in the new system. You'll want to be clear on exactly what kind of implementation support is available when you choose a new solution.

Dedicated technical support professionals ensure your team succeeds now and in the future.

What happens when a team member runs into a technical roadblock they can't figure out? When a need arises, your team needs the assurance that they can turn to technical experts who understand both accounting and the software they are using, and that are ready and willing to provide assistance.

Robust training resources upskill new and existing employees.

Building a high-performing team takes a village, and partnering with experts for professional development ensures everyone is up-to-speed using the necessary tools for their roles. Training should be hands-on and address your team's learning needs.





MIP Fund Accounting® Is Accounting for Your Future

MIP was created by nonprofits, for nonprofits more than 40 years ago as purpose-built accounting software for mission-driven organizations. Since then, MIP has become the nation's leading cloud-based accounting solution for nonprofits, K-12 schools, healthcare, and government organizations across the country.

“The biggest problem MIP addresses is the complex funding tracking; it gives a lot of flexibility in reporting and fund management...it is the heartbeat of our organization.”

- Administrator,
Finance and Accounting

WE'VE HELPED
6,000+ organizations
and 15,000+ users

- Manage numerous funding sources
- Become more efficient
- Improve reporting
- Increase cash flow
- Optimize finance strategies

List of modules MIP offers

FUNDAMENTAL MODULES

General Ledger
Accounts Receivable
Reports

Budget Management
Data Import/Export
Forms Designer

Accounts Payable
Bank Reconciliation / Bank Feed
Grant Administration

EXPANSION MODULES

Advanced Security
Electronic Funds Transfer
Multicurrency
DrillPoint Reports

Allocations Management
Executive View License
Data Consolidation

Accounts Receivable (AR) Billing
GASB Reporting
Microix Workflow Solutions

MIP PEOPLE

Payroll
Benefits Enrollment

Direct Deposit
Employee Web Services

Human Resource Management

PROCUREMENT

Electronic Requisitions
Purchase Orders

Encumbrances

Fixed Assets

Make Your Mission a Movement with Fundraising Tools

Having the tools for tracking funds, budgeting, and reporting is crucial, but do you have the tools to diversify funding sources and increase income? If your organization relies on fundraising or would like to add an alternate source of funding, it's important to have effective accounting and fundraising platforms.

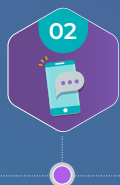
Combining fundraising and fund accounting software into an end-to-end solution allows you to realize efficiencies through data, provides strategic insights which help guide your organization through each stage of growth, and gives you the full picture from fundraising to fund management and reporting.

The Donation Life Cycle

GiveSmart[®]
by communitybrands



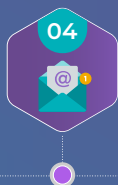
01
Plan fundraising campaigns and events



02
Easily create donation forms, auctions, text-to-donate plans, and more



03
Receive generous donations, tracked in Donor CRM



04
Use the automated thank-you letter wizard to steward your donors

mip[®]
FUND ACCOUNTING
by communitybrands



05
Import fundraising transactions into MIP



06
Analyze and share your campaign finances through easy-to-use reporting tools



07
Use insights to develop future, successful fundraisers

Seamlessly track and manage finances with a comprehensive fundraising, event, and donor management system, like GiveSmart, in combination with MIP Fund Accounting for full-cycle fund management.

The Benefits of Combining Fundraising and Accounting

From inception, through growth, to maturity, ultimately fostering financial stability and propelling your mission forward:

- Save time and raise more by working with one partner vendor and one contract as part of the Community Brands network of software solutions
- Grow or diversify revenue streams with unlimited use of online fundraising tools
- Increase donor engagement and retention with intuitive donor management that offers deeper insights and smarter segmentation
- Eliminate data silos and manual processes for time-savings and more insightful, actionable reporting across revenue sources
- Expand events through unlimited campaigns and multi-channel virtual, hybrid or in-person fundraisers with transparent contracting and fixed credit card fees
- Contactless engagement—No apps to download

About GiveSmart

GiveSmart is the easy-to-use, innovative, and modern online fundraising and donor management software that elevates any virtual, hybrid, or in-person campaign. We support thousands of schools, nonprofits, universities, associations, foundations, and other philanthropic organizations doing good in and for their communities.

With MIP and GiveSmart you can:

- Have daily data syncs
- Have multiple points of contact across MIP and GiveSmart teams
- Support sustainable growth

Organizations who used GiveSmart saw on average a 9x return on investment within the year, and MIP customers who used GiveSmart in the last year raised over \$11 million.

[Learn more about the benefits of GiveSmart and MIP today.](#)



Stellar Support

When it comes to client services, the MIP team is top notch.

With more than 75 combined years of experience with MIP and more than 200 combined years of experience in accounting, our specialists work directly with your team to ensure every element that is important to you is taken care of in the migration experience.

Our implementation team partners with your organization to convert your data and set up your Chart of Accounts and General Ledger. Our Client Services team customizes the entire process to your organization and makes sure your team is fully supported throughout your move to MIP Cloud. The goal is to set you up for sustainable success.



Implementation was painless compared to other conversions I have done. A great deal of the work was done by MIP team to incorporate old system into the new."

– Vicki A., Community Link Consulting Inc.



MIP training through Community Brands University is an excellent resource for finance and accounting teams to hone professional skills. Course offerings include an array of classroom-style, online, and self-paced courses that position the team to make the most out of the MIP modules. Further, if your organization has a group of team members interested in training, an MIP expert can travel to your location to conduct in-person training sessions onsite.



I have found the webinar courses I have taken to be very informative. I especially find the interactive lessons to be extremely helpful."

– Cindy C., Lake County Board of Developmental Disabilities/Deepwood



MIP's Support team is easy to access whether online through the knowledge base, through the Help feature, or by calling and talking to support staff...if you aren't sure how to do something it is easy to find out how."

– Marisa T., Coastal Bend Center for Independent Living

MIP's Customer Support team exists to get to know you, your organization, and your needs.

Our specialists collaborate to work directly with your team and help resolve technical issues. Most issues are resolved the same day, and the team has been awarded Best Support from TrustRadius.

Ready to see what MIP Fund Accounting can do for your organization?

[Request a demo](#) and our experts will provide a personalized, 1:1 tour of the software.

Schedule a Demo





Success Story:
**Central Kansas
Mental Health Center**

Manages diverse funding
sources and generates
reports quickly

[Learn More](#)



Success Story:
**Community Action
Partnership of
Central Illinois**

Moved fund accounting to
the cloud for greater security
and easier access

[Learn More](#)



Success Story:
**Water Replenishment
District**

Drills down into key finance
data and processes
payroll in-house

[Learn More](#)

About Community Brands

MIP Fund Accounting is part of the Community Brands family of products.

Community Brands is the leading provider of cloud-based software and payment solutions to associations, nonprofits, and K-12 schools. Specifically for charitable nonprofits and schools, the Community Brands education and nonprofit portfolio provides the industry's most complete set of software solutions for nonprofits and K-12 schools of all sizes. Nonprofits benefit from award-winning fund accounting and fundraising solutions, purpose-built from the ground up to empower them to achieve and grow their impact in our communities. Paired with a complete set of K-12 solutions encompassing enrollment management, financial aid, student information systems, and digital payments, schools are empowered to raise funds and deliver on their missions. To learn more, visit communitybrands.com.



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