



# Accounting Tech Stacks: Best Practices for Small Platforms

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## Learning Objectives

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1. Evaluate the efficiency of your accounting software in meeting current and future needs
2. Recognize additional data and features that could optimize your workflows and decision-making
3. Apply practical considerations and steps to optimize your accounting tech stack and build a robust system that fits your church's needs
4. Evaluate potential technology solutions and calculate the cost of making a change
5. Discuss best practices for accounting processes and tech stacks

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## Polling Question 1

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### **Do you want CPE credit?**

- Yes
- No

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# Agenda

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- Evaluating your current accounting software
- Understanding your accounting software options
- Looking beyond just accounting software
- Accounting tech stack best practices

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## Evaluating Your Current Accounting Software

## When Evaluating, Consider These Questions

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- Does it meet all your reporting needs, or do you have to extract data out of the system?
- Does it allow you to move to a paperless environment for A/P and disbursements?
- Does it have additional features you may not be aware of or use effectively?
- Are you using the most up-to-date version of the software?

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## Next, Evaluate Your Existing Processes

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- What “non-value” labor costs are you incurring from your team’s manual processes?
- Have you considered implementing automated processes for recurring transactions?
- Is your current process reactive or proactive?
- What about your current system keeps you up at night?

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## Additional Considerations for Your Existing Software

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- Does it provide data visualization and dashboards for leadership?
- Does it let you attach electronic source documents?
- Does it have an auditor portal to give auditor access?
- What open architecture is available to support API integration with other applications?

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## Considerations for a Tech Stack

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- Automation can benefit your organization by:
  - Reducing the likelihood of errors
  - Saving time
  - Allowing for more real-time accounting, including reporting and dashboards for analysis
  - Providing faster month and year-end closing processes
  - Solving document retention and storage concerns

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## Polling Question 2

**Is your church considering switching accounting software within the next year?**

- Yes
- No
- Discussing, but no commitment yet

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## Understanding Your Software Options

## Optimizing Your Software

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Optimizing your software solutions can be:

- As simple as connecting software that you are already using to allow for automation...
- .. or as complex as switching to a new general ledger accounting system that will provide more automation and integration opportunities

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## Standard Versus Optimized Accounting Systems

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- Older financial statement platforms generally use a site license, meaning that the software is installed on your physical server, and perform these functions:
  - General ledger – Entering and adjusting standard and recurring entries, perhaps reversing entries and year-end adjustments for audit entries
  - Accounts payable – Should be seamless with the general ledger functions
  - Reports – Creating standard or custom reports for Statements of Activities, Statements of Financial Position, and maybe a functioning cash flow statement

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## Standard Versus Optimized Accounting Systems

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- Newer financial statement platforms are cloud-based and becoming more common among churches and ministries as they provide the additional features below:
  - Procurement workflow – authorization and electronic approvals
  - Dashboards that are easily accessible on a mobile device
  - Data that is as close to real-time as possible
  - Cash flow data
  - Click-into detail so you can drill down for more information

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## The Solution May Not Always Be Switching Software

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- Switching accounting software isn't simply turning one off and turning the other software on
- Change management becomes the overarching theme
- Research whether there are modules within your current accounting system that you have not activated or are not using

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## Evaluate Your Accounting System Options

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- Evaluate your “need to have” versus “would like to have” with your current system
  - Some churches only want fund accounting software and won’t consider other options that might have better integrations to save time
  - There’s always a solution to a need

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## Evaluate Your Accounting System Options

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- Consider the total cost of ownership
  - Beyond just the cost of purchasing the software
  - Implementation costs
  - Training costs
  - Ongoing support
  - Don’t forget the time value

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## Polling Question 3

### **Do you like your current accounting software?**

- Yes
- No
- Indifferent (it does the job, but I'm not excited)

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## Looking Beyond Software Automation

## What is a tech stack?

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- Expense management
- Accounts payable or bill pay
- Accounts receivable (or tuition, for educational institutions)
- Payroll
- Online giving and church member or donor management
- Budgeting and forecasting
- Reporting and analysis

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## Areas Tech Stacks Can Help

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### Automated accounting review

- Detecting errors
- Correcting transaction recording through artificial intelligence (AI) rules
- Tracking task lists
- Asking internal questions
- Defining closing processes
- Providing reconciliation status

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## Areas Tech Stacks Can Help

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### Automated data entry

- Capturing and uploading invoices or statements and linking accounts
- Providing categorization suggestions based on historical data
- Publishing to accounting software

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## Areas Tech Stacks Can Help

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### Dashboards

- Interactive; can be customized and filtered to provide insights
- Key performance indicators (KPIs) can be automatically populated so real-time data is always available
- Ability to drill down into transaction detail

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# Areas Tech Stacks Can Help

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## Consolidations

- Across general ledger platforms
- Across multiple currencies
- Intercompany eliminations
- Visualization
- Reporting

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# Areas Tech Stacks Can Help

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## Forecasting

- Aligning Statements of Activities, Statements of Financial Position, and cash flow statements
- Driver-based – Manipulation of specific KPIs to analyze the outcome
- Anticipating cash surpluses and deficits, which can help you project future funding requirements like capital expenditures
- Forecasting seasonality from prior years
- Generating scenarios – Allowing for hypothetical simulation of financial data to identify whether certain decisions will generate the desired outcomes or carry additional risk

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## Tech Stack Best Practices



### Best Practice 1: Ideal Tech Stack Situation

A centralized accounting platform where the following areas are either built-in or integrated seamlessly into the software:

- Expense management
- Accounts payable or bill pay
- Accounts receivable (or tuition, for educational institutions)
- Payroll
- Online giving and church member or donor management
- Budgeting and forecasting
- Reporting and analysis

## Best Practice 2: Change as a Catalyst

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If you're considering a tech stack change, use as a catalyst to update your chart of accounts:

- Opportunity to restructure:
  - Funds
  - G/L Accounts
  - Departments
  - Employees

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## Best Practice 3: Think Beyond Next Year

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- Consider a solution that will set the church up for the next 5 to 10 years
- “If it ain’t broke” may work, but not long-term
- Consider this as a part of succession planning
  - What accounting systems are popular versus ones that might be church-specific, but not as common

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## Polling Question 4

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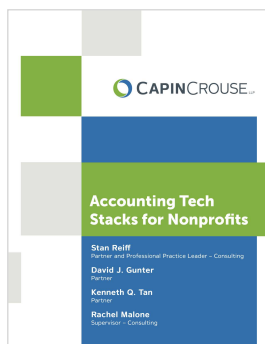
**Do you use your phone to submit expenses?**

- Yes
- No

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## Helpful Resource

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Visit [capincrouse.com/accounting-tech](https://capincrouse.com/accounting-tech) or scan the QR code to download your free copy!

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# Questions?



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