

Accounting Tech Stacks: Best Practices for Small Platforms

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Learning Objectives

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

Do you want CPE credit?

- Yes
- No

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Agenda

- 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

- 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

- 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

- 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

- 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

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

- 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

- 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

- 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

- 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

- 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?

- 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

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

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

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

Consolidations

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

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Areas Tech Stacks Can Help

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

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

- 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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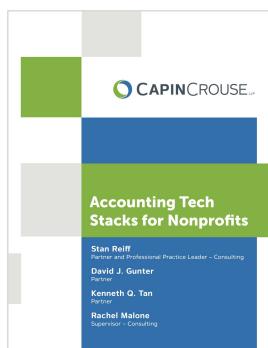
Polling Question 4

Do you use your phone to submit expenses?

- Yes
- No

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Helpful Resource



Visit capincrouse.com/accounting-tech or
scan the QR code to download your free copy!

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Questions?



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