

# 10 Compelling Reasons Why Outsourcing Your Nonprofit Accounting Might be a Good Idea

Bookkeeping duties are often neglected by most nonprofit organizations. Organizations with larger budgets can employ a full finance staff, but they are the exception rather than the rule. The "finance" department of many businesses is usually just one individual who has to fulfill numerous responsibilities.

## Accounting Services For Your Nonprofit

How often do you check your nonprofit's financials to see how healthy it is? You might achieve this using an accounting system (hopefully not Excel), and the answer should leave you feeling confident.

Here are some questions you should have answers for:

- How much money do you have right now
- If you are spending more than you expected
- If you have enough to pay your bills
- What your plan is for the money you see in your bank account
- If you're in the red or the black

You will get the information you need to properly manage your funds only if you use an accounting software and an accountant who is committed to ensuring that your data is accurately entered on a regular basis. You run the risk of incurring significant risks, such as:

- Missing out on grant funding because of poor financial reports
- Getting behind and missing important deadlines while having to guess your organization's financial health
- Not being sure if your books are getting done right and not being able to trust what your financial reports are telling you
- Realizing your bookkeeping hasn't been done correctly, and your reports start working against you with unhelpful or misleading information

That isn't what anybody wants.

If you're saying "I give up; I just can't keep up with my accounting," it might be a hint that your organization should outsource its bookkeeping.

Before you panic about the prospect of paying someone to do your books, consider these nine compelling reasons why outsourcing your bookkeeping might be a good idea.

## 1. Nonprofit Accounting Services Increase Bookkeeping Accuracy

The bookkeeper in a small nonprofit organization usually has little accounting expertise. Consider this: when it comes to money, accuracy is essential. You save time and money by hiring an accounting team that has previous experience. This ensures that your books are accurate:

- You won't miss important deadlines
- Mistakes will be far less likely
- Your designated funds are separated correctly in the books
- Your financials are intact, accounted for, balanced, and up to date
- Various other types of income are accounted for correctly

## 2. Years Of Experience

The benefit of employing a professional to handle your accounting is that they will truly do so. A professional will, in fact, manage it. Hiring an accountant can be costly, but outsourcing with a nonprofit accounting firm allows you to access greater expertise at a much lower cost. These accountants can assist them with difficult issues as they arise and ensure you are following best practices.

When you use nonprofit accounting services, you get help when you need it without having to commit to a full-time staff member. This is especially helpful if your organization is going through a growth phase or working on a major project where more financial oversight is needed.

## 3. Fraud Reduction

According to the Association of Certified Fraud Examiners (ACFE), over 30% of fraud allegations occur in firms with fewer than 100 people, and on average, small businesses had 49.2% fewer safeguards in place to prevent fraud. An outsourced accountant has experience putting in place strong internal controls, which is why they can assist decrease these probabilities.

## 4. Nonprofit Accounting Services Save Time

You have a million things to accomplish each day in order to keep your organization going, and it's far more efficient to use your skills in these areas. Having an outsourced bookkeeping service allows you to free up time so that you may focus on achieving your goals and running the day-to-day operations of your business.

## 5. Consistency

Most nonprofits have a treasurer or volunteer who helps with the books, but these people tend to come and go. Outsourcing with nonprofit accounting services means you won't worry about scrambling to find help at the last minute. You won't fall behind while you wait for a new bookkeeper, train incoming volunteers, or fix costly mistakes made by people still learning the ropes.

## 6. Improve Your Processes

Another attractive aspect of outsourcing is that it improves your existing financial procedure. Outsourced accounting professionals may know the best practices for data management, which can help you streamline and speed up the process of importing data and closing the books.

## 7. Better Insight

Having a professional handle your account means they'll have up-to-date records and be able to give you insight into your financial situation. Up-to-date financials allow you to plan for cash flow, save money, and improve your organization's financial health.

## 8. Better Understand Your Giving

An outsourced accountant can also assist with monitoring giving for your organization. Accurately keeping track of revenue for each specified goal allows you to produce reports that show donation patterns. It also lets you keep track of donor retention and create fundraising appeals, as well as welcome new contributors.

## 9. Become A Better Steward of Resources

Accurate accounting of your donations allows your contributors to feel good about how you're utilizing their gifts and achieving the intended goal. With strong financial reporting, you can show how your organization is fulfilling its mission while being financially responsible. You may also get the reports you need to fulfill grant criteria and plan for future projects.

## 10. Cloud-Based & Paperless

Reduce your carbon impact by using technology and virtual services instead of paper. With digital documents and electronic processes, you can say goodbye to stacks of paper and a storage unit full of work papers.

Meet us in the cloud, where you have unrestricted access to your financial data at any time and from anywhere. Outsourced virtual accountants constantly update your data in real-time, so we're ready to assist you whenever you have questions or want reports.