

## 5 Benefits of Outsourcing Accounting & Finance Services

Should your church or nonprofit outsource accounting and finance services? Here are five benefits to consider.

### 1. You'll gain access to nonprofit expertise.

When it comes to outsourced accounting and finance services, there are many options, from nonprofit and church bookkeeping specialists to local CPA firms. Nonprofit entities have unique accounting and reporting requirements, so seek an outsourced provider who specializes in nonprofits.

Keep in mind that you may need to look beyond your local options. The right expertise in a remote setting is preferable to a lack of expertise in a local setting.

### 2. You can match expertise to your budget.

There are a few options to consider, based on your church or organization's specific needs:

- Local bookkeeping firm – These are typically not CPAs, but there is a lower cost in return for lower expertise.
- Local CPA firm – Generally available at a higher cost for higher levels of professional service.
- Remote firm – This may be a CPA firm. It's common for organizations to use remote firms to get the nonprofit expertise they need.

### 3. You can hire to fit your specific needs.

Options range from partial to full service.

- The minimum service level usually entails financial statement production. In this situation, you do all the check writing and deposits, and the outsourced provider books all your journal entries and produces a monthly set of financial statements.
- With additional service offerings, consider the following:
  - In any general ledger/financial statement software, the payables function is the most tightly integrated with the general ledger.
  - It's common to continue your donor accounting process with your current team and donor accounting software platform, and allow the outsourced provider to book the revenue or giving journal entries.
  - Payroll processing can be done by your current team or by the outsourced service provider. If your team retains payroll processing, your outsourced provider will book the monthly journal entries for you.

#### 4. You'll have access to the right software platform, whether simple or complex.

There are many different software platforms in nonprofit accounting today. Smaller churches and nonprofits typically use QuickBooks® internally or through an outsourced provider.

Larger or more complex organizations often benefit from a larger, more specialized platform. Consider:

- A “modern” general ledger that uses dimensions so you don’t continue to use many digits with prefixes and suffixes for your Chart of Accounts numbering system.
- A set of financial reports (looking back) and a dashboard report (almost real-time data) to help you monitor your operations and financial results better and more frequently.

#### 5. You can “pay as you go” rather than pay configuration and licensing fees.

Entering a software agreement can be very expensive with configuration and licensing fees, even if you pay monthly and even if you use cloud computing services. Using the software platforms offered by outsourced providers can be very economical.

Additional resources for churches and nonprofits, including articles, blog posts, and recorded webcasts, are available at [capincrouse.com](http://capincrouse.com).