

## THE NONPROFIT CHALLENGE

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Nonprofit organizations serve a critical need in our community, but a good heart isn't enough. The success of any nonprofit organization depends on many factors: compelling mission, effective leadership, sufficient funding, dedicated volunteers and a smart organizational setup that includes a sound financial foundation and built-in innovative strategies to prepare and meet the needs of the future.

Nonprofit organizations are filled with thoughtful, caring, generous people who thrive on determined optimism and impossible challenges. Their focus is on the mission of the organization and not necessarily on the finances. Nonprofit organizations face many of the same challenges as for-profit organizations PLUS additional concerns over unique accounting, reporting and compliance demands.

All organizations, for example, must set goals and engage in long-range planning. All organizations must maintain certain financial records. All organizations must generally file returns with the various taxing authorities. Your organization is no exception. But nonprofit organizations have special needs as well. For example:

- Many do not have the resources for in-house accounting staff. Compliance auditing and professional tax preparation take on added importance for such organizations.
- Cash flow is a major concern for many. Adequate cash flow management is key to successful operations.
- Special accounting procedures and reports are often required for specific types of funding such as for grants and restricted contributions.
- Understandable and meaningful financial reports take on added significance in their use for fundraising and public relations.

The organization's volunteer Board of Directors/Trustees typically experience a high level of turnover. A close working relationship between the Board and its accounting professional is essential if a constantly changing Board is to have a firm handle on the organization's financial situation.

## OUR ROLE

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We see the need for nonprofit organizations to have a finance partner that understands the general and specific challenges of being a nonprofit today poses. That is why we have dedicated ourselves to serving only smaller nonprofits in the Puget Sound region. This allows us to be experts in the issues that matter most to our clients.

We respond the challenges faced by the nonprofit community by:

- Serving only the smaller nonprofit industry to allow us to provide expert advise on the areas that are unique to our clients. Some of these special areas include knowing how to treat and advise on restricted contributions, pledges, endowments, and fiscal sponsorship arrangements.
- Our clients cross the spectrum on services they are providing and challenges they face. We have many clients in the human services, arts, conservation, education, and professional organization areas to name a few. Each sector brings its own challenges with revenue recognition, financial statement reporting, Board reporting, etc.
- Our staff is experienced. We recognize the time and cost savings to our clients by only utilizing the most efficient personnel. Our experience also allows us to communicate best practices on nonprofit-specific areas as well as general accounting or governance issues.
- Consulting on accounting, finance, reporting and accounting systems issues to help resolve problems or train staff on the best practices
- Offer low cost seminars to reach the greatest numbers of our community

Please let us know what help we can be to your organization.