CS&L CPAs

5 Tips to Improve your Accounting Function

Learn how to apply efficient accounting processes that will lead to a better bottom line.

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The accounting function of a not-for-profit organization is its financial backbone. Efficient processes and controls are essential to help the organization grow and flourish. Without a financially stable foundation, the organization can experience major financial issues down the road. Avoid costly errors - here are 5 tips to help you improve and enhance your organization's accounting operation.

1. Create Time-Saving Policies

A good first step toward accounting function improvement is creating policies for the monthly cutoff of invoicing and recording expenses. Too many adjustments, or waiting for late employees or departments, can waste time and delay the completion of your financial statements. A good practice is to require that invoices must be submitted to the accounting department by the end of each month. Review these policies often to find errors or opportunities to fix inefficient processes.

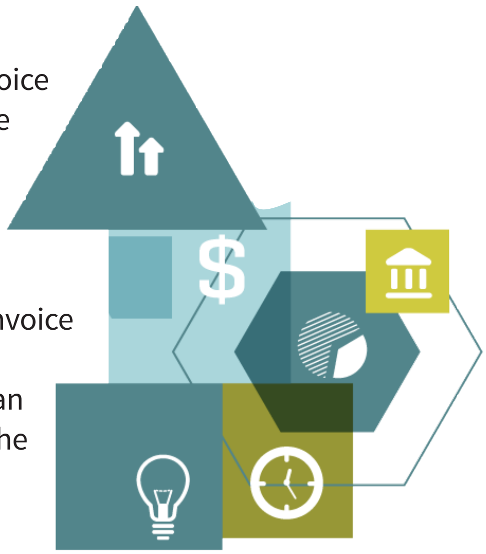
Another time saver: You can save hours of work at the end of the year by reconciling your bank accounts shortly after the end of each month. It's easier to correct errors when you catch them early. Also reconcile accounts payable and accounts receivable data to your statements of financial position.

2. Collect Information Efficiently

Designing a coding cover sheet is another step toward boosting efficiency. An accounting clerk or bookkeeper needs a variety of information to enter vendor bills and donor gifts into your accounting system. You can speed up the process by collecting all of that information on a cover sheet. This document should list your organization's general ledger account numbers so that the employee entering data doesn't have to look them up each time.

The cover sheet also should indicate whether the invoice is to be paid by check, electronic transfer or credit card and provide a place for the appropriate person to approve the invoice for payment.

Use multiple-choice boxes to indicate to which cost center the amounts should be allocated. The invoice or copy of the donor's check can be attached to the cover sheet for reference.



3. Learn About your Accounting Software

Many organizations underuse the accounting software package they've purchased because they haven't invested enough time to learn its full functionality. If this seems to be the case in your organization, hire a trainer to review the software's basic functions with staff and teach time-saving tricks and shortcuts.

Use your accounting software to its fullest potential. This can be done by avoiding any calculations or financial report presentations in Excel® or other spreadsheet programs. You'll increase your efficiency if you standardize the reports coming from your software to meet your needs without modification. This not only will reduce input errors, but also will provide helpful financial information at any point during the year rather than just at month end.

Consider performing standard journal entries and payroll allocations automatically within your accounting software. Many systems have the ability to recall transactions and can automate, for example, payroll allocations to various programs or vacation accrual reports. Remember to review any estimates against actual figures periodically, and always adjust to the actual amount before closing your books at year end.

4. Monitor Systems Closely

Accounting systems can become inefficient over time if they aren't monitored. Look for labor-intensive steps that could be automated, or steps that don't add value that could be eliminated. In your efforts to review these processes, you may come across weak points that have gone unnoticed for a long period of time, simply due to the thought process, *"But that's how we've always done it."*

Also make sure that the individual or group that's responsible for the organization's overall financial oversight (for example, your CFO, treasurer or finance committee) promptly reviews monthly bank statements, financial statements and accounting entries for obvious errors or unexpected amounts.

5. Leverage your Resources

Make sure that you're optimizing your accounting resources and those of your team. Developing protocols for certain team members and making those known firm wide can be a big help. This can be as simple as setting aside a block of time to enter invoices or cut checks when you have multiple items to process, rather than taking care of them as they come in separately. If you process items on specific days each month, there is less likelihood you'll come across employees or departments needing urgent assistance from the accounting department that will take away from their other duties.

Another option is to completely outsource your accounting function. This is a popular alternative for non-profits due to the efficiency and cost-effective platform it provides. In this role, organizations have an outside accounting firm complete all, or a portion of, their accounting functions, even to the extent of having an outsourced CFO.

Considering the growing list of tasks that arise, implementing one or more of the above processes can help free up valuable time, allowing your leadership team to focus on larger projects or initiatives that directly impact your mission. Dedicating time now to streamline processes and create efficient platforms will ultimately save you valuable time and resources in the future. ◆

Want to learn more?

Contact us for information on how we can help you streamline your accounting processes. We can assist with all your accounting needs, or simply provide a specific service for your accounting department.

Our clients see us more than a service provider; our partnership becomes a valuable resource as they work towards meeting their mission.

Your Accounting Team

We have significant experience in providing accounting department support and services to not-for-profit organizations. Whether your organization is in need of accounting, audit services, Form 990 preparation or pension administration, the non-profit team members at CS&L CPAs have the expertise and resources to meet your needs and provide valuable solutions.

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About CS&L CPAs

CS&L CPAs is a certified public accounting firm that has been serving Southwest Florida since 1954. The firm is comprised of three offices, located in Bradenton, Sarasota and Tampa. We provide accounting, taxation, auditing and consulting services to individuals, businesses and organizations.

Our not-for-profit team understands the challenges of non-profit organizations and can provide financial and compliance audits, preparation of Form 990, outsourced CFO services, compliance with OMB Circular A-133, Compliance with the Florida Single Audit Act, and additional services.

CS&L CPAs is an award winning firm. In 2014, CS&L was the recipient of the **"Community Spirit Award"** from the Manatee Community Foundation and named the **"Small Business of the Year"** by the Sarasota Chamber of Commerce. CS&L has also been recognized as a **"Best Company to Work for in Florida"** by *Florida Trend Magazine*, and a **"Best Place to Work in Tampa Bay"** by the *Tampa Bay Business Journal.* Our mission is to understand your unique needs and create exceptional solutions.

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