

BUDGETING, FORECASTING AND REPORTING FOR **NOT-FOR-PROFIT** ORGANISATIONS



THE BUSINESS CHALLENGE

Not-for-profit organisations have unique opportunities and challenges that corporate entities don't have to face. Most, if not all, organisations want to cut down on operating expenses, but in generally people-intensive NFP's, the less spent on admin and operations means more funds going to the cause being championed. Accountants in these organisations are often spread thin as it is, yet they are expected to do more with less.

The planning process can be extremely time-consuming and complicated, especially if this is done using spreadsheets. Precious time spent collating spreadsheets from multiple departments and on multiple budget iterations can be better utilised on analysis, and strategic input, where the finance team is able to add real value.

For the budgeting process to be effective, it requires collaboration and communication with all relevant areas of the business, this can be challenging if not everyone is on board or comfortable with complex financial spreadsheets, causing a reluctance at budget time, delays, and potential errors. Without including all invested role players in the process you risk losing accuracy, ownership and accountability.

With people critical to service delivery in NFP's and forming a large part of the expenses, accurate staff planning and reporting is essential in order to effectively allocate resources and closely monitor the related costs. Equally important is properly forecasting revenue such as government funding, operating income, grants, and donations which could change at any time. As we've certainly seen recently, these sources can be severely disrupted at any time, leading to very unpredictable revenue cycles and resource availability. Without the proper tools to quickly and efficiently reforecast, or modelling capability to run "what-if" scenarios, this can make budgeting and forecasting with any certainty a near-impossible task.

Finally, financial reporting for NFP's can be extremely complex and may vary for different constituents such as management, government or donors, with further complexity and pressure arising from requests for different information in different formats with different timelines.

SWITCH TO IDU

Now more than ever, not-for-profit organisations are under tremendous pressure to be accountable for all aspects of their operations especially their service delivery and financial management. Automating financial planning, budgeting, and reporting with IDU will improve collaboration, shorten your budget cycles and reduce the administrative burden on your team, while at the same time dramatically improving accuracy, transparency, and accountability at a much higher level.

idu-Concept empowers not-for-profit organisations to drive efficiency and savings through its user-friendly, web-based, real-time, collaborative environment. Multiple managers can work on the budget simultaneously while using the same set of assumptions, resulting in a single version of the truth instantly visible to senior management.

idu-Concept takes complex features, such as **employee and contractor remuneration budgeting**, and simplifies them for the non-financial user. The system allows you to budget manpower costs by grade or by person, by hour, and even budget by employee down to individual payslip line items.

It also goes a step further in providing a point-and-click capability to interrogate actual data against budget or last-year comparative information and the ability to capture variance analysis comments. **Commitment views** also allow organisations to track both actual and committed spend.

Multi-year planning and forecasting is facilitated through idu-Concept's **integrated fiscal sets**, enable budgeting in as much detail as required, for up to 5 years on a single screen. While the **Financial Modelling Module** allows for driver-based budgeting for multiple fiscal years and scenarios, allowing you to change assumptions and immediately see the impact on your revenue, expenses, and cash flow.

Budget Adjustment functionality provides the ability to adjust the approved budget in the ERP system via journals from IDU, without amending the originally approved budget in IDU. It is not possible to split certain cost/income/projects in detail with the inception of the budget cycle. This functionality enables finance to view the original budget, alongside approved amendments/reallocation of cost, and finally an adjusted budget, balancing perfectly to the ERP system.

Project Budgeting functionality enables the breakdown of costs, initially at a high level with the ability to further analyse and allocate these costs to lower levels as the project proceeds. It also allows finance to identify and manage donor funding within projects.

The **IDU Reporting Module** and **Variance Reporting** functionality in IDU are invaluable when reporting back to government departments or donors on areas such as subsidies.

Comparisons can be done based on current month, year to date or variance analysis against budget, forecast, previous years' actuals or any available set of comparative information.

The powerful drill-down capabilities of idu-Concept's reporting module enables analysis of figures through various levels, down to individual cost centres, and account line-items, with the ability to capture detailed commentary.

SELECT NOT-FOR-PROFIT CLIENTS INCLUDE:

CLICK ON THE LOGO FOR THE FULL CASE STUDY



No Case Study

No Case Study

THE IMPACT OF SWITCHING FROM EXCEL TO IDU

FROM OUR CLIENTS PERSPECTIVE

Zanele Dhludhlu, Finance Director MSF Doctors Without Borders

"IDU has brought about a change in how we manage expenses and our budgets, and the reporting has been a revelation to us. It has helped us be more accountable to our donors, the people who work with us and those who entrust us with their money."

Bobbette van Zyl, Australian Industry Trade College, Head of Central Services,

"IDU has afforded our College the ability to implement and enforce good financial governance, provide transparency of financial information, enable internal and external bench marking per campus or per region and to instil a culture of financial accountability at all management levels. IDU has made the planning of future growth so much simpler as the relevant assumptions and their dependencies are setup in the system, expediting forecasting and scenario analysis."

Carl Learson, Challenge Community Services, then CFO

"Working with IDU has been hugely beneficial to the way in which we manage our business. Every branch supervisor right through to the CEO has access to idu-Concept and actively reviews information relevant to their needs, as staff members understand the capability of the tool and the new level of transparency they have around their businesses, the normal response is disbelief at the amount of access to information they have."

Sharon Muller, Community Living Trust, then CFO

"We have some managers who are less confident around computers and I was nervous about their uptake, but they just loved idu-Concept and found it very exciting. They found it less daunting than a spreadsheet and they enjoy the fact that they can comment on each budget item."

"idu-Concept also gives Community Living the ability to prepare quarterly forecasts, something that was never achievable with spreadsheets. Quarterly forecasts give the business greater information about its expected financial results for the financial year. idu-Concept also assists decision making, as it enables us to easily model the financial effects of changes."

William Au, Southern Metropolitan Cemeteries Trust, Financial Analyst

"Our managers really like using IDU, they have found it much easier to use than previous systems and it saves everyone a significant amount of time. IDU has systematised our planning processes, providing us with a single point of access to accurate and timely management information."

Overall, IDU has also removed the opportunities for human error and formula errors that occurred in our previously Excel based budget process, and markedly decreased the time taken to set up each month's forecast or each year's budget as all the data is already there and a rollover only takes a few clicks."

ABOUT IDU

IDU delivers top of class packaged budgeting, forecasting, performance management and reporting tools to simplify financial management. Our flagship product, idu-Concept, provides easy, effective budgeting and financial reporting for medium-sized to large businesses. idu-Concept integrates easily with ERP software, but unlike more cumbersome offerings, idu-Concept can be implemented quickly, requires little or no ongoing consulting fees and reduces budgeting cycles from months to weeks.