The 7 benefits of true cloud finance software for nonprofits and charities

A guide for finance professionals

Introduction

Do you ever feel your job is being made harder than it needs to be?

The sector turns over £100bn and employs nearly 1.3m people.

If you're in the charity sector, you're probably used to people telling you how valuable your work is. Not only do the UK's 170,000 charities do great things, marshalling 6.9m volunteers and saving the state untold billions, but they're a big part of the economy.

But for such a vital sector, the charity world is stuck with some badly outdated technology. If your finance team is anything like typical, you're held back by systems that frustrate everyone who uses them. Those systems slow you down and make it harder to give your charity the full value of your talents.

Until recently, most charities had no choice but to use finance software from another era – systems that required you to keep a server on your premises. The complexity of a modern charity was too much for this software to handle, so finance teams compensated by doing the hard work themselves. They processed many transactions manually and spent long hours in spreadsheets when reports were due.

Today, there is an alternative in the form of secure and scalable systems that store your data in the cloud – but it's not surprising that many don't take it. Funding is becoming ever harder to find, while operating costs are rising and demand for charities' services is at record levels. In this environment, it's understandable that charities hold back from investing in "back office" technology, with more than two thirds citing finances as a primary barrier to digital progress.

But these same pressures make it vital to harness the benefits that digital transformation can bring. Today's charities have no room for inefficiency as they look to stretch their budgets as far as possible.

Changing your system can seem like a risky investment of your time and money. But this guide will show how that a move to cloud is not only justifiable but essential.

Get it right and this can be an investment that boosts your efficiency, makes your organisation more sustainable and frees up time to focus on what matters most – your charity's mission.

The case for the cloud

You might need some convincing of the case for moving to a cloud finance system. And if you don't need any persuasion, it's highly likely other people in your organisation will.

Our nonprofit clients – who range from Health Poverty Action to the London Philharmonic Orchestra and from Age Scotland to Edinburgh International Festival – make the case better than we can.

Many of them found their old finance software was holding back growth and efficiency. A new system slashed the hours spent on everyday work and put comprehensive, real-time data at their fingertips.

Here are seven key advantages to moving to the cloud.

1 You won't need a server on your site

On-premises servers are a burden your organisation doesn't need. They cost money to host, maintain and upgrade – and they present a constant risk of damage or cyberattack. Users of an on-premises system usually have to be in the office to use it – or they have to log on through a slow remote connection.

Cloud finance systems free people from these restrictions. Users can log in securely from anywhere that has an internet connection. Teams can plan their budgets with confidence, without the risk of unexpected IT expenses.

2 Your system will always be up to date

Finance systems from before the cloud typically require at least one upgrade per year. That means engineers doing work on your premises at a cost of thousands of pounds.

Cloud-based systems work differently. Your monthly price covers licence fees, technical help and regular updates.

You no longer have to worry about expensive upgrades and support fees because you're always running the latest version of the software, with updates and fixes applied seamlessly while you work.

3 You'll be protected from disaster

A recent survey found 63% of UK charities rated cybersecurity as a high priority for senior management, rising to 93% among high-income organisations. Yet many still see themselves as vulnerable: around 32% had suffered a cybersecurity breach or attack in the past year.

With a cloud system, your data is hosted in highly protected environments,with physical security in place, and is duplicated across other sites.

A failure in an on-premises system can mean hours of work and expense to replace servers and restore backups. With cloud software, even if the primary system fails, another server in a different location is automatically switched on.

4 You can access it from anywhere

The rise in remote and hybrid working has changed the world – but older finance systems are not equipped to keep up. They require IT departments to install dedicated software on multiple devices, just so users can access the system through slow VPNs (virtual private networks).

Cloud technology makes remote working easy. Users can access their finance system from any internet-enabled device.

Even for teams that are mainly office-based, cloud technology can be transformative, allowing people who are travelling or working offsite to submit expenses, authorise spending or see how they're doing against budget.

5 You can easily integrate systems

Would it save time if your various pieces of software talked to each other? That can be a big challenge for nonprofits.

Cloud accounting makes it possible to easily integrate the finance system with other programs – whether those deal with fundraising, donors, membership or anything else.

This can be done through easy "no-code" platforms like Zapier, through integrations built into the software or through the use of public APIs (application programming interfaces).

6 You'll get better reporting

Traditional systems can make financial reporting an ordeal. The process typically involves exporting data into spreadsheets and doing hours of manual manipulation.

That's not the case with cloud systems, where inbuilt dashboards can give you detailed, actionable insights in seconds, driving quicker and better decision making. Reporting to other audiences – whether that's for SORP and SOFA compliance or to grant-givers, donors or trustees – becomes dramatically simpler.

7 You'll streamline the work

Are you or your team forced to commute to the office? Do you need filing cabinets to store critical information? Do you leave Post-It notes as reminders to approve paper invoices? Even if paper trails have been replaced by email, do you still have to save a lot of attachments, chase approvals and rekey data?

With cloud software, none of this is necessary. Digital workflows can be set up as you want them, so approvals are handled online, with a full audit trail kept. Volunteers and staff alike can submit timesheets and expense claims, while budget holders can easily review and authorise them – remotely if they like. Whole levels of data entry can be done away with, reducing the scope for error and freeing staff to concentrate on higher-value work.

Time for a change

Many people cling to an old finance system even when they know change is overdue. There's never a perfect time to make the switch.

But leaving your team bogged down in manual work, taking risks with security and making decisions without comprehensive real-time data will put an ever-greater strain on the organisation.

The only viable solution to these problems – and the best way to greater efficiency and better data – lies in the cloud.

What should it do?
Some questions to ask about cloud systems

If you haven't implemented cloud accounting software before, you might be unclear about what you can expect it to do.

The following are a few questions you might want to ask about different software as you do your research.

Functionality

- What automation and AI features does the software have?
- Does it use OCR (optical character recognition) for reading invoices and other documents?
- Does it offer accounts payable automation?
- Does it feature integrated bank feeds and automated bank reconciliation?
- What approval workflows does it offer?
- What processes are there for claiming and authorising expenses?
- Can budget holders access the system to input data and retrieve reports?
- Can it handle other currencies? And other tax regimes?
- Can it handle irregular accounting periods?
- Are there any limits to transaction volumes?
- What cash flow management does the software offer?

Reporting and analysis

- Does the software offer a flexible chart of accounts structure?
- How many dimensions/analysis codes can it accommodate?
- Can it provide customised dashboards? Can users create reports from scratch?
- How does the software handle intercompany eliminations and group consolidation?
- How does it handle accruals and revenue recognition?
- How does it handle fixed asset depreciation?

Integrations

- What other applications can the software integrate with straight away?
- Does it have open APIs (application programming interfaces) for integrating with other software?
- Can it be integrated with other applications through iPaaS (integration platform as a service) products like Zapier?
- Does it provide live integration with Excel so data can be pulled into spreadsheets and stay current?

Security and compliance

- Does the vendor have ISO/IEC 27001 accreditation?
- Where would the data be stored?
- What is disaster recovery like? How long will it take to restore access if there's an outage?
- Can different users be set up with different permissions?
- What is remote access to the system like and how secure is it?
- Can the head of finance see who's authorised transactions in the system?

Your Complete Guide

Need a comprehensive checklist – including questions you might want to ask about the vendor, implementation processes, costs and ESG issues? **Get it here.**

It's part of a comprehensive guide called How To Change Finance Systems (Without Getting Fired) which is **available free**, with no sign-up required.

Case Studies

We're proud of iplicit. Decades of industry experience went into developing a product suitable for the complex needs of growing charities.

But don't just take our word for it. Here are a few of the many nonprofits that have transformed their finance operations with iplicit.

Health Poverty Action

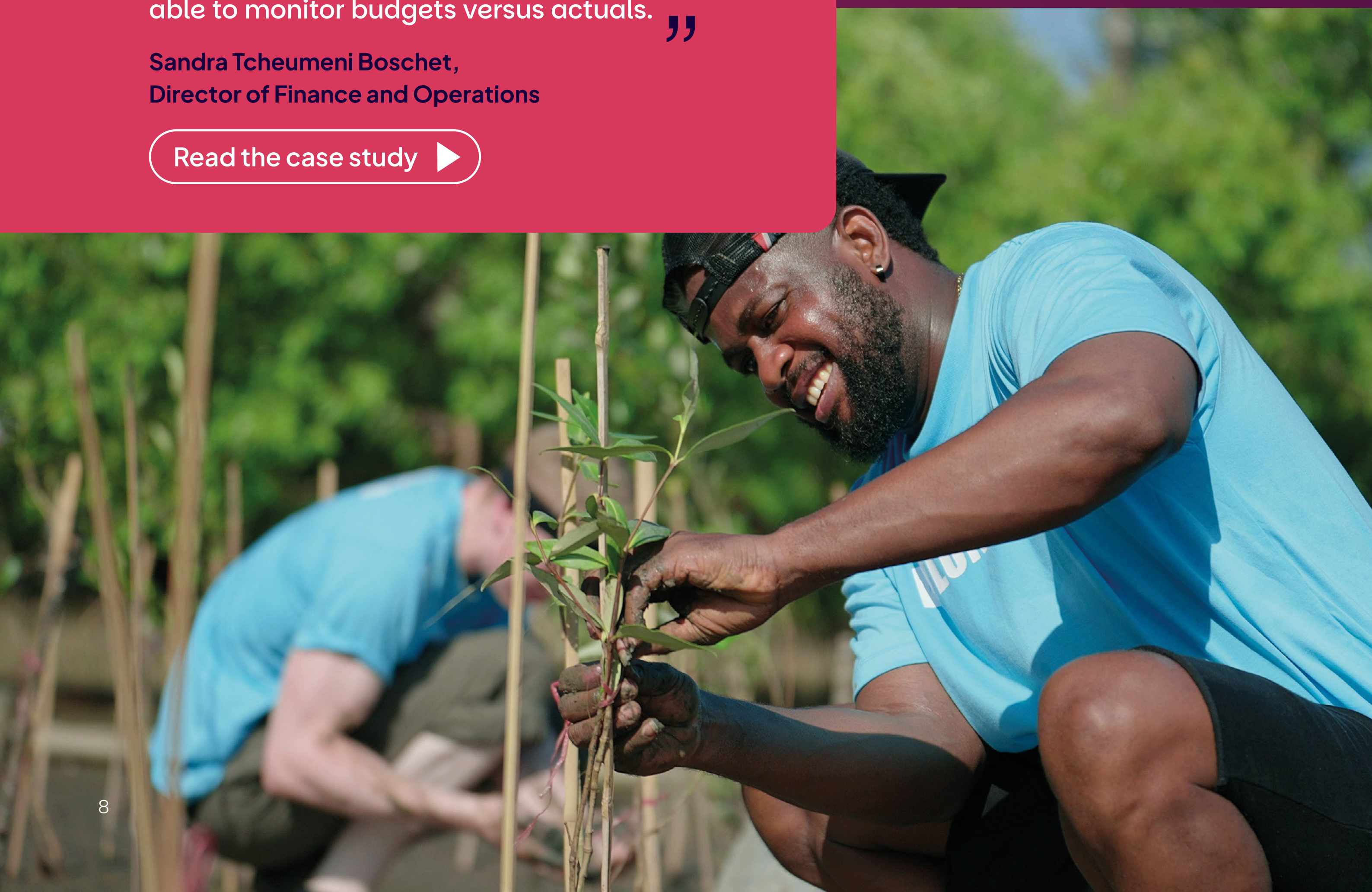
Health Poverty Action is an international nonprofit with a large number of projects running simultaneously and a lot of donors to report to.

It needed a system that would provide a real-time view of its finances across entities and countries. iplicit helped it do that – as well as saving enormous amounts of time.

> "The standout feature is being able to have visibility on finance management, in all the countries, at the touch of a button and being able to monitor budgets versus actuals."

Sandra Tcheumeni Boschet,
Director of Finance and Operations

Read the case study



Edinburgh International Festival

The world-famous arts festival needed a system that was flexible, customisable and easier to use. It also wanted project reporting so it could better examine what each production cost and earned.

iplicit's automation features alone saved around two days of work each month, with more time saved at year-end and audit. The system's project reporting provides data to help make decisions about future programming.

> "We've been happy to recommend iplicit to other people who are looking at it. I'm more than happy to say that I think iplicit is a good option that they should be considering."
>
> **Andrew Brownlie, Head of Finance**

Read the case study

Walking With The Wounded

The finance team at Walking with the Wounded spent a huge amount of time on manual data entry. Month-end reporting took all month, so data was out of date by the time anyone saw it.

With plans to double the number of veterans it supports, the charity needed a system that could reduce costs and automate work. The move to iplicit has saved at least 15 days every month.

> "Month-end involved exporting all the data from Sage 50 and having about 88 columns of lookups, then pivot tables, and manipulating all the data. It literally took all month... iplicit has saved us at least 15 days each month."
>
> **Marc Brady, Head of Finance**

Read the case study

London Philharmonic Orchestra

Handling the finances for one of the world's favourite orchestras is complicated work. The finance team at the London Philharmonic Orchestra had to contend with systems that were paper-based and labour-intensive.

The orchestra secured funding from Arts Council England's Transform programme to modernise its finance system and began to record substantial time savings.

London Philharmonic Orchestra

> "Previously, month-end processes could take up most of the following month. Now, we're looking at getting it down to 7–10 days. We've shaved 50% to 60% off the time it was taking… To run and reconcile a VAT return in iplicit takes about half a day, compared with two or three days in the past."

Frances Slack,
Finance Director

Read the case study

Carers Trust

The Carers Trust badly needed a system that would produce full management accounts for trustees. A move to iplicit made reporting drastically easier. It also enabled the charity to streamline paper-based and email-based processes, releasing staff time for higher-value work.

CARERS TRUST

> "Many accounts packages are tailored towards commercial businesses and the charity accounting is bolted on… if you're a charity with requirements such as restricted funds and you need that managed, iplicit is a system that can do it."

Sam Singleton,
Head of Finance

Read the case study

About iplicit

iplicit is true cloud finance software that makes the complex simple and accessible.

Launched in January 2019, iplicit now has more than 50,000 daily users in 103 countries, with a particularly strong presence in the charity and nonprofit world. The software integrates with other cloud applications and provides users with real-time reporting, automated data migration, rapid implementation and a public API to break down data silos.

iplicit was rated 18th among UK businesses on the FT1000 list of Europe's fastest-growing companies and achieved 40th place in the Deloitte UK Technology Fast 50.

Got Three Minutes?

Take a tour of iplicit:

Watch 3-minute tour

See what other charities think:

Case Studies

Talk to our experts to see how we can help
+44 (0)20 7729 3260 • info@iplicit.com • iplicit.com