

**7 Compelling Benefits of
Cloud Computing
and the
3 Most Important Facts
Every Nonprofit
Should Know
Before Purchasing a
Cloud Solution**

White Paper



7 Compelling **Benefits of Cloud Computing** and the **3 Most Important Facts Every Nonprofit Should Know** Before Purchasing a Cloud Solution

Moving to the cloud has many benefits and is perhaps the most important technology advancement in decades - promising immediate and positive impact on Nonprofits who adopt cloud computing.

We won't keep you in suspense – the seven benefits of cloud computing are:

1. It can further your effectiveness in fulfilling your mission
2. It can free you from all the expense and hassle of managing information technology
3. It can be done in a budget-friendly subscription purchase that is an operational expense rather than a capital expense
4. It can be accessed from anywhere you have access to an Internet browser whether on a PC or Mac, in the office or at home or in the field
5. It can provide you with security and disaster recovery levels that would be unaffordable were you to attempt to do it yourself
6. It can allow for nightly back up and off-site storage of your back ups
7. It removes the disruption and loss of productivity caused by periodic upgrades to new versions of the software characteristic with licensing of on premise software

An in-depth look at these seven benefits follows but before we go into detail on the benefits, there's something you should know.

In spite of all the benefits, there are *three critical things you should know* when researching cloud solutions for your nonprofit:

1. Is the solution completely cloud-based?
2. Is the solution designed specifically for the accounting needs of a nonprofit organization funded by grants and donations?
3. Is the publisher of the solution truly an expert in nonprofit accounting and fundraising?

The answers to these questions are critical because if the cloud solution is not designed for nonprofits - all benefits go out the window.

So let's begin with why the answers to these three questions are so important and then dive in to the revolutionary and powerful benefits of the cloud.

3 Critical Answers You Should Know

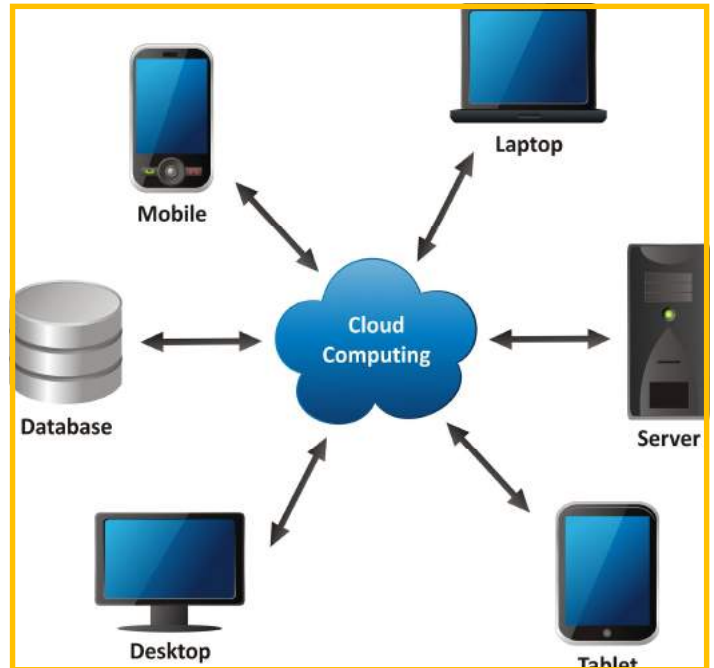
Question 1: Is the solution completely cloud-based?

Cloud-based computing is perhaps the biggest advancement in technology since PC applications began to compete with mainframe applications in the 80s. Chances are you've purchased something from amazon.com or paid a bill online or done research using Google: all are examples of using cloud computing.

Suddenly, large numbers of people are proficient on using browser-based applications for a variety of activities. Software publishers of traditional on premise applications are very aware of just how widely used cloud solutions are and are feeling pressure from end users and prospects to move to the cloud.

As a result of market pressure, many software publishers are claiming to have cloud-based solutions, but the definition of what is truly cloud-based varies widely from solution to solution.

Here are three workarounds or alternatives to cloud-based solutions that are often incorrectly presented as cloud-based solutions:



Remote Desktop Connection

With a remote desktop connection (RDP), employees are able to connect to the on premise system through an application loaded on to their laptop. The connection allows users of the system to log in while outside of the office, but it isn't browser-based access. While there is convenience for employees who need to work outside of the office housing the system, whether from home or in another office, it requires additional software installed on their laptop. This step, multiplied by the number of employees who require remote access, becomes another IT 'to-do.'

Another problem with RDP is that it uses more technology resources in two ways. First, when a user runs on RDP all of the processing is done on the server to which they are connected. This requires an additional server capable of handling the maximum number of concurrent users expected. Second, because it is really doing all of the processing on the remote server, it is sending pictures of every screen change out to the user. This uses more internet bandwidth than a true browser based solution.

One benefit of cloud computing is *less* dependence on IT assistance. Equipping laptops with the remote desktop applet requires more dependence on IT assistance. So while remote desktop connections may provide the benefit of 'anywhere access,' it does not provide all the benefits of the cloud.

3 Critical Answers You Should Know

Hosted Solution

In both the remote desktop connection and the hosted solution the key factor comes down to the location and ownership of the server.

Hosted solution configurations place the application you are licensing or subscribing to on a server owned and maintained by the hosting server provider. In a typical traditional licensing scenario, the application is housed on a server that you own. Investing in a hosted solution means you are paying to outsource the server on which your solution is installed. What you see as a user of the system is a screen scrape, an image of the application, which is being passed to you from the hosted solution to a front-end server that presents the application to you.

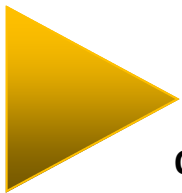
This is not a true cloud solution, in that you are not accessing your solution through a browser that brings you to the application. It's an additional layer of technology that mimics the cloud but does not accomplish the true portability and simplicity of the cloud.

Hybrid Solution

Some publishers will refer to their solutions as cloud when in fact, there is only a limited aspect of the solution that is browser-based. An example of this might be that the majority of the system (GL, AP, AR, Payroll, HR, etc.) are on premise or hosted, and one aspect of the solution, let's say Employee Self Service, is available via a browser.

While it gives the publisher a chance to claim cloud, it doesn't give you a chance to reap the benefits of a complete, 100 percent, cloud-based solution in the form of freedom from IT dependence, expense and headaches, accessibility using any type of user interface (PC, laptop, or Mac), security, off-site storage of back ups, or guaranteed up time, to name a few.

The solutions mentioned above are not necessarily bad solutions; they simply aren't cloud solutions. In order to enjoy all the benefits of cloud computing it is mandatory that the solution is completely cloud-based. It seems to go without saying, except there are many solutions trying to pass themselves off as cloud.



Question 2: Is the solution designed specifically for nonprofit organizations?

This is a very different question than 'Are nonprofits using this solution?' because there are a few types of nonprofits whose funding is from so few sources that they can manage well on a solution designed for business.

However, if you receive multiple grants with different compliance requirements that may run on a fiscal year different from your organization's fiscal year, or you have funding that spans more than one fiscal year, and multiple fund restrictions – your accounting and reporting needs are going to severely challenge a system that is not designed for these circumstances – in other words – designed specifically for a nonprofit organization.



3 Critical Answers You Should Know

There are three common requirements that separate an optimal nonprofit solution from a majority of accounting solutions on the market.

Ability to Handle Funding from Multiple Sources

If you do not have a solution that allows you to manage, track and report on funding from multiple funding sources, you will quickly find yourself in a good news/bad news situation. The good news – we've been awarded additional funding. The bad news – we'll have to develop yet another collection of spreadsheets to track the funding.

It is usually the complexities from multiple sources of funding that drive nonprofits to investigate new software solutions to handle multi-source funding. Why settle for a solution that can't sufficiently solve the problem?

Excellence in reporting your funding is crucial to your mission. Inadequate reporting can lead to delays in awarded funding being paid out by the funder. Exhibiting excellence in fund management greatly improves the likelihood that you will be awarded additional or new funding.

Investing in an accounting solution that doesn't provide you with the means to manage, track and report on funds to demonstrate compliance is a poor investment. Especially when there are solutions that can handle multi-source funding.

Even if to date you've managed to comply using spreadsheets – you know only too well what a cumbersome and time-consuming process that is – not to mention the numerous opportunities for errors. Pulling up the wrong version of the spreadsheet, an error in the formula, or a simple transposition of numbers can take hours, days or even weeks to correct.

As you begin your evaluation process for new software, a key requirement should be the ability of the software to handle multi-source funding within the system, without having to do manual work outside the system.

Ability to Track Labor Distribution in Payroll

If you find yourself educating a solution provider on the need to track labor distribution (a single employee working on different activities funded by different sources) in order to ensure that the hours worked by that employee are paid by the correct funds, that's probably an indication that their solution is not designed for nonprofits.

Your nonprofit accounting investment should ensure that you are able to easily distribute direct labor and associated employer costs based on labor hours worked within the system.

3 Critical Answers You Should Know

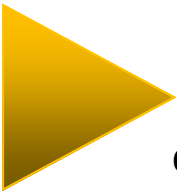
Ability to Satisfy Reporting Requirements for Different Audiences

Every accounting solution comes with some collection of financial reports. But does the solution come with the standard reports you need as a nonprofit for a wide variety of audiences?

Can the system provide 990 and state reporting? Can you easily create reports for each of your grants? Does the system allow you to create reports directly from the system (that is without hours and hassles of exporting data to Excel and creating spreadsheets) for your Board? Can the system address all of your internal reporting – not just overall organization financials but also reports on activities, programs and funds for other departmental managers?

If the answer to any of those questions is ‘no’ – you’ll want to keep looking. Your next nonprofit accounting solution should make your life easier, not more difficult. Your next nonprofit accounting solutions should equip you so that you can respond quickly and thoroughly to most any report request.

Reporting puts meaning to the numbers. Quick access to reporting means that project managers within your organization are able to make the best decisions regarding the services they oversee – which means fulfillment of your organization’s mission.



Question 3: Is the software publisher truly an expert in nonprofit accounting and fundraising?

When the software publisher is an expert in nonprofit accounting and fundraising, they’re not scrambling or suggesting workarounds when it comes to the operational and reporting requirements of a nonprofit.

Something you should consider when selecting your next nonprofit accounting system is how focused on nonprofits is the publisher?

Is serving nonprofit customer an opportunistic after-thought for the publisher? If 80 – 90 percent of their installed base is in the for-profit, commercial sector – that is where their focus is. It has to be. It wouldn’t make business sense for it to be otherwise. They may have nonprofits as customers, but that doesn’t translate to having a nonprofit solution. Be sure to ask what the percentage of nonprofit customers is to their business.

Commercial solutions used by for-profit companies and corporations simply are not optimal for nonprofits.

When a publisher is completely focused on nonprofits, logically you can assume that they are far more aware of the demands you face and have addressed those demands in the functionality of the software.

With 100 percent focus on addressing the needs of nonprofits, you can be rest assured that every application and enhancement is developed with nonprofits in mind.



7 Compelling Benefits of Cloud Computing

Now that you have the three critical considerations that separate a nonprofit solution from a commercial solution, you can better select a solution most likely to improve your day-to-day activities and address the reporting needs of your organization. That's an enormous benefit in and of itself. But that benefit can be further enhanced by putting the power of the cloud at the core of your solution.



The Cloud Can Free You From All the Expense and Hassle of Managing Information Technology

One of our nonprofit clients put it this way, "I'm in the human services business; I don't want to be in the IT business."

When you subscribe to a cloud-based solution you have just eliminated the need for an additional investment in servers, SQL database, networking, and other infrastructure. You've also freed yourself from the expense of maintaining and upgrading that technology – which can easily add up to thousands and thousands of dollars.



Budget-Friendly Subscription Pricing that Qualifies as an Operational Expense Rather than a Capital Expense

Investing in cloud computing usually means that your software solution becomes an operational expense rather than a capital expense. This may result in you having more freedom in selecting your solution and the decision doesn't require Board approval. It can also result in easing cash flow concerns and as an operating cost it may be easier to include in your cost base.



PC or Mac? In the Field or at the Office, It Doesn't Matter with Cloud Computing.

When your nonprofit accounting solution is a true cloud solution, it doesn't matter if your employees are accessing the solution via a PC or a Mac. All they require is access to an Internet browser, and with their log in and password they are connected to the software.

It also doesn't matter if your employees are in the office, in the field, or working from home. Browser-based access means they can log in to the system any time and anywhere.

You don't have to wait for information because an employee needs to come to the office to enter it. If you have work to do over the weekend, it won't require a trip to the office with cloud computing. As long as you can access the Internet, you can access your system.

7 Compelling Benefits of Cloud Computing



Superior Security and Disaster Recovery

Your selection of a Cloud-based solution means that your solution provider can pass on to you enormous economies of scale in the areas of security and disaster recovery. They are in the business of IT services, and because they provide those services on such a large scale, they have invested in security and disaster contingency capabilities that would be cost-prohibitive were you to attempt to duplicate on your own. In addition to top-of-the-line, state-of-the-art security, cloud systems are invaluable when faced with natural disasters.

We hope you never have to face the challenge of the impact of a natural disaster (hurricane, flooding, wild fires, tornadoes, earthquakes, etc.) on the physical structure of your organization. Organizations that have been affected, but had their systems residing in the cloud, were able to access their systems even if they weren't able to access their office building.



Nightly Back Up and Off-Site Storage of Your Back Ups

While you don't need cloud computing to accomplish this, the fact remains that most organizations do not conduct nightly back ups. And, those organizations that do perform regular back ups, may not take the crucial next step of storing the back up off-site.

Why is that? Regular back ups and off-site storage are left undone because a hundred other priorities rise up during the course of a day. Painfully, most of us learn the hard way that it should have been a higher priority. With cloud computing, this is yet another task that is automated and taken off your plate.



Cloud Computing Means Never Having to Say, “Everybody Off the System – We Need to Upgrade!”

Everyone who has used a traditional, on premise software solution knows the disruptive drill that goes with updating and upgrading the software to the latest version.

In addition to the inconvenience and productivity loss of getting everyone off the system in order to upgrade, there's also the common scenario of an upgrade not going as planned and rendering the system inoperable due to bugs, incompatibilities with other integrated systems or customizations. And that's the reason many organizations delay upgrading until they are absolutely forced to upgrade.

With cloud solutions, fixes, enhancements and upgrades are being made (behind the scenes) and on a much more frequent basis – but with absolutely no disruption on your end. You are always using the most recent version of the software.

7 Compelling Benefits of Cloud Computing



Cloud Computing can Further Your Effectiveness in Fulfilling Your Mission

Everything we have talked about above adds up to better tools at your disposal, cost savings, time savings – truly a case of technology enhancing rather than frustrating your day-to-day activities.

Better tools at your disposal means better insight. Time saved from drastically reduced manual processes means the organization's team is armed more quickly with the reports they need to maximize the effectiveness of their programs. Money saved as a result of decreased expenses for servers, infrastructure, and the salaries for a team to support and maintain them means more money directed toward your mission and constituents.

AccuFund Anywhere

Assuring that your organization selects a system that addresses the three critical factors specific to nonprofits and identifies a solution that is truly cloud-based and not just old technology configured to mimic the cloud – can seem like a daunting task.

We've developed AccuFund Anywhere to be a complete cloud solution designed specifically for nonprofits.

Our ability to address funding from multiple sources, track labor distribution fully in payroll, and provide robust reporting for all your key stakeholders, and allow you to accomplish all this from the cloud makes us unique. There are solutions that address nonprofit needs, but are not cloud-based. There are solutions that are cloud-based, but are not specifically designed for nonprofits. AccuFund Anywhere gives you the best of both worlds.

AccuFund was founded in 2001 and our only focus, throughout our history, has been nonprofit and government organizations. We serve more than 1,000 nonprofit and government clients. With AccuFund Anywhere we extend that experience to the Internet with a true browser-based solution available anywhere and with the entire AccuFund team providing technical support.

We developed AccuFund Anywhere so that you would have an easier and more affordable nonprofit accounting option to better help you focus on your mission.

AccuFund Anywhere

AccuFund Anywhere Features Include:

- Accounting and reporting functionality designed specifically for nonprofit organizations
- Secure access to your data from any PC or Mac computer with web browser access; great for working from home or agencies with multiple locations
- Nightly back up and off-site storage of your backups
- Major upgrades and hotfixes installed automatically
- Web training provided for all upgrades
- No up-front capital cost for software with only a one year commitment

AccuFund Anywhere can also be seamlessly integrated with our fundraising product, AccuFund CRM to provide a complete nonprofit management solution.

AccuFund Anywhere Benefits Your Organization By:

- Automating your processes,
- Driving revenue,
- Improving performance,
- Improving productivity,
- Increasing efficiency – reporting, query, overall system management
- Lowering IT costs
- Providing a complete management solution – Combining AccuFund Anywhere and AccuFund CRM

The AccuFund Anywhere Core System includes general ledger, budgeting, accounts payable, cash receipting, reporting, and other traditional elements. To participate in an upcoming webinar or to read more about AccuFund Anywhere and the cloud computing solution available to your nonprofit or government agency please visit our website at www.accufund.com.



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