

Audit Preparation with Help from True Fund Accounting™

Whether audits are an annual requirement, a choice, or something you'll face as your revenue grows, you need to consider if your current financial accounting system provides you complete confidence of a clean audit. At minimum, your technology solution should:

- Ensure FASB-compliant nonprofit financial statements can be readily produced
- Help you enforce key internal controls
- Maintain an auditable trail of transactions, records, and all associated changes
- Proactively prevent and detect fraudulent activities

Many for-profit systems popular with nonprofit organizations are often ill-equipped to stand up to auditor scrutiny. This means your team will need to expend extra effort in preparation leading up to an audit to gather key information and run reports. Even if you can get the proper financial statements produced, your risk of needing adjustments is higher than if you use a true fund accounting™ solution designed and built for nonprofits.

Learn what key capabilities, functionality, and efficiencies you could gain during the audit process with help from a true fund accounting™ system:

Produce Auditable Nonprofit Financial Statements	MIP Fund Accounting™ System	Non-Fund Accounting System*
Reporting engine that natively supports GAAP and FASB requirements and standards	●	○
Easily produced Statement of Financial Position, including net asset calculations based on donor restrictions	●	◐
Pre-formatted Statement of Activities, including revenues broken down by donor restriction and expenses	●	◐
Easily produced Functional Expenses across program services, fundraising, and administrative areas	●	◐

YES
 MAYBE
 NO

Audit Preparation with Abila MIP Fund Accounting™

Promote Robust Internal Controls	MIP Fund Accounting™ System	Non-Fund Accounting System*
Role-based user security	●	●
Account level security access to enter transactions to certain funds or General Ledger segments	●	○
Customizable alerts for particular activities that could be fraudulent (for example, vendor and payroll record changes)	●	◐
Posted General Ledger entries cannot be deleted and all changes/updates are captured in the system	●	◐
Available data integrity checks	●	◐
"View Only" user role capabilities to provide limited access to certain individuals or groups	●	◐
Prepare Documentation and Audit Trails		
"Advanced Security Organization Audit" feature designed to create an audit trail across a wide variety of records and codes	●	○
Detailed audit reports provide insight in changes/updates and old and new values	●	◐
Easily documented allocation methods reported out to auditors	●	○
Negotiated indirect cost rates for federal audits	●	○
Easily handled Fixed Asset depreciation schedules and related reporting	●	◐

*Non-fund accounting systems may include out-of-the-box accounting solutions not fit to meet the unique needs required by true fund accounting™, or may include for-profit accounting systems that have been reconfigured in an attempt to meet the needs of nonprofits.

Technology That Grows with Your Nonprofit

For many nonprofits, their first audit and subsequent audits down the road are brought on by large increases in revenue, for example, newly-awarded federal grant funding. Audits will become more complex as your organization grows!

As you undergo audits, it's common for auditors to make recommendations surrounding areas like internal controls. As a result, many nonprofit organizations realize implementing auditor recommendations will require new business processes that must be supported by new technology solutions.

Discover how a true fund accounting™ system can help your organization better prepare for the audit process at abila.com/mip.

LEARN MORE

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