

# Beyond the Status Quo to Strategic

Modernizing Your Nonprofit's  
Finance Function



Presented by:  ENKEL

# Today's Speakers



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# Agenda

1

## **Why the status quo finance model is failing nonprofits**

Understanding the fundamental shifts in the nonprofit landscape that make traditional approaches inadequate

2

## **The three pillars of modern finance: Visibility, Timeliness, and Governance**

Building a strategic finance function that drives mission impact

3

## **Leveraging technology and expertise to transform your finance function**

Cloud-based tools and fractional finance leadership

4

## **Practical steps to get started**

Your roadmap to implementation

5

## **Q&A and interactive discussion**

Your questions answered



# About Enkel



# Enkel

[en-keɪ] Adjective | Simple

**Co-founded in 2016 with a simple problem in mind “You can’t build a great organization without good books”**

- 300 clients
- 100+ NPOs across Canada
- Financial operations support — bookkeeping, payroll, and more
- Financial Management support — CFO Advisory and Controllership

*Acknowledgement: Enkel would like to acknowledge that our offices are situated on the unceded traditional territories of the x<sup>w</sup>məθk<sup>w</sup>əy̓ əm (Musqueam), S<sub>k</sub>w<sub>x</sub> wú7mesh (Squamish), and səlilwətał (Tseil-Waututh) Nations.*



# Interactive Poll

Question: What is your top concern in your organization's finance function today?

1. Staff knowledge
2. Outdated technology
3. Poor board reporting / Poor funder reporting
4. Finance cost, cash flow visibility, budgeting and forecasting process
5. Compliance risk (bad audits, risk to charitable status, etc)





# The Breaking Point: Why the Status Quo Fails

# Status Quo vs. Modern Finance

## Traditional Finance Function

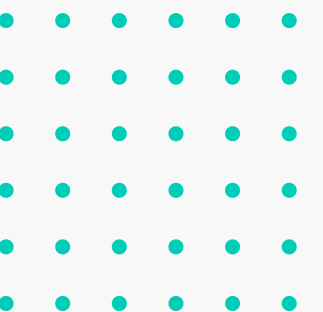
Focused on transactions and compliance

- Recording transactions and maintaining ledgers
- Producing compliance reports for regulators and auditors
- Managing payroll and accounts payable processing, often in a paper-based fashion
- Reacting to financial problems after they occur
- Viewed as a cost centre and administrative burden

## Modern Finance Function

Drives strategic value and mission impact

- Strategic decision-making through real-time insights and analytics
- Organizational resilience through forecasting and scenario planning
- Stakeholder confidence through transparent, accessible reporting
- Connecting financial data to program outcomes, positively impacting organizational mission



# Why the Status Quo Finance Approach Is Failing Nonprofits

## The Nonprofit Finance Paradox

Nonprofits face increasing accountability demands from funders, boards, and regulators, yet most operate with outdated financial systems and workflows. The end result is more time and energy spent as demands increase.

## The Challenges:

- **Complex Funding Environment** – Volatile, diversified revenue streams and growing regulatory requirements.
- **Increased Transparency Demands** – Donors and funders expect visibility, detailed impact reporting, and clear connections between funding and outcomes.
- **Strategic Gaps and Financial Strain** – Without modern finance capabilities, nonprofits face delayed decision-making and blind spots in financial management.





## In Conversation

What does Status Quo Finance look like?

# A New Norm for Executive Directors

In recent ED interviews, boards asked MORE questions about finance capabilities than fundraising skills

## 💡 Why This Shift Is Happening

### Getting Money Isn't Enough

Bringing in revenue is critical, but if you don't know what's happening to it or can't manage cash flow, you're flying blind

### Critical ED Competency

Finance literacy is now seen as a core leadership skill, not just a nice-to-have or something to delegate entirely

### Finance = Organizational Viability

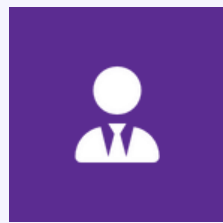
Boards recognize that strong finance capabilities are essential to understanding organizational health and making strategic decisions

### Sector-Wide Uncertainty

With more nonprofits facing deficits and closures, boards want leaders who can navigate financial challenges proactively

# Who Owns Finance in Your Organization?

Clarity about roles and responsibilities is essential for a modern finance function



## Executive Director

### ACCOUNTABLE

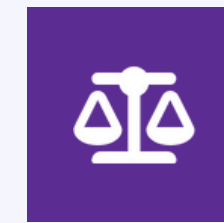
Owns the outcome and is responsible for ensuring the finance function delivers what the organization needs



## Finance Team/Partner

### RESPONSIBLE

Does the actual work: bookkeeping, reporting, analysis, and strategic finance support



## Board/Treasurer

### CONSULTED

Provides governance oversight, strategic input, and holds the ED accountable for financial health

**The ED owns it, but shouldn't be doing it**



# The Three Pillars of Modern Finance

# Three Pillars That Transform Finance From Reactive to Strategic

1 - VISIBILITY	2 - TIMELINESS	3 - GOVERNANCE
<p><b>Real-time access to accurate financial data for all stakeholders</b></p> <p>When everyone can see current financial information, boards make informed decisions, donors understand impact, and management identifies trends early.</p>	<p><b>Timely reporting and rapid response to financial changes</b></p> <p>Fast financial reporting enables leadership to pivot strategies, address issues proactively, and seize opportunities before they pass.</p>	<p><b>Strong policies, controls, and oversight that build trust</b></p> <p>Clear financial policies and documented controls protect against fraud, ensure compliance, and demonstrate fiduciary responsibility.</p>



**Together, these three pillars create a finance function that drives resilience, accountability, and mission impact**

# 1- Visibility: Financial Transparency

## Clear, Accessible Financial Information



### What it Means:

Stakeholders can access accurate, up-to-date financial information whenever needed. No more waiting weeks for reports or making decisions based on outdated data.

### Why It Matters:

- Boards make informed governance decisions with current information
- Donors see the impact of their contributions clearly and regularly
- Management identifies trends and issues early, before they become a crisis

### How to get there:

- Understand reporting requirements
- Integrate all reporting - avoid stand-alone sheets
- Use custom reporting within accounting software
- Maintain structured budgeting and forecasting process
- Dashboarding on key metrics





## In Conversation

With changes that you have made in finance, how have you seen visibility and transparency improve?

# Interactive Poll

Question: On a scale of 1–5, how would you rate the timeliness of your financial reporting?

1 = Takes weeks, always behind → 5 = Always current

*We have statements for board meetings and internal management meetings*



# 2 - Timeliness: Timely Financial Information

## From Month-End to Real-Time



### What it Means:

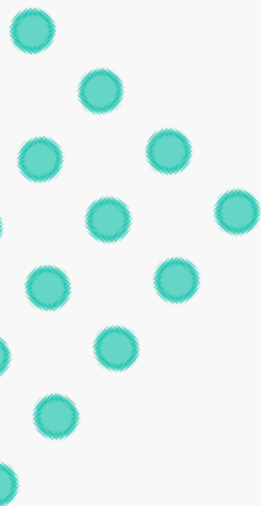
Financial reports are delivered within weeks, not months, and on time for critical management and board meetings. Month-end closes are completed within the next week, giving leadership current data when making time-sensitive decisions.

### Why It Matters:

- Organizations can pivot strategies quickly when circumstances change
- Leadership can seize fleeting opportunities before they disappear
- Problems are addressed proactively rather than discovered too late

### How to get there:

- Apply project planning to bookkeeping and the monthly close
- Take into account key meetings and compliance deadlines
- Keep a calendar of all key compliance dates
- Get advanced buy-in from finance
- Use cloud-based technology





## In Conversation

How has access to timely financial reporting reduced risk at the organizations that you have led?



# Interactive Poll

Question: On a scale of 1–5, how confident are you in your organization's financial governance and controls?

(1 = Weak controls, high risk → 5 = Strong governance, full confidence)



# 3 - Governance: Strong Financial Policies and Controls

## Protect Your Organization



### What it Means:

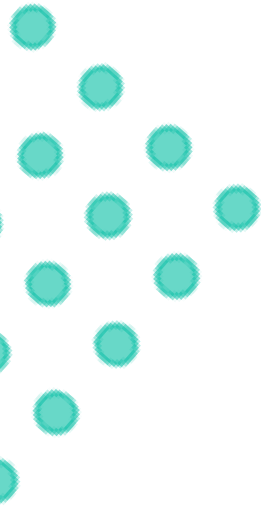
Clear financial policies are documented and board-approved. Controls are in place to prevent fraud and errors. Oversight mechanisms ensure that guidelines are consistently followed, and that roles and responsibilities are clearly defined and understood.

### Why It Matters:

- Strong governance protects against fraud, embezzlement, and financial mismanagement
- Compliance with regulations and funder requirements is ensured
- Board members can fulfill their fiduciary duties with confidence
- Stakeholders trust that funds are managed responsibly

### How to get there:

- Document and update key financial policies and controls
- Ensure clear approval workflows and segregation of duties
- Rely on technology to enforce controls
- Ensure books are audit-ready before audit begins
- Implement/consider auditor control recommendations





## In Conversation

Tell us how controls and financial policies help to protect the organization and its stakeholders.

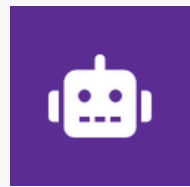




Smart Solutions: Expertise,  
Technology & Efficiency

# Cloud-Based Tools Enable Visibility, Speed, and Governance at Scale

Modern technology is the foundation that makes the three pillars possible. Here's how cloud-based tools transform nonprofit finance operations:



## Automated Bookkeeping Platforms

Cloud accounting systems like QuickBooks Online and Xero automate transaction recording, bank reconciliations, and financial statement generation, freeing staff from manual data entry.



## Real-Time Dashboards

Customizable dashboards display key financial metrics at a glance, enabling boards and leadership to monitor organizational health without waiting for monthly reports.



## Integrated Systems

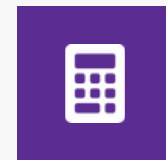
Seamless connections between accounting, payroll, CRM, and fundraising platforms eliminate duplicate data entry and ensure consistency across all organizational systems.



**Technology is not a replacement for financial expertise, it's the tool that amplifies your team's capabilities and enables strategic finance at scale**

# Access Expert Financial Leadership without Full-Time Overhead

The fractional finance model provides nonprofits with senior financial expertise on a part-time basis, delivering strategic value without the cost of full-time executive salaries.



## Fractional Controller

Provides operational financial management including:

- Month-end close and financial reporting
- Budget development and monitoring
- Cash flow management
- Audit preparation and coordination
- Team supervision and process improvement



## Fractional CFO

Delivers strategic financial leadership including:

- Long-term financial planning and forecasting
- Board reporting and strategic guidance
- Scenario modeling and risk analysis
- Capital planning and fundraising support
- Financial policy development



## Key Advantages

**Cost-Effective:** Pay only for the hours you need, typically 30-50% less than full-time executive compensation.

**Flexible:** Scale support up or down as organizational needs change.

**Experienced:** Access senior-level expertise immediately without lengthy recruitment.

## When to Consider

Organizations with budgets under \$5M typically benefit most from fractional support, gaining executive-level expertise without full-time costs.

# Four Phases to Transform Your Finance Function



## 1. Assess

Weeks 1-2

- **Evaluate Current Processes**

Document existing workflows and identify bottlenecks

- **Identify Gaps**

Pinpoint areas where visibility, speed, or governance are lacking

- **Engage Stakeholders**

Get input from board, leadership, and finance team



## 2. Plan

Weeks 3-4

- **Select Technology**

Choose cloud accounting platform and supporting tools

- **Document Processes**

Design new workflows and approval procedures

- **Create Timeline**

Establish milestones and assign responsibilities



## 3. Implement

Months 2-3

- **Migrate Systems**

Transfer data and configure new platforms

- **Train Staff**

Provide hands-on training and ongoing support

- **Establish Reporting**

Launch new dashboards and reporting templates



## 4. Optimize

Ongoing

- **Monitor Performance**

Track KPIs and measure against objectives

- **Refine Processes**

Continuously improve workflows based on feedback

- **Scale Support**

Adjust fractional expertise as needs evolve



# Get Your Personalized Finance Transformation Roadmap

Not sure where to start?

For \$2,500, we'll provide you with a comprehensive review of your finance function with recommendations on tools, workflows, processes, and control risks.

How does it work?

- Interviews with Key stakeholders (ED, Admin staff, Treasurer, etc)
- Documentation of results and practical recommendations - specific context, challenges, and limitations will be taken into account
- Meeting to debrief findings

This assessment gives you a clear, practical plan to transform your finance function without guesswork.

Link: <https://bit.ly/enkel-roadmap>

**Get a 50% credit if you engage Enkel for ongoing services within six months of receiving the final report**



# Further Reading & Tools



Free E-Book



Link: <https://bit.ly/enkel-statusquo>

# Q&A and Interactive Discussion





**Thank You!**