

3 Reasons to Prioritize Moving Your Fund Accounting to the Cloud

Set Your Nonprofit Organization Up for Growth



All nonprofits care about serving their community and making an impact toward their mission. You wouldn't put up with the long hours, frustrating processes, or shoe-string budget if you didn't.

But if you are still running on-premises fund accounting software, you're holding your organization back from its full potential by doing unnecessary work, incurring unnecessary costs, and not setting your organization up for future growth.

Here are three reasons why you should prioritize moving your fund accounting system to the cloud.

1. Data Security

ARGUMENT: YOUR DATA IS MORE SECURE WITH AN ON-PREMISES SYSTEM.

The trust of your stakeholders is paramount to your organization. You want to make sure you are stewarding their money—and their information—well. But on-premises software can pose huge security risks, such as:

- New updates and patches are not installed promptly (or properly) because your IT person is swamped with other tasks, causing inefficiencies or even downtime.
- An employee needs to work off-site, so they download information on to their local device, or worse, an unapproved device or cloud storage site.
- If a hacker gets into your network, your fund accounting software can still be vulnerable.

FACT: CLOUD-BASED SYSTEMS ARE EASIER TO UPDATE, APPLYING BEST PRACTICES AND STAYING AHEAD OF BAD ACTORS.

Data security—and hackers—move faster than even the savviest nonprofit can. Sure, the software companies that provide cloud-based solutions aren't 100% secure. No one—not even our largest government and financial institutions are. But these companies have substantially

Protecting Your Data in the Cloud

In addition to the precautions that your vendor takes, there are several ways you can increase the security of your cloud-based data—some you may already be doing:

- Require multi-factor authentication for access to your network
- Back up your data regularly
- Provide regular security training for your employees
- Restrict access by employee classification

more resources than what a typical nonprofit has. The security benefits of moving your fund accounting system to the cloud include:

- Updates and security patches are automatically installed, saving your team time.
- The cloud vendor spends the time and resources to make sure all the protocols and best practices are up to date—not you.
- Your employees have access to the system anytime, anywhere, and your vendor can set up multi-factor authentication for extra security.



Imagine what you and your IT team could accomplish if you weren't managing updates to your fund accounting software and the servers, hardware, and network related to an on-premises system.

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2. Cost

ARGUMENT: IT'S A BIG COST TO MOVE YOUR INTERNAL SYSTEM TO THE CLOUD.

A change to a system as integral to your operations as your fund accounting software can be a big investment. But when you look to make any move, you balance the pros and the cons. In this case, the con could be a sizable financial investment.

FACT: THE EFFICIENCIES GAINED FROM A CLOUD-BASED SYSTEM PROVIDE THE OPPORTUNITY FOR A SIGNIFICANT RETURN ON INVESTMENT.

But the pro list is much longer.

- Simple and seamless integrations with a variety of tools you already use—or want to use—make it easier to fundraise, manage expenses, update your website, send email marketing, and understand your analytics.
- Employees save time by not having to move information from one platform to another to run reports or waiting for the IT team to make the informational updates.

- Your employees have flexibility in where and how they work, impacting their well-being.
- Your cloud-based systems are regularly backed-up so any issues can be easily remedied without loss of data and minimal—if any—downtime.
- Your team can use the vendor's support team for system training and user questions, instead of reaching out to the on-site admin.
- Cloud-based systems are typically device agnostic, giving you more flexibility in your purchasing decisions.
- And regarding cost, with a cloud-based system, the cost is typically a smaller monthly fee instead of a large up-front investment, which makes it easier to budget and plan for.



Imagine what your team can do when they aren't manually moving data from the fundraising software to the fund accounting software and working where they feel most comfortable instead of commuting.

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3. Change Management

ARGUMENT: WE'RE DOING FINE WITH THIS SYSTEM. WHY FIX SOMETHING THAT'S NOT BROKEN?

Your team understands your current fund accounting software and are comfortable using it. A new system would be disruptive and slow down productivity. You know when that was also true? When they moved from typewriters to early computers.

FACT: BEING IN THE CLOUD HELPS YOU KEEP PACE WITH CHANGE.

Similar to the shift from analog to digital, the initial switch was uncomfortable for team members who don't like change. But it set up financial offices to do so much more with their data. Moving to the cloud puts your organization on that path so you are ready for the next technological advantage.

In addition to your organizational structure, being future-focused can also help with recruitment. In these times of tight labor, will you be able to attract younger employees with software dating back to 1992? And what impact will that have on the senior management you want to recruit? Chances are, they used cloud-based software and may not feel they can be successful without the real-time data and integrations they are accustomed to. With the right technology to help you run your organization effectively, you can make sure your organization is set up for long-term success.



Imagine what your organization will look like five or ten years from now when you can be intentional about incorporating new technology because it furthers your mission instead of always feeling like you are playing catch-up.

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Cloud-Based Software: A Priority for Your Nonprofit

Upgrade. Migrate. Transition. Move your applications and data to the cloud. Take advantage of all the cloud-based tools available to help you keep your overhead low and increase your ability to fundraise. Evaluate your vendors carefully and mitigate any security risk you may perceive. Hire a consultant to help you put together a budget to do a full move to the cloud over a 12-month period and then use that consultant to project manage the implementation.

Lean in and embrace this technology. The pace of change isn't slowing down, and moving to the cloud will create a foundation for the growth of your nonprofit organization. Don't get left behind..

Learn more about how to choose the right fund accounting software for your nonprofits with our guide, [Buyer's Guide to Fund Accounting Software](#).

[Download the Guide](#)

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