

ARLINGTON THRIVE

A MATURE NONPROFIT TURNED TO SUPPORTING STRATEGIES FOR MORE PROACTIVE, EFFICIENT FINANCIAL REPORTING, FREEING STAFF TO FOCUS ON STRATEGIC PLANNING

As a Virginia nonprofit evolved from a volunteer-driven structure with legacy bookkeeping systems to a modern 501(c)(3) organization led by full-time staff, its Executive Director recognized the time had come for a higher level of bookkeeping services.

Client Profile

For over 40 years, Arlington Thrive has provided same-day, emergency financial assistance to residents of Arlington County, Virginia, who have experienced unexpected setbacks such as illness or job loss. Proactive guidance from Supporting Strategies has enabled the nonprofit to continue its mission while successfully scaling and transitioning to a more professional organizational structure.

First Step: Identifying the Problem

Almost from the moment he became Executive Director at Arlington Thrive in March 2016, Andrew

Schneider was aware of a troubling problem: Since the organization offered a lifeline to people who needed immediate financial assistance, maintaining a steady flow of funding was mission-critical. Arlington Thrive's legacy bookkeeping systems, however, were making it difficult to optimize cash flow.

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*Andrew Schneider, Executive Director
Arlington Thrive*

The donor classification system was also tough to decipher, even for a seasoned professional with an MBA and previous nonprofit experience. "It's not like I didn't know what a balance sheet or a P&L was," Schneider says. "But over time, as in any organization, internal systems develop that make sense to the people who are operating them but might not make sense to new people coming in."

Held to a High Standard

The potential for confusion is particularly high in the nonprofit sector, with its strict compliance requirements such as IRS Form 990 filings. Even innocent mistakes come at a high cost. And due to the individual nature of the assistance it provides, "Arlington Thrive writes a lot of checks every day," Schneider says. "Plus, we are commingling public money — taxpayer money — and donor money. So we have to be accountable for individual philanthropic desires, and we have a lot of people counting on us to be good stewards of their funds."

Bottom line: "If we aren't able to convey to the donors that we are responsibly managing their money, our entire model would fall apart," Schneider says. "So it's of the utmost importance that we have the transparency and the excellence of financial management that allows us to continue to manage these programs."

A Willingness to Take Charge

Schneider tried to solve the problem by hiring a sole bookkeeping practitioner with previous experience at nonprofits. But he soon realized that Arlington Thrive needed a bookkeeping partner that would go beyond the basics and provide a higher level of financial analysis and guidance.

"A lot of contractors are very passive and will only do exactly what the client asks," Schneider says. "It takes a special type of contractor to say, 'Listen, here are some issues that we've found, and here's where you need to make some improvements.' "

In 2018, Arlington Thrive found that special bookkeeping partner in Supporting Strategies | Northern Virginia and Managing Director Indre Bauza.

Multiple Levels of Support

After networking with others in the nonprofit sector, Schneider interviewed several prospective outsourced bookkeeping services providers before choosing Supporting Strategies. One of the primary factors in his decision was that, unlike a sole practitioner, Supporting Strategies has "multiple points of contact to troubleshoot any sort of issue that we have," Schneider says. "When a board member has a question, not being able to provide a quick answer is nerve-racking. Supporting Strategies is very responsive."

In addition to providing quick answers to questions, Supporting Strategies goes the extra mile to research issues that Arlington Thrive might not even be aware of and alert the organization to any changes in reporting or compliance requirements. "It's comforting to have that backstop," Schneider says.

Supporting Strategies also participates in monthly conference calls with the finance committee so that everyone within the organization stays on the same page.

A Thriving Environment

For Schneider, the benefits of outsourcing are obvious. "Supporting Strategies has allowed us to get out of our own way and focus on the long-term strategic financial-planning decisions we need to make," he says. "Instead of spending meetings going over the granular general ledger and whether something is in the wrong line on a balance sheet, now we're thinking cash flow, budgeting and deeper-level analysis because we have the time and the confidence in our numbers and our reporting that we can move on to bigger issues."