

CENTER FOR FAMILY SUPPORT: NUMBERS THAT A NOT-FOR- PROFIT BOARD CAN DEPEND ON



INDUSTRY

Not-for-profit

ERP

Fund E-Z

OBJECTIVE

Meeting financial statement reporting deadlines and improving accountability for a large team of accountants.

WHY FLOQAST

- Needed to introduce a close management system to help organize and streamline its audits
- Sought a solution that supports fund accounting used by not-for-profits
- Wanted a reliable system for establishing and conducting the month-end close process

RESULTS

- Documentation is centralized and readily available for auditors
- Reduced time spent on audit
- Cut the time to close the books in half and improved team accountability
- The board now has full faith in the financials being reported

Headquartered in the heart of New York City, the Center for Family Support (CFSNY) is a not-for-profit agency that serves individuals with developmental disabilities living in New York and New Jersey.

Because of its 501(c)(3) status and its reliance on Medicaid for funding, the agency is required by law to undergo an annual financial statement audit to prove that all its funding went to its dedicated purpose. Additionally, the accounting team is tasked with ensuring the organization is ready for the highly-detailed state audit that occurs every seven years — no easy task considering the scope of the work the agency undertakes.

When Chris Zuniga took over as director of accounting in 2016, it didn't take long for the veteran financial professional to realize that things were not quite right. In addition to tribal knowledge that necessitated relying on memory instead of standardized checklists, organizing and maintaining documentation proved chaotic.

After deploying FloQast, Zuniga and his team were able to organize its documentation in one, central location, allowing them to provide auditors access to relevant information in a hyper-efficient manner and helping the organization reduce time spent responding to audit requests.

"By the time the auditors walk through the door, the books are closed and we're audit ready."

CHRIS ZUNIGA
Director of Accounting



“The books are closed. We’re audit ready.”

Given his extensive background in auditing, Zuniga understood how much work he and his team had to do to make sure the agency was consistently audit ready.

As a 501(c)(3) not-for-profit organization, CFSNY must demonstrate that funds received for a specific purpose are actually used for that purpose. Therefore, any missing documentation can trigger hefty repayments to the state when auditors extrapolate the amount in question from a small sample to the entire funding pool.

CHRIS ZUNIGA
Director of Accounting



“Not having FloQast in place would be the same as hiring an accountant and not giving them access to Excel. It’s an absolutely necessary tool to have, if you ask me.”

Even a small amount of missing documentation may result in relatively large adjustments. “So now we’re talking about \$50,000 that I might owe back,” Zuniga said. “This is why we’re so rigorous in terms of documentation. After we integrated with FloQast, we’re confident that, in the event an auditor asks about something, we can tell them, ‘It’s all in FloQast. Have at it.’”

Using FloQast’s Audit License feature, Zuniga gives auditors self-service access to the documents they need, saving his team 25 to 50 percent of the time they would normally spend responding to PBC requests and communicating with auditors.

Zuniga loves how easy it is to share documents with auditors. “I open up the system to them, and if they want to start working on the bank rec, they just go to the bank rec folder,” he said. “I tell them, ‘If you want to work on prepaid, go to the prepaid folder. Want to work on debt? Go for it.’”

However, Zuniga says that “...having FloQast has shortened the timeframe for the audit, and that is a reflection of the two teams working together better and getting their work done in a more timely manner,” which is a welcome benefit.

As for the strict, once-every-seven-years audit by the state, Zuniga is confident that for the period FloQast has been in place, “We’ll be audit ready.” All the information the state auditor would need to substantiate revenue — the units of

care provided to each recipient, dates of service, rates, and rate sheets — is all there, thanks to reports he runs every month and stores in FloQast.

“By the time the auditors walk in here, the books are closed. We’re audit ready,” said Zuniga.

Accountability up, close time down

Joining the team in December 2016, Zuniga immediately saw the existing monthly close for what it was: An unstructured, inefficient process that took as long as eight weeks to complete. There were no checklists or set procedures; accounting team members ran reports, but no one reviewed them.

“Everyone’s processes and procedures were in their heads,” he remembered. “If a team member was out of the office or on vacation, I wouldn’t know where they were.”

After implementing FloQast, the team was able to cut its month-end close cycle in half. By centralizing correspondence that often becomes misplaced across

various email chains and spreadsheets, Zuniga gained a level of transparency his team never had before.

“FloQast keeps people honest,” he said. “The system can tell you what’s next if you’re done with something, so there’s no wiggle room for BS.”

Numbers everyone can count on

While Zuniga appreciates the streamlined audit, it was the promise of timely and accurate reporting that sold senior management on investing in FloQast. Fulfillment of that promise and the quality of the work done by Zuniga’s team made an initially skeptical CFO happy. “The board is happy because the numbers that we are reporting are solid,” said Zuniga.

Because board members of not-for-profit organizations are accountable for the strategic direction of those organizations, they need timely and accurate financials. “We know they can make sound decisions, so it’s a win-win situation,” Zuniga added.

FloQast is as essential as Excel

For finance leaders in the not-for-profit sector, Zuniga sees FloQast as an essential tool.

“Not having FloQast in place would be the same as hiring an accountant and not giving them access to Excel,” he said. “It’s an absolutely necessary tool to have, if you ask me.”