

SmartBusiness

a SMART BUSINESS NETWORK publication™

PITTSBURGH

smart ideas ACCOUNTING & CONSULTING



BOOKMINDERS®

Scouting solutions

A nonprofit finds a better way to do business. **By Ray Marano**

Businesses aren't the only entities looking for ways to cut costs.

Nonprofits are having no less difficulty making their budgets meet their needs, and Girl Scouts of Southwestern Pennsylvania is no exception. Marcia Barber, the local Girl Scouts CEO, says the organization is always looking for ways to stretch its dollars.

"I'm always trying to make our \$4 million annual budget go further for our 23,000 girls, 6,000 adult volunteers and five camps," says Barber.

So when Barber bumped into Tom Joseph, president of Bookminders — a firm that performs outsourced accounting and bookkeeping services — at a nonprofit summit, she says, "the light bulb went off."

The Girl Scouts already had experience using a payroll service, says Barber, so she was open to the notion of handing functions over to vendors.

The Girl Scouts contracted with Bookminders, which assigns one of its employees to handle each client's accounting and bookkeeping.

Unlike at some client companies, where Bookminders takes over bookkeeping and accounting functions and finds systems outdated or poorly adapted, Joseph says the Girl Scouts' systems were quite effective.

"Things were pretty well under control," says Joseph. "They had good systems in place."

The move nonetheless freed up budget dollars to hire a COO responsible for internal program management activities to supervise the work of director-level staff members who formerly reported to Barber. The nonprofit's CFO position was eliminated, replaced by a finance manager, who was promoted from within the finance department and now interfaces with the Bookminders accountant and the Girl Scouts staff.

"By replacing a CFO with a COO, I am getting better value for my payroll dollars," says Barber. "At the same time, our financial information is more accurate than ever without

my having to manage it on a daily basis."

Now, Barber can direct her energies toward fund-raising, outreach and other essential activities. As a bonus, the organization is saving \$10,000 a year as a result of revamping its financial management system.

"I didn't choose to outsource for economic reasons, but overhead reduction has been a residual benefit," Barber says.

Joseph recommended the Girl Scouts use a bank lockbox, eliminating the need to handle the thousands of payments that come to it for membership, program registration and merchandise. Payments go to the lockbox address, and the bank processes them and deposits the funds to the Girl Scouts account daily, eliminating the need to prepare deposits and transport them to the bank.

Barber says the outsourcing arrangement provides better financial information that doesn't have to be managed on a day-to-day basis.

She has since outsourced the organization's IT function to XiTech, cutting a full-time position and replacing it with a XiTech employee who works two days a week at the Girl Scouts offices.

"I believe I'm getting more out of the two days a week," says Barber.

What does Barber recommend to those considering outsourcing financial or other functions? She says to keep in mind that the same solution might not work for every situation. And, she adds, do some homework before making a decision.

A good approach is "talking to people who have done it," says Barber. "You might be able to avoid some of the rougher roads."

While outsourcing has worked for the Girl Scouts for several functions, Barber says she is committed to keeping some activities, such as membership recruitment, in-house.

Says Barber: "It's important that individuals working in certain areas be knowledgeable and passionate about the organization." **HOW TO REACH:** Girl Scouts of Western Pennsylvania, www.girlscouts-wpa.org; Bookminders, www.bookminders.com

