

Benefits of Cloud-Based Accounting Software for Nonprofits

Nonprofits today face a relentless squeeze: service demands keep growing while resources remain tight. This e-book explores how advanced cloud-based accounting software combined with outsourced financial operations offers nonprofits the transformative potential to meet these challenges and thrive in the process.

By investing in streamlining the back-office, nonprofit leaders free themselves to focus on what matters most: expanding outreach, developing new programs, and maximizing mission impact.

The Nonprofit Landscape

Nonprofit leaders are under pressure to accomplish more with fewer resources. Today, the sector operates in an environment where demands for services are increasing while resources remain constrained.

Data from the Council of Nonprofits paints a stark picture of how many nonprofits face these challenges:

66.3% Budget constraints and insufficient funds affect ability to recruit and retain employees

50.2% Impacted by staff stress and burnout

28.1% Longer waiting lists for services compared to pre-pandemic levels

68.7% Anticipate charitable giving to decrease or remain flat



In this landscape, a well-functioning accounting department isn't just a back-office necessity—it's a strategic asset that can alleviate internal and external pressures. However, the back-office can only go as far as its accounting systems will allow.

When operated by financial experts, cloud-based accounting software offers a transformative solution, powering nonprofit accounting teams' ability to:



Maximize the efficiency of every dollar



Provide insights for sustainable programming decisions



Promote transparency to build stakeholder confidence



The question isn't whether nonprofits can afford to modernize their financial management systems, but if they can afford not to.

The Pain Points of Traditional Nonprofit Financial Management

Behind the mission-driven work of every nonprofit lies a financial operation making it possible. When outdated systems and processes slow finance and accounting teams down, the organization's ability to deliver service suffers.

Analysis of Sage's annual Nonprofit Technology Trends reports² show that nonprofit finance leaders consistently identify several critical pain points:

Insufficient process automation and organizational efficiency

forces internal teams to spend hours on manual data entry rather than strategic analysis.

Inefficiencies due to multiple, disparate systems

create data silos and prevent comprehensive understanding of organizational performance.

Manual, time-consuming reporting

prevents timely decision-making and drains resources that could be directed toward programming.

Lack of visibility into key metrics

leaves leaders flying blind when making critical decisions.

Data from BTQ Financial's 2025 Nonprofit Leaders Report reveals even deeper staffing and operational challenges:



72% of nonprofits struggle with turnover in the financial function at least occasionally



It takes nonprofit leaders an average of 5 months to fill open finance roles, and 50% of nonprofits have 3-5 open finance positions



36% frequently or very frequently experience cash flow issues

The trends are clear: many nonprofits don't have access to the financial people, processes, and systems needed to execute on mission.

The most successful nonprofit leaders recognize that these pain points aren't just administrative inconveniences, they're strategic impediments that must be addressed to ensure organizational sustainability and impact.

2. <https://www.sage.com/en-us/blog/key-findings-2024-nonprofit-tech-trends/>

5 Key Benefits of Cloud Accounting Software for Nonprofits

Migrating to cloud-based financial management solutions operated by outsourced finance and accounting partners is a strategic shift that addresses the specific challenges nonprofits face.

Here's why cloud accounting makes particular sense for mission-driven organizations.

- 1 Cost Efficiency:** Cloud providers employ dedicated cybersecurity teams, sophisticated monitoring software, and enterprise-grade protection that most nonprofits can't afford independently.
- 2 Enhanced Security:** Cloud providers like Sage Intacct employ dedicated cybersecurity teams, sophisticated monitoring software, and enterprise-grade protection that most nonprofits can't afford independently.
- 3 Remote Access & Flexibility:** Cloud platforms enable staff, volunteers, and board members to access financial systems securely from anywhere, at any time. For organizations with multiple sites or field operations, this flexibility facilitates collaboration across locations.
- 4 Always Current:** Cloud systems eliminate the dreaded upgrade cycle. Updates happen automatically in the background, ensuring you're always using the latest version with current compliance features.
- 5 Integration Compatibility:** Modern cloud accounting platforms feature open APIs that connect seamlessly with the specialized tools nonprofits already use. From donor management and fundraising systems to program delivery software, these integrations eliminate duplicate data entry and provide a comprehensive view of operations.

In summary, the right cloud-based accounting software provides the foundation for financial management that's efficient and capable of scaling with nonprofit operations as they grow more complex.

Essential Features Cloud Accounting Software Offers Nonprofits

While general business accounting software addresses basic financial management needs, nonprofits have unique requirements that demand specialized functionality.

When evaluating cloud accounting solutions for your organization, look for these critical features. You can also leverage experts like BTQ Financial to advise on the right tool(s) based on your needs.



Automated Financial Reporting

Nonprofit leaders consistently rank improving timely and accurate financial reporting among their top priorities.

Advanced reporting tools should allow you to create organization-specific dashboards that present a clear financial picture to stakeholders.



Fund Accounting

Unlike businesses that track profits, nonprofits must carefully monitor and report on funds designated for specific purposes.

With 93% of nonprofit leaders reporting they need to reclassify funds more than once per year, look for systems that automate fund tracking, prevent unintentional misallocations, and simplify reporting by fund



Grant Management and Tracking

For grant-funded organizations, the ability to track expenditures against specific grants, manage complex compliance requirements, and generate funder-specific reports is non-negotiable.

Your system should simplify grant accounting and ensure you never miss a reporting deadline or compliance requirement.



Compliance Support and Audit Trails

Robust internal controls and comprehensive audit trails protect your organization's reputation and build trust with stakeholders.

Features like role-based access controls, approval workflows, and detailed transaction histories not only streamline audits but demonstrate your commitment to accountability.



Revenue Recognition Automation

Nonprofits deal with complex revenue streams—from multi-year grants to conditional donations and earned income.

Cloud-based nonprofit accounting software can automate revenue recognition in compliance with accounting standards, removing guesswork and ensuring consistency.



Multi-entity and Multi-currency Management

Whether your nonprofit manages multiple locations, operates international programs, or maintains legally separate entities, your accounting software should streamline these complexities.

Features like automated inter-entity transactions, consolidated reporting, and foreign currency translation save countless hours of manual manipulation.



Budgeting and Forecasting Tools

Strategic financial management requires looking forward, not just backward. Integrated budgeting and forecasting capabilities allow you to create multiple scenarios, track performance against projections, and make data-driven decisions about program sustainability.

The right features don't just simplify accounting, they can transform financial management into a strategic asset. Armed with powerful tools, all that's needed are capable accounting stewards to drive the mission forward.



The Finance as a Service (FaaS) Advantage: Software + Expertise

While cloud accounting software provides powerful tools, nonprofits still must contend with attracting and retaining the talent needed to complete their financial transformation.

BTQ's Finance as a Service (FaaS) offers a comprehensive approach that combines cutting-edge software with professional expertise and streamlined systems—delivering benefits that software alone can't.



Best-in-class Tech



Financial Expertise



Optimized Processes

Cloud-based Tech

The BTQ suite of fully integrated software solutions includes:

- General ledger/Accounts receivable system
- Reporting system
- Expense system
- Bill approval system

All of which are managed from a single intuitive interface and implemented rapidly to operationalize nonprofit finance functions within **30-90 days**.

A Complete Solution

FaaS provides nonprofits with the entire spectrum of financial management resources without the burden of building and maintaining these functions in-house:

- Skilled professionals
- Best-in-class, cloud-based finance technology stack
- Optimized processes

This managed services approach is particularly valuable for organizations that struggle to recruit and retain finance talent or lack the resources to build robust fiscal departments.

Measurable Benefits

BTQ's research finds that organizations that leverage the third-party model report significant advantages

45%

More time for leadership to focus on mission-driven activities

42%

More timely and accurate financial reporting

42%

Time savings from streamlined financial and accounting processes

35%

Cost savings from staff and financial systems

Addressing Talent Challenges

With 38% of nonprofit leaders experiencing frequent turnover in finance teams and an average 5-month timeline to fill open positions, FaaS provides stability and continuity.

Your organization gains access to a team of experts without the recruitment, training, and retention challenges of an in-house department.

Expert Implementation and Support

Technology implementation failure is a significant risk when adopting new systems.

FaaS partners bring specialized experience in nonprofit accounting software deployment, ensuring your organization realizes the full potential of these tools while avoiding common pitfalls.

Strategic Partnership

Beyond transactional services, FaaS provides nonprofits with strategic financial guidance. This partnership approach means you gain operational efficiency and forward-looking financial analysis that supports programmatic decision-making and long-term sustainability.

The FaaS model, tailor-made by BTQ for nonprofits, represents a paradigm shift in how nonprofits approach financial management: from a necessary administrative function to a strategic advantage that directly advances mission impact.

For organizations seeking to maximize efficiency while maintaining the highest standards of financial stewardship, this combined approach offers compelling advantages.

How The Door Saved \$1MM to Reinvest in Mission-Critical Activities

Here's an example of how a nonprofit organization successfully partnered with BTQ to advance their mission.

When The Door, a New York City-based youth services organization, became independent from its parent company, CEO Kelsey Louie needed to rebuild the organization's administrative functions while continuing to serve their community.

In need of a scalable solution, Louie partnered with BTQ to implement the FaaS model with impressive results:

<p>Overview</p> <p>Organization: The Door</p> <p>Focus area: Youth services</p> <p>Need: Rebuild administration functions without disrupting service</p> <p>Solution: FaaS</p>			
<p>Estimated \$1 million in savings over 2.5 years</p>	<p>Training for staff in handling government and private funding</p>	<p>Full-stack rebuild of financial systems and reporting</p>	<p>Geographical expansion and new program development</p>

BTQ quickly implemented the full tech stack, powered by cloud-based accounting software, to rebuild The Door's financial reporting infrastructure.

Cleaner audits and enhanced cost monitoring significantly improved stakeholder confidence, while BTQ's dedicated team of nonprofit accounting experts provided financial planning to advise decisions for expansion and growth.

With Louie's mantra of "**no margin, no mission**" a guiding principle, The Door's improved financial operations directly supported their ability to deliver and expand their programming.

Over the course of 2.5 years, The Door unlocked over \$1 million in savings, which they re-invested into geographical expansion and funding new programs.

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When nonprofits transform their financial operations, they amplify their impact.

Accelerating Your Mission with Cloud Technology

The nonprofit sector needs modern solutions in the face of increasing service demands, constrained resources, and growing expectations for transparency and accountability.

The Strategic Advantage

Cloud-based accounting solutions combined with the Finance as a Service model offers nonprofits the visibility, flexibility, efficiency, automation, and integration needed to thrive in today's complex environment:

- Real-time financial insights that support informed decision-making
- Streamlined processes that free staff to focus on mission-critical activities
- Enhanced transparency that builds stakeholder confidence
- Improved compliance and risk management
- Scalable systems that grow with your organization

The transformative impact of these capabilities extends far beyond the finance department, influencing every aspect of an organization's operations and mission delivery.

Finance as a Partner in Mission Fulfillment

When financial management evolves from a back-office function to a strategic partner, nonprofits experience tangible benefits that directly advance their cause:

- Program managers gain the insights needed to optimize service delivery
- Development teams strengthen donor relationships through improved stewardship reporting
- Executive leaders make confident, data-driven decisions about organizational direction
- Board members fulfill their fiduciary responsibilities with comprehensive, timely information

These improvements translate directly to increased mission impact: reaching more beneficiaries, delivering better outcomes, and creating substantial change.

Unlocking Nonprofit Evolution

The evolution of nonprofit financial management through cloud technology and third-party service models offers more than just improved accounting—it provides the strategic foundation needed to expand your impact, strengthen stakeholder confidence, and fulfill your organization's unique mission in an increasingly complex world.

For nonprofit leaders committed to maximizing their organization's potential, this evolution isn't optional—it's essential.



Renee Bonilla

Managing Partner, BTQ
& Chief Transformation Officer
rbonilla@btqfinancial.com



Surjeet Seehra, CPA

Partner and Practice Director
sseehra@btqfinancial.com



Andrew Perumal

Partner and Director
of Client Operations
aperumal@btqfinancial.com



Naima Chisolm

Partner and Director
of Business Development
nchisolm@btqfinancial.com

About BTQ

BTQ Financial, a division of Consero Global, is a leading provider of financial management, medical billing, and accounting services to the most progressive nonprofit organizations in the country.

Founded in 2001 and based in New York City with 200+ staff, we utilize the top nonprofit talent in the industry to help our clients build strong financial functions that support their mission and secure sustained operations.

We are committed to transforming the nonprofit sector with a flexible, cost-effective, and permanent solution to the challenge of operating fiscal departments. BTQ's vision is that mission-driven organizations can better maintain and expand their impact when finance and accounting functions can be provided "better, faster, and cost-effectively" by a partner who is focused solely on delivering those services.

Learn more about us by visiting <https://www.btgfinancial.com>