

Major Nonprofit Improves Accountability and Control With Sage

Christian Broadcasting Network, Inc. (CBN) is one of the largest television ministries in the world. As a 501(c)(3) nonprofit organization relying on the donations of individuals, it is crucial that CBN understand and manage expenses.

CBN studied its financial and planning systems to create an integrated infrastructure that would improve control and access to financial data down to the detailed departmental level. At the time, purchasing, cost accounting, inventory, and budgeting systems were each from different vendors or home-grown, resulting in redundancies and inefficiencies.

“Initially, we did not consider a budget planning tool as part of the original accounting platform decision, simply because we didn’t think a product existed that would meet our requirements,” said Craig Strohecker, senior staff accountant. “When I saw the capabilities of Sage Budgeting and Planning*—the flexibility, ease of use, and its ability to support project-based budgeting—I was convinced.”

Incorporation of Key Business Drivers

For CBN, a project-based budgeting model would enable management to align more effectively the budget process with business drivers and strategic goals—a complex and daunting task.

“Sage Budgeting and Planning allows us to manage the budget using nonfinancial data that represent the factors that drive our business, such as campaign mailing volume, to help us accurately forecast expenses, by project, across multiple departments,” says Strohecker.

*Sage Budgeting and Planning was named Sage Active Planner when Christian Broadcasting Network, Inc. initially implemented this solution. The product names have been updated in this case study to reflect current naming.

Customer

Christian Broadcasting Network, Inc.

Business Type

Nonprofit

Industry

Communications

Location

Virginia Beach, VA

System

Sage Budgeting and Planning

Challenge

CBN’s planning process needed to improve because purchasing, cost accounting, inventory, and budgeting systems were each from different vendors or home-grown, resulting in redundancies and inefficiencies.

Solution

CBN chose Sage Budgeting and Planning for its flexibility, ease of use, and its ability to support project-based budgeting.

Results

Sage Budgeting and Planning reduced the budgeting cycle by a month and budgets are more accurate due to better data and consolidated views of the budgeting process.

Shorter Planning Cycles

Today, using Sage Budgeting and Planning, the IT staff is no longer involved in the budget planning process. Instead, accounting kicks off the budget cycle by creating a set of linked templates, or Plan Sheets, for each department. Formulas and assumptions requiring data from prior years are integrated directly with the general ledger and other production systems, such as payroll, ensuring total data accuracy. Budget managers in each department, who no longer require extensive training, review their Plan Sheets and enter data by project. Sage Budgeting and Planning offers built-in security that ensures the integrity of the underlying budget model. Departmental Plan Sheets are consolidated and linked, so that throughout the process, managers can detect unanticipated costs that their projects might impose on other departments.

“Sage Budgeting and Planning is well-suited to the iterative nature of a nonprofit’s planning process,” says Strohecker. “By eliminating the need for IT involvement and extensive user training, we’ve reduced our annual budgeting cycle by almost a month.”

Better Accountability for Donor Dollars

As a management philosophy, CBN believes that any manager at any time should be able to recount exactly how a donor’s contributions were spent in order to maximize ministry efforts. SOP 98-2 issued by the AICPA placed additional pressures on CBN and other nonprofits to account for fundraising expenses.

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“With more control over our budgeting and planning process,” says Strohecker, “our managers are more accountable. We understand interdepartmental dependencies, and we have clearer insight as to which projects and fundraising campaigns are productive in achieving our goals and which are not. As a result, we can more quickly detect programs that aren’t effective and eliminate or pare them down accordingly. In short, we’re delivering a much better return on each donated dollar.”

About Sage

Sage is a leading global supplier of business management software and services for small and midsized businesses. The Sage Group plc, formed in 1981, was floated on the London Stock Exchange in 1989 and now employs more than 12,600 people and supports more than 6 million customers worldwide. For more information about Sage in North America, please visit the company website at: NA.Sage.com. Follow Sage North America on Facebook, [Facebook.com/SageNorthAmerica](https://www.facebook.com/SageNorthAmerica), and Twitter, [Twitter.com/sagenamerica](https://twitter.com/sagenamerica).