

NONPROFIT
INDUSTRY

CASE STUDY:

Marcum's Financial Advisory & Accounting Services [FAAS] Team Helps Large Association Modernize, Manage and Operate More Efficiently

ABOUT THE CLIENT

The client is a national industry association that acts as the voice of its industry on a wide range of critical national security and economic issues. A 501(c6) trade association, the client also operates a 501(c3) foundation and another 501(c6) association.

THE CHALLENGE

When Marcum's engagement began in 2013, the client had no pressing concerns or issues. While the organization was up-to-date on its financials and everything "looked fine" from the outside, the organization was in dire need of modernizing archaic accounting systems and was preparing for an upcoming audit amidst the turmoil of staff turnover. The organization had recently terminated several accounting staff, and the CFO, who would remain in her position and become our main point of contact, operated at a very strategic level and was far-removed from day-to-day operations.

Our initial challenge was to reconcile the organization's books amidst a massive mess of records, hard copy checks, and zero transition of institutional knowledge. We were provided access to former staff drives and told to figure it out. The client was also struggling with its existing Association Management Software and wanted to explore outsourcing the payroll processing component of HR.

THE GOAL

The client's goals were to continue to receive clean audits, institute solid internal controls, timely address staff and departmental needs, and ensure its GAAP-based financials were timely issued. The hope was that, once systems were modernized and cleaned up, the organization would be able to operate effectively with fewer internal accounting staff. With baseline processes and reporting in place, association staff would need to be trained on new systems and empowered to provide more timely financials and reporting, to streamline expense reimbursement/accounts payable processing.

THE PROCESS

Our first priority was improving financial processes and implementing new accounting systems to streamline functionality for all staff. As part of this we implemented a cloud-based accounting system to give department managers the ability to track budgeted expenditures vs. actuals. We also instituted a shared email address for the Marcum team and client's CFO for all finance-related communications. Once the new systems were in place and association staff was trained, Marcum was able to reduce on-site time from three days to one day per week. By the time the pandemic hit in early 2020, the client's staff was fully equipped to handle all processes remotely, with Marcum providing support at a more strategic level.



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THE SOLUTION

What started as a transitional support solution evolved into a permanent outsourcing relationship that still continues. Marcum's value as a trusted provider was further solidified in the summer of 2021 when the association's CFO retired. The Marcum team manager, who started on this engagement at the beginning as a staff accountant, assumed responsibility for managing the client's accounting department while a new permanent CFO is recruited.

