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The Budget, Advanced Security, And Executive View Modules

When first implementing Sage MIP Fund Accounting, many organizations focus on the basics of setting up the bookkeeping modules they need to run the organization from day to day. Implementation of modules that facilitate planning or wider access to the business information stored in your data tend to get put on the back burner. Yet, expanding your Sage MIP Fund Accounting system can provide significant benefits and give you the tools and information to make sound business decisions and increase productivity.

The beginning of the year is the perfect time to set some goals for expanding the capabilities of your fund accounting system. Sage Software is offering special pricing this quarter on several modules you might want to consider. In this article we will highlight the **Budget**, **Advanced Security**, and **Executive View License** modules.

Budget Module

Planning of expenditures allows you to make the best possible use of grants and other income sources. The Budget module is an excellent tool, not only for recording budgets, but also for monitoring ongoing performance and viewing the impact of open encumbrances during transaction entry. When combined with the Advanced Security module, managers can build their budgets while viewing only the account values within their responsibility.

Flexible Budget Creation

Budgets can be created for an unlimited number of fiscal years and can even cross fiscal years to match grant years. You can create budgets at the grant, program, department, or project level, or any combination thereof. When Executive View License is implemented, managers can submit proposed departmental budgets directly into the system for review. You can then consolidate the submitted worksheets for organization-wide review and adoption. Advanced Security access controls allow you to easily limit access to budget entry to only the accounts and departments for which you are authorized.

The Budget, Advanced Security, and Executive View License modules give you the data you need to make informed decisions.

Expedited Budget Entry

A wide variety of methods for entering budgets make this sometimes burdensome task quick and easy. The Budget Worksheet features a famil-

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What's Inside

Headline News

Sage MIP Fund Accounting received a perfect 5-star rating in the Not-For-Profit accounting software review published in the October 2006 issue of *CPA Technology Advisor*. The software received five stars in all six rating categories. It was found to be reliable and easily navigated, and suitable for the needs of almost any small to midsize non-profit organization.

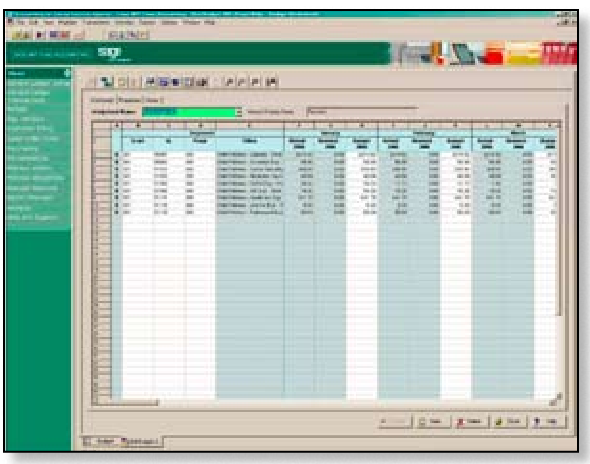
Sage Fundraising 50 Show Me Help Feature
See page 4 for more info!

See page 4 for more info!

iar spreadsheet-like user interface. You can create formulas and cut, copy, and paste just like a spreadsheet. If you have budget information in Excel, you can easily copy data between your spreadsheet and the Budget Worksheet.

Rather than enter budgets individually, you can get a jump start by generating them automatically based on the previous year's actual results or budget. Once your budget is populated, you can then make global changes such as increasing the budget by a percentage or spreading a fixed-dollar increase across budgeted accounts. You can review the effect of your changes by using the Revisions Worksheet to simultaneously view the original and revised budget amounts.

A third option is to import a budget developed externally using the Data Import/Export module. Even if you plan to continue to use your external budgeting tool, this option allows you to take advantage of the built-in spending controls provided by the Budget Module.



The Budget Entry screen has a familiar spreadsheet-style user interface.

Robust Budget Controls

The best budget in the world is only as good as your ability to enforce it. At the highest level, a single mouse click lets you check for available budget during transaction entry. You can choose the level of compliance to enforce, whether simply an over-budget warning message or actual prevention of entries that would result in an over-budget situation. For example, within the Purchase Order module, you can check for available budget before issuing a purchase order. If you use Electronic Requisitions, managers can check available budget before approving requisitions.

Reporting And Analysis

One of the biggest benefits you gain from budgeting may be the ability to use budget information to forecast future financial position and for *what-if* analysis. The Budget Module empowers you with information for smarter decision-making. Built-in reporting tools allow you to easily track and report on government grant performance according to requirements. You also can produce comparative statements illustrating the budget to actual position for your programs, grants, departments, or projects.

Advanced Security

A key to maximizing the effectiveness of staff is to provide them with access to the information they need. At the same time you want to secure your data against unauthorized access. You can enhance the Budget module's standard security with the Advanced Security module. It can help you ensure security while providing full access to areas of the system needed for optimum productivity.

With the Advanced Security module, you select the account level at which to enforce security based on the program level, department level, funding source, or a combination. You can then assign security account management permissions at the individual or group level.

Advanced Security goes far beyond simple control of access to screens and reports. To improve control and eliminate errors, you can limit access to certain accounts to only designated personnel.

Similarly, during the budgeting process, you can limit report views and revision entry by budget owners to just the accounts for which they have responsibility.

The Advanced Security module combined with the Executive View License module can give reporting and inquiry access to managers across your organization.

Executive View License

Executive View License allows you to grant reporting and inquiry access to managers in your organization. It has the potential to greatly reduce demand on your accounting staff's time, while still giving managers access to the accurate and timely reports they need.

Not only does the Executive View License module give managers inquiry capabilities at the appropriate budget or program level, they also can create and add their own analysis reports.

Managers get a direct view of operating results and budget position through access to the accounting system information, but without access to accounting transactions. This convenience comes at a fraction of the price of purchasing full-access software seats.

Combine the Executive View Licenses module with the Advanced Security module to ensure the integrity and confidentiality of your data is protected.

Executive View is also a means for true budget collaboration. Directors or program managers can submit proposed budgets directly in the system for review. In conjunction with the Budget module, this powerful tool allows for direct entry budget submissions from multiple departments. Organizations can consolidate submitted worksheets for organization-wide review and adoption.

A Powerful Trio

The capabilities of the Budget, Advanced Security, and Executive View License modules are designed to work together to provide significant benefits. Benefits include wider participation in the budgeting process, affordable and secure access to information for executive management, and controls to avoid data entry errors—all while protecting the integrity and security of your data.

The Advanced Security, Executive View License, and Budget modules when implemented together to create a powerful set of tools for managing your grants, programs, or projects.

To learn more about how these modules create a strong addition to your Sage MIP Fund Accounting system, and how you can earn discounts on any or all of these modules by attending one of three live Webcasts, give us a call. ☆

Tax-Exempt Legislation Impacts Organizations Of All Sizes

In August 2006, Congress enacted charities legislation as part of the *Pension Protection Act*. This legislation amends the Internal Revenue Code and contains provisions relating to tax-exempt organizations.

Here we list the seven ***Charitable Giving Incentives***. Your organization can use information regarding charitable-giving tax deduction incentives to educate your donors. You might even want to run a specific fund raising campaign around a new tax deduction incentive.

The bill also contains the eighteen ***Reforming Exempt Organization*** provisions we have listed in this article. While some provisions are very specific to certain types of organizations, others have a much broader impact on not-for-profit organizations. We also provide more information on two of the provisions of special interest.

The entire bill may be viewed at:
www.house.gov/jct/x-38-06.pdf

Charitable Giving Incentives

1. Tax-free distributions from individual retirement plans for charitable purposes. Individuals 70.5 years and over may donate up to $100,000 per year directly from Individual Retirement Plans to charities. The distributions will be tax-free and avoid the penalty on early withdrawals. However, since the distribution will not be included in taxable income, individuals will not be able to claim a tax deduction for the charitable contribution.
2. Charitable deduction for contributions of food inventory. Deductions for contributions of food (for disaster relief for example) as well as certain types of stock can now be based on the current fair market value of the items, rather than the purchase cost basis.
3. Basis adjustment to stock of S corporation contributing property.
4. Charitable deduction for contributions of book inventory.
5. Modify tax treatment of certain payments to controlling exempt organizations.
6. Encourage contributions of real property made for conservation purposes. In general a tax deduction may only be taken for charitable contributions up to a certain percentage of income. This provision raises this percentage for conservation contributions, and also allows the remainder of the deduction to be taken in future years.
7. Excise tax exemptions for blood collector organizations.

Reforming Exempt Organizations

The provision likely to affect virtually every not-for-profit is the change to record keeping and substantiation requirements for certain charitable contributions, more on this in a moment. The list of general provisions is provided here for your information.

1. Requirement to report acquisition of interest in insurance contracts.
2. Increases to the amount of excise tax imposed in certain situations.
3. Stricter rules surrounding contribution of easements for registered historic buildings.
4. Stricter rules relating to the deductible value of contributions of taxidermy items.
5. Recapture of tax benefit on donated property not used for an exempt purpose.
6. Limits contribution of clothing and household items to items in good condition. Charities will be required to confirm that donated items such as cars and household goods are in good condition when accepting them.
7. Modify record keeping and substantiation requirements for certain charitable contributions.
8. New rules surrounding contributions of fractional interests in tangible personal property, such as partial interest in a work of art.
9. Lower thresholds for penalties on gross overstatement of valuations of property.
10. Eight new rules for credit counseling organizations to qualify for tax exemption.
11. Expansion of types of private foundation net investment income subject to excise tax.
12. Clarification of the definition of convention or association of churches.
13. Notification requirement for exempt entities not currently required to file an annual information return.
14. Federal disclosure to State officials of the status of charitable organizations.
15. Requires unrelated business income tax returns to be made publicly available.
16. Provides for the Treasury to conduct a study on donor advised funds and supporting organizations.
17. Specific definitions for qualification and greater accountability for donor-advised funds.
18. New rules to improve accountability of supporting organizations.

If you believe any of these might be applicable to your organization, please consult the full document listed earlier in this article.

Paperwork For Small Non-Profits

All small charities should take note of the new notification requirement, the 13th provision in the *Reforming Exempt Organizations* text. Organizations formerly not required to file an annual information return (gross receipts under $25,000) must now report some basic information annually in electronic form. Failure to provide the required notice for three consecutive years can result in revocation of the organization's tax-exempt status.

New Record-Keeping Rules

Provision 7 impacts virtually every not-for-profit organization. Now taxpayers must be able to provide written records of their cash donations, regardless of amount, for their donations to be tax deductible. This means charitable organizations must provide receipts for all donations, and be able to store and retrieve complete receipt records on demand. The tax deduction could be disallowed if no supporting documentation is available, which has the potential to discourage potential donors.

A properly implemented Sage Fundraising and Sage MIP Fund Accounting solution is your ticket to peace of mind. The system can accurately and completely track donation amounts and retrieve receipt records.

Give us a call so we can make sure that your system's configuration supports the new rules. ☆

In The Spotlight
Sage Fundraising 50 Show Me Help

If you have seasonal staff or periodically have new volunteers assisting with fund-raising activities, there is a new Help functionality in Sage Fundraising 50 version 7 that can assist you in your training efforts. The new ***Show Me Help*** functionality added to your Help toolset can save you time by allowing your volunteer or seasonal workers to find answers themselves. A series of 'Show Me' videos have been added to the Help system. These on-screen demonstrations provide step-by-step, interactive instructions for the most frequently used procedures in Sage Fundraising 50. Here is a brief overview of the interactive topics available in version 7.

Use the Show Me Help

With the *Use Show Me Help* topic you can learn how to use the interactive videos.

Use the Import Wizard

When you need assistance in importing prospective constituent information into the system, the *Use the Import Wizard* topic walks you through the process.

Change a Constituent's Record Type

The *Change a Constituent's Record Type* topic shows you how to change a constituent that may have been entered with the wrong record type, such as an individual who was been entered as an organization.

Generate Labels using Quick Print

Learn how to easily print mailing labels to use on your mailing campaigns, using the *Quick Print* topic.

Activate the Tickler Feature

The *Activate the Tickler* topic teaches you how to set a reminder to follow up with a donor.

Enter a Contact

The *Enter a Contact* topic shows you how to enter scheduled contact items to keep track of communication between your organization and a constituent, which can then be viewed using the *Tickler* feature.

Create a Defined Field for Total Amount

The *Create a Defined Field for Total Amount* topic teaches you how to create a defined field that calculates a total amount.

Display Defined Fields in a Report

Display Defined Fields in a Report assists you in adding the fields you need to a report.

Find Constituents Who Have Never Given

This topic shows you how to use search features to retrieve a list of constituents who have never given to your organization.

Use Wildcards within a Query

The *Use Wildcards within a Query* topic shows you how to use wildcards and operators to perform advanced query searches in the system.

Note: The Show Me Help feature uses the Adobe Flash Player. If you do not have it installed, a free download is available at www.adobe.com. A screen resolution of 1024 x 768 or above is recommended for optimal display. Give us a call to review the Show Me Help procedures that are applicable to your organization, and design a custom training program for your fundraising team. ☆

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Tips & Tricks

Accounting For Missing Check Numbers

To maintain a proper audit trail, your accounting system should record an unbroken series of check numbers. If checks printed incorrectly or got 'munched' by the printer and you had to reprint them, you might find yourself with a gap in the series when you print your check register. You can record these unused check numbers in Sage MIP Fund Accounting using the Check Spoilage screen. To find this screen, select Check Writing or Payroll from the Activities menu. Select the Check Spoilage function. You can enter a single check or range of checks and provide an appropriate description. Once saved, the spoiled checks can be viewed in the check register. ☆