

Managing not-for-profit expenditure

Spend smarter



**A compelling reason
to spend smarter**



For every organisation, it's important to use resources wisely. Controlled spending is essential to the running of a healthy business.

But not-for-profit organisations have an additional motivation to stay on top of spending – every penny saved could be used to further the cause. On top of this, not-for-profits are often under scrutiny by trustees and donors to justify any and all expenditure.

Unique challenges

With a high level of volunteer churn and many low-value, sporadic expense claims, managing spending effectively using traditional processes is virtually impossible. Plus, staff and volunteers often work out of several locations and are regularly on the road, complicating the entire process.

Cash advances, shared credit cards and reimbursements mean not-for-profits find it

difficult to control or optimise spending, and visibility is limited. This commonly results in high overspending and large administrative overheads. But recent advances in financial technology mean not-for-profits now have access to tools that can streamline expenditure management – reducing complexity, administrative burdens, and costs.

Your starting point

In this journal, we speak with leaders in the not-for-profit sector, highlighting the issues with current expenditure processes. Read on to find out how technology can transform the way your not-for-profit manages expenses, bringing benefits across your organisation.

**Every penny saved
could be used to
further your case**

Not-for-profit expenditure in numbers





£77 billion

ESTIMATED TOTAL INCOME OF
UK NOT-FOR-PROFIT SECTOR



£23.9 billion

ESTIMATED ANNUAL VALUE
OF VOLUNTEER WORK



21 million+

VOLUNTEERS IN THE UK



880,000

PAID EMPLOYEES IN
THE CHARITY SECTOR



ALMOST
200,000

UK-REGISTERED
NOT-FOR-PROFITS



2.7%

OF UK WORKFORCE

Embracing technology

Technological progress presents the opportunity, if not necessity, for not-for-profits to change the way they operate and in doing so increase efficiencies, cut costs and create value.



In a recent study by Tech Trust, 92% of digitally-focused charities say they expect to increase their measurable impact due to investment in technology, with respondents citing increased donations, productivity, and efficiency as a result.

“Embracing digital, and leading transformation from the top can enable charity leaders to meet and exceed objectives,” notes Vicky Browning, Chief Executive of the Association of Chief Executives of Voluntary Organisations (ACEVO).

Room for improvement

The degree to which technology has transformed not-for-profits varies and there has been a curious imbalance in the areas in which most not-for-profits are using digital tools.

Fundraising, in particular, has shown enormous advances in the use of technology, yet the day-to-day running of many not-for-profits features

a mostly analogue approach – including for spending and expense management.

The first steps

Taking advantage of technological advancements requires investment in resources which are often overlooked due to lack of education, perceived difficulty, or cost. The good news is that there are simple, affordable ways for not-for-profits to begin embracing technology and realising the benefits.

If you want to review your not-for-profit’s current technological capability, explore ‘Making Digital Work: 12 questions for trustees to consider’. This resource centre was developed by the Charity Commission, Grant Thornton and Zoe Amar Communications, and it’s a great place to start.

Visit soldo.com/mdw-12 to find out more.

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The state of play



Managing expenditure is a prominent part of running a not-for-profit, so what's the status quo? We spoke to Giuliana Baldassarre – academic and not-for-profit expert – to find out.

The management of expenses is still done with tools that aren't particularly efficient, like shared credit cards and cash advances, for example," says Giuliana. Unsurprisingly, not-for-profits, like organisations of all kinds, take a fairly traditional approach to expense management. But the negative impact of inefficiencies is exacerbated by the nature of not-for-profit work and organisational structures.

Giuliana explains: "Not-for-profits often work on a project-by-project basis. Projects often depend on external staff and volunteers to make payments in multiple locations. Cash advances are often used, which can create difficulties for staff and volunteers who don't have the funds to make payments – especially in emergency situations

involving unforeseen travel and health expenses."

And the approach to expense reporting is equally problematic. Giuliana continues: "Cash advances and shared credit cards mean staff are forced to keep every invoice and receipt. And, because funds are hard-earned in the not-for-profit sector, if staff lose a receipt or invoice, they are often liable for the cost."

There has to be a smarter way

It's clear, expense management is far from optimised for most not-for-profits. As well as complicated administration and ill-fitting processes, the impact on personnel is tangible – employees and volunteers don't want to be left out of pocket.

So, what's the answer? Well, it's simple... it's Soldo.

“The management of expenses is still done with tools that aren't particularly efficient”

Giuliana

Introducing Soldo

With Soldo, not-for-profits can transform the way they control spend and manage expenses, helping them make a bigger impact.

Empower spending

Issue prepaid Soldo Mastercard cards to staff and volunteers, without the need for individual credit checks. Enable your people to spend on behalf of your organisation from day one.

Control costs

Effectively manage spending by creating cards for each project and campaign. Stay in total control with bespoke budgets, limits and spending rules for any project or individual.

Transfer funds instantly

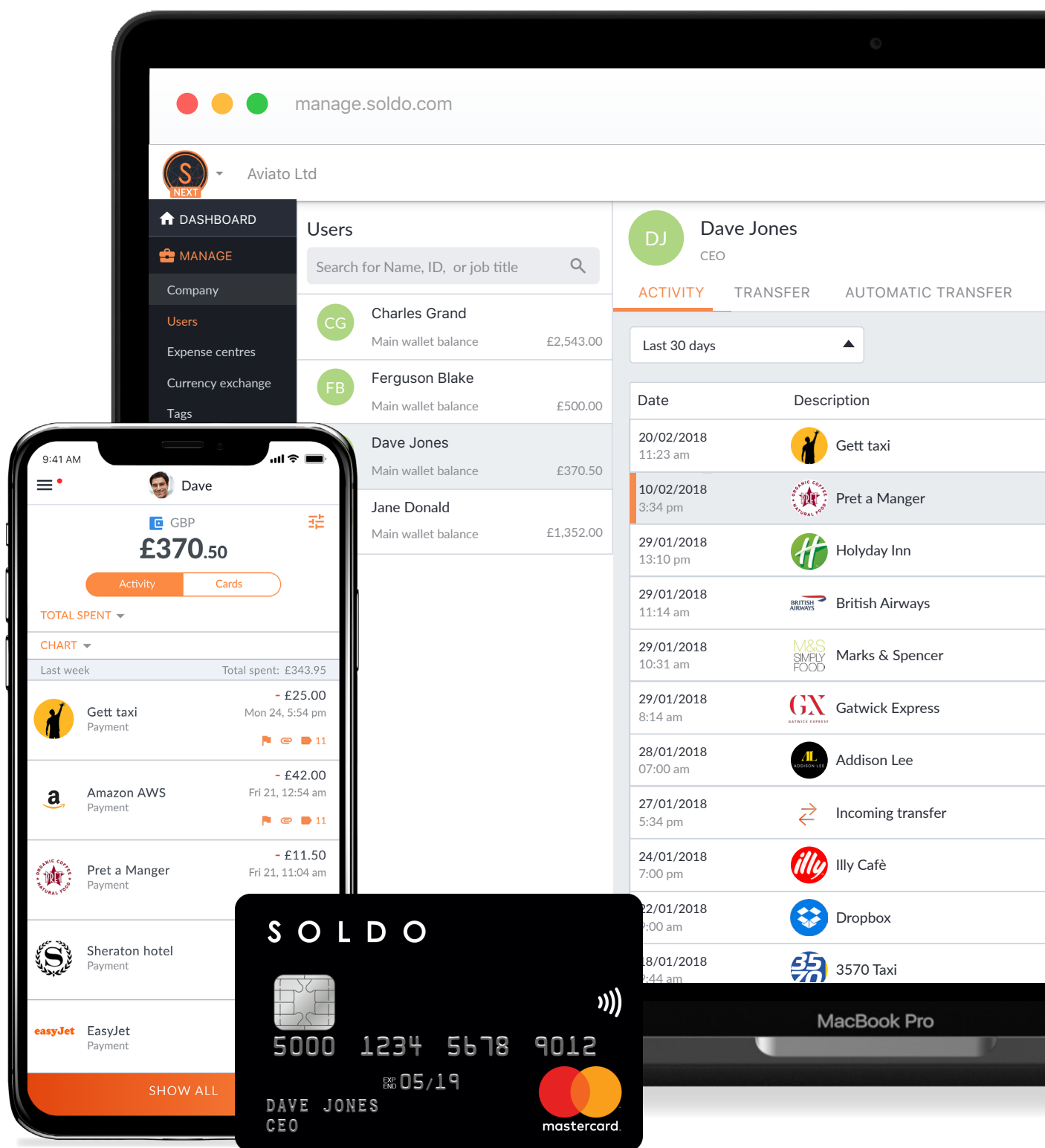
Put an end to cash emergencies or workarounds with instant, free transfers to cards. Set periodic or low-balance auto top-ups to make sure teams always have the funds they need.

Gain visibility

Get complete visibility over spending across your entire organisation. Export detailed transaction data in a variety of formats, ready for imports into your accounting software.

Save everyone's time

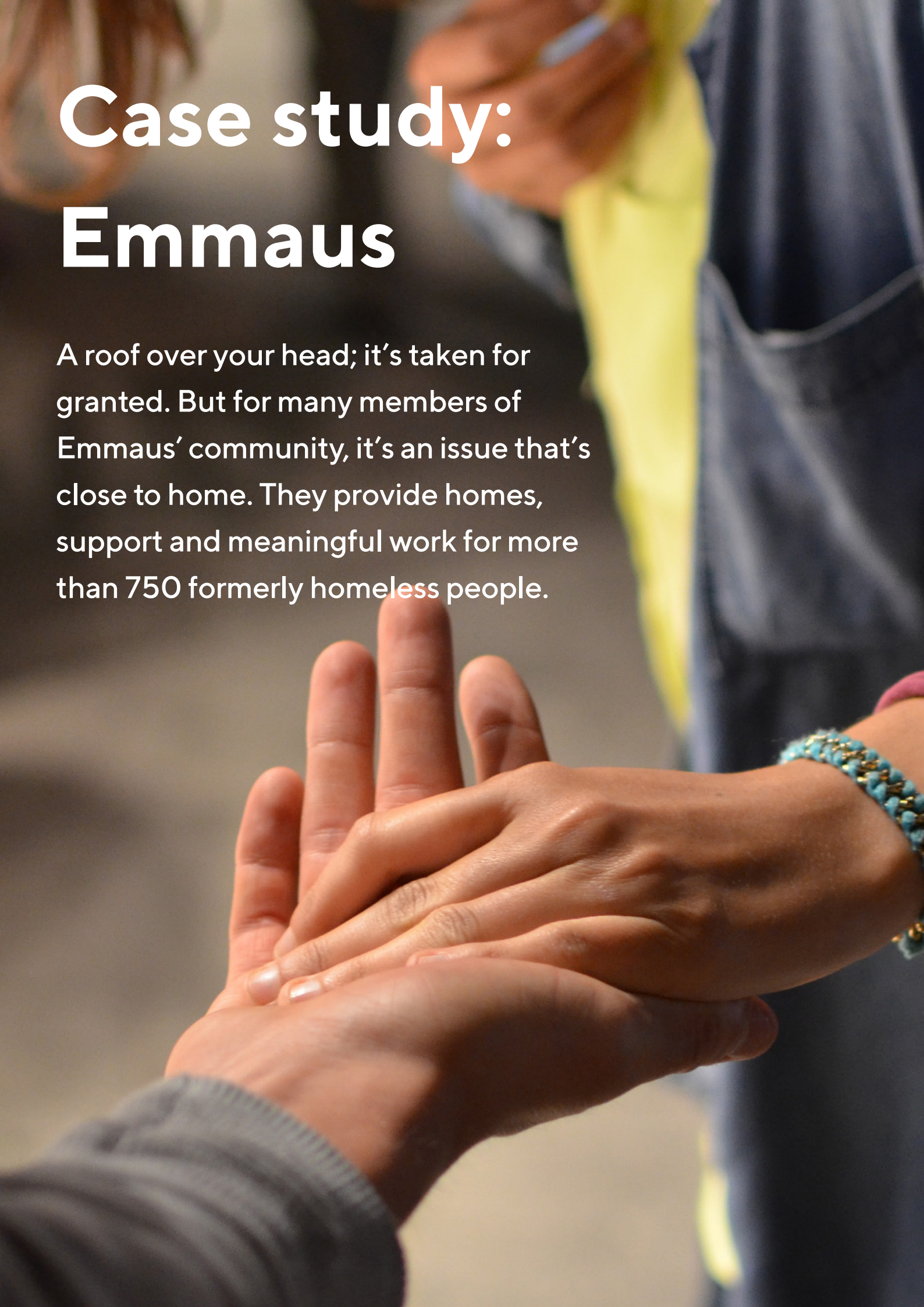
Automate transaction data input and say goodbye to month-end receipt chasing. The Soldo mobile app means staff and volunteers can attach receipts and invoices at the point of purchase.



Find out more at soldo.com/nfp

Case study: Emmaus

A roof over your head; it's taken for granted. But for many members of Emmaus' community, it's an issue that's close to home. They provide homes, support and meaningful work for more than 750 formerly homeless people.



Providing shelter and three meals a day is the start of a journey – Emmaus also encourages its community members to volunteer within its own social enterprise. From second-hand shops to cafés; house clearance businesses to gardening projects, their enterprises generate the income that makes each community self-sustaining. Every penny of profit goes back into the project.

The cost of expenses

Managing money in both the social enterprise and communities is a critical part of day-to-day life for Emmaus' employees and companions. But the admin associated with using cash for costs like shopping and everyday expenses was far from straightforward.

"Before Soldo, managing money in the office was difficult," says Audrey Barnett, Community

Manager at Emmaus South Wales. The not-for-profit relied predominantly on cash, and hours were spent doing tedious expense reconciliation and administration.

Soldo made it possible to transform spending and expense management. Now, Emmaus uses Soldo prepaid Mastercard® cards for a range of purposes, one of which is to purchase the large weekly shops for their communities. Nigel Oanea-Cram, Business Manager at Emmaus South Wales, notes: "There is an element of control there, and the ability to load only £500 or £1,000 at a time."

A meaningful mission

Soldo gives companions access to a card with the appropriate budget and spending rules – so there's no risk of overspend. And Soldo's prepaid cards allow Emmaus to budget effectively, with

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Key benefits



Visibility and control
of expenses



Measurable time
savings



Outstanding
customer support



“Before Soldo,
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Nigel Oanea-Cram, Business Manager



no risk of unforeseen costs. For Audrey, Soldo marks the passing of another waypoint for the organisation. “One of our goals as a team is to have a cashless office... Soldo enables us to do that as efficiently as possible.”

Today, Emmaus is a little bit closer to achieving its mission: “To work together to overcome homelessness and social exclusion while using our voice to achieve social change.”

Soldo has provided Emmaus with a secure means to empower employees and companions to spend while retaining full control and visibility. But their own determination and the indefatigable human spirit will ultimately define their success.

Watch the Emmaus case study at soldo.com/Emmaus

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