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How nonprofits can better leverage data to drive mission impact

Nonprofits typically manage large volumes of information, but often do not leverage that data to its full potential for greater efficiency and decision-making. Disparate tools, disconnected systems, and manual data collection and management strategies can limit effectiveness for many organizations. However, making adjustments to processes and tools can help significantly improve program efforts, enhance contact with constituents and increase focus on mission initiatives.

All organizations are on different stages of the maturity continuum. Where an organization is on this continuum reflects its evolution from a grass-roots startup of energized volunteers all the way to an optimized operation of professionals with defined processes and integrated technology.

However, no matter where an organization is on that continuum, the amount and nature of information that every nonprofit must manage are significant. In fact, multiple types of data must be collected and stored within every organization, such as:

- **Grants management:** Internal approvals, external approvals, necessary guidelines to obtain a grant, reporting for the grantor to document the effective and compliant application of funding
- **Donor and gift management:** Donor data, whether gifts came from a drive or the website, how often donations are solicited, how much donors are giving, whether gifts are lump sum or in installments, how engaged donors are and how best to develop further engagement

- **Volunteer management:** How much time volunteers spend at the facility, what they are doing, what their interests are, documentation of availability and needs, how to deepen and enhance their connection with the organization

These are just examples, as each nonprofit organization is different and has unique data demands. However, the data flow within organizations continues to grow, and many strategies and tools may be outdated or not fully optimized. Additionally, the nonprofit industry continues to evolve and becomes more competitive for resources, which makes the ability to effectively use data and information in advancement of the mission is increasingly important and complex.

For greater efficiency, many nonprofits are transitioning to manage their data more like for-profit businesses. Currently, many organizations are using multiple systems and manual processes that are not in alignment with each other.

For example, an organization can have a volunteer who comes in regularly and is invested in the mission, but that person is never asked for a donation because those two data sources are managed independently, and no analytics are in place to connect the dots. When we expand this specific example across an entire organization or across broader process areas, the missed opportunities are significant.

To read the complete article, go to: <http://rsmus.com/our-insights/newsletters/muse/how-nonprofits-can-better-leverage-data-to-drive-mission-impact.html>

Revenue Recognition Resource Center Information about the new guidance in ASC 606

In May 2014, the Financial Accounting Standards Board (FASB) issued Accounting Standards Update (ASU) 2014-09, Revenue from Contracts with Customers (Topic 606), which added Topic 606 to the FASB's Accounting Standards Codification (ASC) and will replace almost all pre-existing revenue recognition guidance in legacy generally accepted accounting principles (GAAP) with a robust framework for addressing how an entity should account for its revenue. Implementation by calendar year-end public entities must occur no later than Jan. 1, 2018 and by other calendar year-end entities no later than the year ending Dec. 31, 2019.

This resource center provides access to high-level and detailed information about the new revenue recognition guidance. Check back often as additional information will be added in the near future.

RESOURCES

[Revenue recognition: Overview of ASC 606](#) (WHITE PAPER)

An overview of the new guidance in ASC 606 (as amended) and highlights of the fundamental changes ASC 606 will bring to accounting for revenue

[Revenue recognition: A whole new world](#) (WHITE PAPER)

A white paper that details new guidance in ASC 606, including scope, core principle, key steps, transition methods and effective dates

[Revenue recognition under ASC 606](#) (RECORDED WEBCAST)

A recorded webcast about the new guidance in ASC 606 and the changes it will bring about

[Revenue recognition: FASB revises new principal vs. agent guidance](#) (INSIGHT ARTICLE)

A summary of the new principal vs. agent (i.e., gross vs. net) guidance in ASC 606 and how it differs from legacy GAAP

[Changes to revenue recognition in the technology industry](#) (WHITE PAPER)

A white paper about how entities in the technology industry may be affected by the new guidance in ASC 606

[Changes to revenue recognition for business and professional services](#) (WHITE PAPER)

A summary of how providers of business and professional services may be affected by the new guidance in ASC 606

[Changes to revenue recognition for financial institutions](#) (WHITE PAPER)

A summary of how financial institutions may be affected by the new revenue recognition guidance

[Changes to revenue recognition impacting insurance entities](#) (WHITE PAPER)

A summary of how entities in the insurance industry may be affected by the new revenue recognition guidance upon its adoption

[Revenue recognition: In motion](#) (INSIGHT ARTICLE)

Information about finalized and pending changes to the new guidance in ASC 606, including the nature of those changes and their status

[New revenue recognition guidance is looming](#) (INSIGHT ARTICLE)

Even though the tax rules have not changed, a change in book recognition could create a change in the tax method of accounting

Trump administration releases tax reform proposal

By: Don Susswein, Principal; Stefan Gottschalk, Senior Director; and Ban Wasmuth, Manager

On April 26, 2017, top representatives from the Trump administration announced their long-awaited proposal for tax reform. National Economic Council Director Gary Cohn and Treasury Secretary Steven Mnuchin presented the

administration's broad objectives, laying out target tax rates and a few proposals affecting the tax base, while leaving many details to be worked out in the coming months.

To some observers, the announcement was more important for what it did not say: The administration's proposal neither endorsed nor completely rejected the House Republican plan for a border adjustment tax to address the nation's trade imbalance, and did not address or criticize the House Republican plan to allow immediate expensing of depreciable assets to stimulate economic growth. Since the House is expected to act first on any tax measure, and since the House Republicans are still embracing their tax reform blueprint, some may view this administration announcement as simply putting the ball back in play, but in the hands of the House.

The details of the proposal are similar to President Trump's campaign proposals.

On the business side, the administration proposed a 15 percent tax rate on all business income, including income taxable to individuals through pass-through entities. While the House GOP blueprint, which provided a similar special rate for business income taxable to individuals, proposed extending their special rate to sole proprietorships as well as partnerships and S corporations (the entities traditionally described as pass-through entities), the administration's proposal did not discuss whether this rate would apply to businesses taxed as sole proprietorships.

Also proposed was a move to a territorial system for international taxation, where income earned by U.S. companies outside of the United States would not be subject to U.S. tax. Currently, U.S. companies are taxed on their worldwide income, with opportunities for deferral of certain income earned overseas until repatriated. As indicated previously, the border adjustment tax proposal, found in Speaker Paul Ryan's House GOP blueprint, was not included in the administration's proposal, and the presenters indicated their belief that it was unworkable in its current form.

To read the complete article, go to: <http://rsmus.com/what-we-do/services/tax/washington-national-tax/trump-administration-releases-tax-reform-proposal.html>

Making the case for business process outsourcing What trends are driving the increased focus on outsourced services today?

By: James Cashin, Partner

[Download Audio](#)

Middle market companies are struggling with the ability to find the right resources at the right price. With the current skilled labor shortage, this challenge becomes more apparent. Business owners, particularly in the middle market, need to stay focused on their core business. Outsourcing key functions that might

otherwise require a very expensive resource, provides them the assurance of meeting their regulatory, security and compliance needs so they can stay focused on growing their business.

During this podcast, Jim Cashin discusses how middle-market companies struggle to keep pace with the demands around the technology evolution that continues to pick up speed. That includes keeping pace with new process improvements, but also being able to keep pace with the right skill sets needed to continually improve best practices relative to producing and sharing information so that the owners and operators of a business are able to focus on their core mission in driving that business to success.

Here's an excerpt from the podcast:

When you talk about outsourcing, you're referring to evaluating and performing many different functions across the organization? In other words, it's not just about technology, correct?

Cashin: Right. First and foremost, it entails evaluating the overall road map for a company and the corresponding technology needs. Then, understanding what it takes to support that strategy and that technology.

Beyond that, there are regulatory and compliance issues that are relevant only to particular firms. Privacy and security are clearly two of the issues that are facing all institutions.

Ultimately, when we talk about technology outsourcing, it's really centered on a strategic plan—how are you supporting your infrastructure and your business applications? Then, tying in those components to ensure that your environment is secure and that you can have a sound infrastructure.

To read the complete article, go to: <http://rsmus.com/what-we-do/services/outsourcing/making-the-case-for-business-process-outsourcing.html>

2017 annual nonprofit accounting update webcast

RECORDED WEBCAST | April 25, 2017

By: Ian Benjamin, Partner

Join us as Ian Benjamin, partner and leader of the nonprofit practice in RSM's New York office, leads an informational session to discuss the latest accounting updates and issues that could affect nonprofit organizations.

During this webcast, we present:

- New financial statement presentation standards
- The latest on leases
- Information about revenue recognition
- Highlights of other recent Accounting Standards Updates

[Download webcast slides](#)



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