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GLENN WOOD

Making multisite church accounting work, *flawlessly*

Presented by:
AcctTwo Shared Services, LLC

Wood leads a recent meeting of The Church Network's (NACBA's) Metro Network, a group of administrators from larger churches across America and Canada

Making multisite church accounting work, flawlessly

By RaeAnn Slaybaugh

For more than 22 years, Glenn Wood has — innovatively — served as business administrator at Seacoast Church in Mt. Pleasant, SC. At the administrative helm of a rapidly growing church (now with 13 locations!), Wood's vast, varied business management experience in the public sector was essential.

Naturally, accounting was part of Wood's purview when he came to Seacoast. As a long-time recipient and interpreter of financial and accounting statements, he knew enough to be dangerous.

But, quite a bit had to be relearned for a house-of-worship environment — not only how to *generate* these reports, but also how to make them consistent across more than a dozen campuses.

"Coming from the corporate world, I knew nothing of fund accounting, conceptually," Wood explains. Although it was covered in his accounting classes, he had no idea at the time that he'd ever work in the non-profit world. So, it didn't seem relevant.

"But, God takes all of our past experiences and molds them into what we do today," he says. "So, I had to learn fund accounting — what it looks like, how it changes, what's different about it."

First and foremost, he learned that income-and-expense statements are the church-world equivalent of profit-and-loss statements.

"Beyond that, I had to learn the whole concept of a 'fund' — how it works, and why churches use it," he adds. This included navigating the nuances of restrictive giving; so, when someone gives to support a mission trip, a building fund, scholarship, etc., Wood and his team must capture those totals a bit differently and make sure the funds are appropriately allocated and accounted for.

"At the end of the day, a church has debits and credits, just as in for-profit work," he concludes. "We just categorize things a little bit differently."

For all this new thinking, however, Wood also discovered that large churches and businesses operate *similarly* in one big way: they must spend less than they bring in. Whereas a business needs a profit to operate, a church needs net income. "If we continually run deficits, that doesn't look good to banks or to the church boards."

And when a church grows as rapidly as Seacoast did (and still does), this is a very important tenet to follow.

13 campuses, 25 funds, 80 departments — and lots of accounting challenges

For accounting purposes, each of Seacoast Church's 13 campuses is its own fund. Once a campus reaches a certain size, it has ministries underneath that fund — men's and women's groups, children's ministries, student groups, and so on.

This is where things got complicated for Wood and his team.

At the end of each month, they generated an income-and-expense statement for every ministry and, collectively, for every campus. It wasn't uncommon to generate as many as 50 income-and-expense statements in all.

"Ultimately, they all rolled into one big income expense statement for the church," Wood explains. "We have one checking account. We produce one income-and-expense statement for the bank. When we were talking about church finances, there was one report."

To get there, though, Wood and his team culled 50 *individual* reports, each of which needed to be accurately balanced, reconciled, overseen, accounted for — and, on the expense side, spent — as designated.

For more than a decade, this was the time- and labor-intensive accounting process at Seacoast. It was performed using a long-standing church management software platform, a product configured before the multisite church movement became prominent (and *well* before Seacoast wholeheartedly embraced that movement).

As Seacoast added more and more locations, a commensurate number of accounting-consistency challenges emerged.

"Initially, as we were growing, we didn't stop to think, *How do we compare this campus's data to this campus's and ensure it makes sense across the board?*" Wood recalls.

Naturally, there were gaps.

"We weren't numbering everything the same," he explains. "So, office supplies weren't always '62205' in the data. They might be allocated that way in five campuses, but not in the other eight."

For 15 years, Wood and his team knew they had to make multisite work with their long-standing ChMS program — and they did. But, it was always cumbersome.

Time for an upgrade

What Seacoast really needed was a way to determine what it costs (in office suppliers, in this example, but also in rent, utilities, etc.) to run Seacoast's ministries across 13 locations. This meant those figures needed to be entered and recorded *the same way* at each campus.

This was the primary reason Seacoast and its accounting team began researching alternatives, both for-profit and non-profit by design.

Not one to 'leap before looking,' Wood also consulted with a consortium he leads: The Church Network's (NACBA's) Metro Network, a group of administrators from larger churches across America and Canada. In those conversations, a cloud-based financial management and accounting software kept coming up: **Intacct**. "They either were using it, or they were seriously looking at it," he recalls.

When Wood looked into the system, he found out why: because the platform's developers and end users speak the same unique language.

"We didn't have to explain to them what a 'fund' was," he says. "We didn't have to explain why we needed a certain report a certain way. They understood the mechanics of church — and especially of finances — in a large-church setting."

Indeed, having worked for many years in a church environment, the **AcctTwo** team has personally experienced many of the same unique requirements Seacoast faced. "As implementors, we feel a strong responsibility to provide value — and that can best be done by having a team dedicated to faith-based organizations," says Tammy Bunting, Director of Not For Profit Services for AcctTwo Shared Services, LLC. "There is great satisfaction in assisting a church to reach its full potential by releasing the constraints of legacy software. This is done when a church is allowed to focus on its mission instead of its finances.

"We understand the pain faith-based organizations face," Bunting adds, citing as examples reporting road blocks and data constraints as a church grows from a single location to a large, thriving multisite church.

The logistics of data migration

In November 2013, the team decided to migrate its financials to Intacct and partner with AcctTwo for the implementation. Smartly, they ensured several months of "runway time" to organize and streamline their (admittedly disjointed) data across all 13 campuses.

In the migration, each campus stayed its own fund. However, Seacoast's chart of accounts was reconfigured, thanks to excellent oversight of Seacoast Church's controller, Nick Johnston. "Some of it was combining expenses that we used to track individually, but which made more sense put together as a group," Wood explains.

The financials were generated using the church's outgoing ChMS program, and then exported into Excel. This extra step was done partly because some of the calculations Wood and his team wanted couldn't be generated using their existing software.

Fortunately, this was familiar territory for Wood, who spent a lot of his time in the corporate world analyzing data and working with numbers. When migrating all this data, he figured out a way to extract it from the church's ChMS, "massage" those numbers, transfer them to the new system, and then create a journal entry that enabled him to bring all that data into Intacct smoothly, accurately — and quickly. Exporting its existing data into Excel allowed Seacoast to translate fund and campus numbers to alphanumeric characters, which made them easier to read. They also combined data from multiple general ledger account numbers into a consistent account structure. It took just 15 minutes to export a month's worth of detailed transactions out of the ChMS into Intacct.

More than that, though, the migrated data was inordinately detailed. "I think other churches have [migrated] summary data, which is OK — the tithes for June 2012 at X dollars, for example," Wood says. "What we brought over was detailed enough that, once we got it into Intacct, we would be able to research and extract it as needed for historical reporting."

Ultimately, this ensured that when a financial report was generated (especially in the first year, post-Intacct implementation), the numbers added up, and the historical calculations made sense.

For the Seacoast account team, it was well worth the effort. "At the end of the month, it has made closing the books and generating those financial statements a lot easier," he says. "There's really no additional work to get the final-product report we need."

Moreover, consistent, decentralized reporting has made life a lot easier at Seacoast. Prior to Intacct, each campus sent bills, receipts, purchase orders and more to the business office in Mt. Pleasant for approval, handling and recording. As more locations were added, this approach became difficult to sustain.

Today, all 13 campuses input their own bills and scan their own receipts directly into Intacct. This delivers major administrative and time savings. It also ensures each campus has a vested interest in making sure its data is input correctly, since the business office reviews each campus's data for consistency.

The power of personalized dashboards

Among the most vital improvements enabled by Intacct are custom dashboards for each Seacoast campus. This is an elegant solution to a dilemma Wood has faced, consistently, for more than two decades as the church's business administrator: how much detail to share with the senior pastor, executive team and church board, and how.

While the dashboards vary depending on the campus pastor, one thing they all have in common is simplicity.

"For us, dashboards need to be visual," Wood explains. "For the most part, if I want to see a pastor's eyes roll back in his head, I just have to hand him a financial report with tons of data." [laughs] He 'gets' it — but that's not what excites him."

To help the accounting staff really capture (and keep) pastors' attention, Intacct has integrated and partnered with Martus Solutions, a church financial dashboards provider, to offer Seacoast (and all its church clients) a number of other pre-built charts and graphs.

Best of all, these customized dashboards — and the simplified charts / graphs therein — can be automated using Intacct.

"In the corporate world and in the church world, dashboards are a hot-button area," Wood emphasizes. "A lot of churches are asking each other, *What information do you share? How often do you share it? Weekly, monthly, quarterly or annually?*"

Sharing the wealth … of knowledge

While a winning recipe of accounting best practices has certainly been realized at Seacoast, Wood points out that it was achieved only through good stewardship and due diligence. The church spent between 12 and 15 months evaluating its options before committing to Intacct.

By way of example, he says he fields quite a few calls from fellow administrators asking what management software Seacoast uses. "I think the temptation is to say, 'Well, if ______ Church uses it, then it must be the best choice,'' he explains. "But, if it works for Seacoast, it works for all the reasons that are specific to Seacoast.

"A lot of churches change software because their current program doesn't do 10 percent of what they want it to," he adds. "So, they spend a lot of money changing software to make sure that 10 percent is enabled — but then, the new software doesn't do something their *old* software did that they really liked."

As such, he recommends churches spent even a small portion of the annual budget to train staff on whatever platform they're using before investing in a brand-new solution. If, in doing so, the church discovers its solution still doesn't pass muster, he has some informed advice… and he shares it often with members of The Church Network's Metro Network: *ask!*

"Whether you're a church of 200, 500 or 15,000, a lot of the issues we face are the same," he points out. "At the end of the day, we all serve the same God, and we're all Kingdom-minded."

This mind-set is what Wood enjoys most about working in the non-profit world, and particularly in a church: He and his peers are eager to share what they know, and what they've learned … sometimes the hard way.

"You don't have Wal-Mart calling up Target and saying, 'Hey, let's talk about your marketing strategy,'" he adds. "But, churches are very open to sharing it all — the good, the bad *and* the ugly." CE

QUICK FACTS ABOUT SEACOST CHURCH

Year Established: 1988

Location of main campus: Mt. Pleasant, SC (a suburb of Charleston)

Number of locations: 12 in South Carolina, 1 in North Carolina + an online campus

Number of staff (full- and part-time): 140 / 160

Combined weekly attendance: 14,000 - 18,000

2017 budget: $22 million