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Church Executive

HELPING LEADERS BECOME BETTER STEWARDS.



A (Financial) Foundation to Grow On

How *fast-growing* Gateway Church uses its accounting platform for better ministry

Presented by:

AcctTwo Shared Services LLC



A (Financial) Foundation to Grow On

With six campuses, more than 36,000 active members, and 1,050 full-and part-time staff, Gateway Church in Dallas / Fort Worth simply can't function at maximum efficiency without a streamlined, accessible and accurate accounting "engine" — something they didn't have...until now.

When Lead Director of Business Administration Monty Carpenter joined the Gateway staff in 2011, incredible growth had endured for several years. This expansion exposed the shortcomings of the church's server-based accounting platform, which heavily relied on manual data input and Excel — inefficient and time-consuming for a rapidly growing church.

Smartly, church leaders began investigating their comprehensive, cloud-based accounting options.

One of their first steps toward streamlining was to outsource the church's payroll processing to ADP — a good start, especially with more than 1,050 full- and part-time employees.

Next, they set their sights on the 10-year-old general ledger system which simply wasn't keeping up with church growth. For one thing, it was server-based versus cloud-based. Accounts receivable was done in Excel, as was restricted / designated fund accounting. An automated expense management tool (Concur) was — and still is — used for credit card charges, expense reports and mileage reimbursements. Church management software (ChMS) was being used to store and track membership and giving.

Independently, all these tools functioned OK. However, for a church growing as fast as Gateway — especially when that growth is spread across several sites — the setup was far from ideal.

"The struggles were associated with having so many moving parts and trying to pull them all together," explains Tammy Bunting, director of not-for-profit services for AcctTwo. "And really, no matter what size a church is, it has that same struggle."

Glen Strack, a senior implementation consultant at [AcctTwo](#), says he agrees completely. "We see a common set of pain points in growing Churches," he adds.

Logistically, managing the flow of data into and out of the various campuses was one big challenge — for example, getting the funds

collected over the weekend to the central church office, or managing the widespread accounts payable process. (At one point, the church had drivers delivering purchases orders and invoices all over DFW).

The challenges quickly escalated to more difficult, overarching ones: collecting all the necessary financial data from various disparate platforms, and then using it to generate timely, transparent reports to drive real-time, intelligent ministry decisions.

Weekly and monthly reports were particularly challenging for Carpenter and his team, who mostly used Excel to create them. There were many different electronic feeds and manual downloads / uploads to assemble and streamline — a 50-hour-per-week task for one (no doubt exhausted) staff member.

If only all that work ensured data accuracy ... but, it didn't. As Executive Pastor of Administration Randy Bell recalls, the church's legacy software was "giving them fits," routinely duplicating transactions and dropping journal entries.

The need for an efficient, accurate and streamlined solution became more urgent as the church added new campuses across Dallas / Fort Worth (DFW). Though welcome, of course, this growth meant additional funds to reconcile with multiple sources of revenue.

"We had so many different sources of revenue inflow — the bookstore, the café, each campus, mobile app giving, online giving and more — that it stretched our reporting to the point where we had to add staff," Carpenter recalls. With the personnel ramp-up came the need for more equipment, more office space, and so on.

Leaders knew they couldn't keep up with the growth ... unless they made a big change.

A better way emerges

Carpenter says he started repeatedly hearing the name [Intacct](#) — a cloud-based, streamlined accounting platform for churches provided

by Houston-based [AcctTwo Shared Services](#) — at conferences and events, and in conversations with other church leaders.

The first connection was initiated by one of AcctTwo's senior implementation specialists, Lynda Reich. She (along with several other executives on the team) served at a similarly sized church in the area.

"She said, 'Hey, I work for AcctTwo now, and [X] are the things I struggled with at the large church I worked at previously. Are you having similar struggles at Gateway?'" recalls Tammy Bunting, Director for Not-for-Profit Services at AcctTwo — herself a former employee, too.

A relationship was formed. "It's a true peer collaboration," Bunting says.

Carpenter agrees with Bunting: "To realize the years of experience in other church environments, that speaks volumes to me," he says. "Anybody can sell anything; we wanted somebody who would walk the road for us."

When it was time to get to work, the AcctTwo team proved to be the right fit. Strack, in particular, was pivotal in leading Gateway through the transition to a cloud-based, comprehensive accounting solution, all while helping to minimize disruption at the busy church. He was onsite every week, ensuring great communication and triggering thought leadership. "He spent a lot of time saying, 'I know you've done it this way, but what about *this way*?'" Bunting recalls.

Carpenter remembers it the same way. "From the outset, [Strack and his team] did a great job helping us understand our reporting options," he says. "Given all the capabilities of the new software, it was like drinking from a firehose."

As such, the AcctTwo team's focus was not just to streamline data configuration, but — even more important — to define the end results. "What are the outcomes? That's how we were going to build it," Bunting explains. "Putting data *in* was very easy; the robustness comes in getting that information *out*."

Strack echoes this sentiment. "We always look at the outcome," he says. "Reporting should always be a consideration in all design discussions."

With discussion and planning, the path forward became clear. A brand-new, highly innovative accounting platform "went live" at Gateway on October 1, 2015.

Church leaders say myriad benefits were immediate.

Easier, faster and more accurate monthly / weekly reports.

With Gateway's legacy system, huge amounts of staff time were spent cutting and pasting data into the critical, 30-plus-page monthly report. This report comprised about 40 tabs in Excel — from attendance, to P&L statements, to cash flow projections, and much more.

Likewise, the weekly report (which accounts for every dollar in and out of Gateway's ministries for the previous seven-day period) represented a significant time investment.

"Think about the need to capture every check and every expense, along with every deposit made through all those different revenue sources, every week," Carpenter explains. "To get this [report] out in a timely manner requires that all your transactions be posted almost on a daily basis."

But that's not all: Before the reports were shared, Carpenter and his team spent significant amounts of time reviewing the data for accuracy. Mistakes were made — and understandably so. "Because [the staff] spent a lot of time cutting and pasting, they didn't have as much time to review it themselves," he says.

Fast-forward to today, post-Intacct implementation.

More than half the monthly report is automated, with the aim of full automation in the coming months.

Similar automation has been built into Intacct for generating the weekly report.

Best of all, staff involved in financial reporting now has substantially more time — approximately 25 percent — to prepare and review reports.

Immediate access to important data and documents.

At any given time, decisions are being made at numerous levels within Gateway. One of the senior major decision-makers is Lawrence Swicegood, executive director of media. He asserts that access to real-time financial data is essential for effectively marketing and advertising the church and its offerings.

And this is coming from an individual who admits he used to find all things finance ... well ... a little *dry*, to put it politely.

"Information is power," Swicegood says. "If I've got enough information up front, it can save me enormous amounts of time deciding how to market our Easter services or a new campus, for example."

Indeed, if he has the right data at his fingertips, he'll know right away, for instance, if a billboard campaign is within budget. If not, he can save himself and his team a lot of time and energy researching costs and contacting ad agencies.

Quick access to financial data is even more critical when the need is immediate — something Randy Bell, executive pastor of administration, can certainly attest to. Recently, at an important offsite meeting, Bell found himself in need of a supporting document. Using the church's legacy system, it would have taken hours (if not days) to track down.

Instead, he called Carpenter back at the church, who used the search feature in Intacct to find the document in minutes.



Similarly, when reviewing monthly financial statements, Bell had an inventory question. He called one of the senior staff accountants, expecting to hear back in several hours. Though the need for an answer wasn't immediate, the response was. The accountant was in his office 20 minutes later with supporting documentation.

The power to go paperless. With Intacct in place at Gateway, the ability to photograph, scan, attach and submit invoices electronically is a welcome upgrade for church leaders. Most of the payments Carpenter and his team disburse today are delivered electronically via wire transfer, ACH and so on.

"It's much quicker, much easier," he says. "And that keeps all the ministries and events flowing smoothly at all times."

On the incoming side (accounts receivable), all pastors — whether they're at the home church or at one of the satellites — can see financial data as soon as it's posted to the ledger. All they need is a secure internet browser.

Easy integration with other applications. For example, Carpenter recalls that — pre-implementation — making the church's automated expense management tool "talk" to the church's fund accounting software took weeks of consultant time, which came with a big price tag. >>

With Intacct (because it's an open API, a publicly available application-programming interface), this same effort took about four hours.

More reliable analytics and data for budgeting. With Intacct, Carpenter and his team are able to download revenue reports, by fund, out of the church's ChMS into Excel .csv files, and upload them into Intacct. "So, the journal entry is sitting there in [the platform], waiting for the supervisor to review and approve," Carpenter says. "That has sped up the process by days."

Since the team at Gateway posts revenue on a daily basis, this is especially time-efficient.

The same thing is enabled with outsourced payroll. From the ADP dashboard, the church can generate a general ledger download report and upload it to Intacct. This leaves more time to devote to quality control and accuracy versus number-crunching.



Good data drives good ministry

As any church leader knows, when you free up staff time, they can spend it on ministry. This has certainly been the case at Gateway, now that Intacct is up and running.

As of press time, the church was looking forward to the launch of a massive men's event that evening. Over the previous few days, many checks needed to be approved and distributed. Thanks to their new accounting platform, the process — even last-minute requests — went smoothly because those funds were disbursed electronically.

Executive Pastor Randy Bell was attending a conference at the time, but he was able to approve all those checks online. "Everything I can see in my office, I can see in my hotel room," he explains. "I can be anywhere in the world, if I want to."

As a larger-scale example of the new platform's ability to drive more effective ministry, Carpenter cites the recent launch of a new campus in Dallas. "To assimilate that campus into our accounting processes took maybe one day — definitely less than eight hours," he says. Integrating that same campus into the legacy accounting platform would have meant hiring a consultant to come in and set up a new company, transfer all the account codes, and establish the database — a multi-day (if not multi-week) undertaking.

This quick integration benefits more than the accounting team; it helps ministry staff, too.

"They wanted to know right away how they were doing in that new campus," Bell recalls. "What's our attendance? What's our giving? What are our expenses on capital expenditures? We were able to provide that information, fast."

Speaking of staff ...

Carpenter, Bell and Swicegood emphatically agree how critical the staff at Gateway has been to the Intacct implementation process. Thanks to them, operations have been "business as usual."

One part of the equation is accounting prowess. As Bell points out, the church has five CPAs on staff (including himself and Carpenter). Additionally, Gateway employs several degreed accountants and a handful of others who are pursuing accounting degrees.

"One of the things people don't understand about our church is the volume of payable and revenue cycle transactions we have compared to churches with the same attendance figures," Bell explains. Indeed, Gateway processes twice as many giving units per household as most churches of a similar size. The number of revenue transactions grew by 93,000 — about a 25-percent increase in 2015 over 2014.

Clearly, Gateway needs all the accounting and business office personnel it has ... but they're more than that. As Swicegood points out, many of them really understand ministry because they're church volunteers, pastors, or serve in other lay leader capacities. "Because of this, it's not a constant battle of, *I really wish accounting understood ministry because I can't get what I really need from them*," Bell points out.

According to Carpenter, another key requirement is that these staff members be in tune with the financial stewardship culture at Gateway. "And they really are," he says. "They pay attention to their budgets and their actuals. I think every year I've been here, we've been under budget in expenses."

This sense of ownership — and buy-in to the stewardship culture — went a long way in helping to minimize disruption while Gateway transitioned to Intacct. At the outset, teams of eight to 10 employees were formed to "own" their area of responsibility. For instance, the church's revenue manager supervised five people in the revenue department, dedicating six people to oversee with tithes and offerings alone. In accounts payable, one manager supervised five AP staff members.

"Each of them knew intimately what their department needed to meet deadlines," Carpenter says. "We had healthy conversations, adjusted, and always made it work."

Strack says he feels the same way. "Every organization has a culture," he says. "The Gateway culture of caring and shared responsibility was obvious. The attitude was positive, and it was clear their work was more than just a job. They had a heart for this project and their Church."

Bell — who has worked at Gateway for nine years — agrees, and adds: "Gateway's governing Elder Board and senior pastoral staff have always recognized the importance of efficient administration, especially financial. They have repeatedly provided us excellent staff and financial systems to deliver timely and accurate information. Intacct is just the most recent example of this."

"We're all about people"

While it's easy to get preoccupied with efficient accounting processes, Bell, Carpenter and Swicegood all agree on something bigger: Intacct is, in the end, a ministry tool.

"Ultimately, so is every tool we have," Bell says. "When we go back and look at our mission statement — 'We're all about people' — this is where we come out, every time."

To this end, the new platform has been more than a financial tool. It has helped the Gateway ministry team provide support to single mothers, restore marriages, and aided in seeing more than 2,850 people come to accept Christ in 2015.

"From top to bottom of the organization, we keep that truth in our frontal lobe," Bell says. "We're always asking: *Can we use this tool to help us do ministry?* That's really our heart and our vision." **CE**

— Reporting by RaeAnn Slaybaugh

QUICK FACTS ABOUT GATEWAY CHURCH

Year Established: 2000

Founding Senior Pastor: Robert Morris

Number of campuses: 6 across the Dallas / Fort Worth, TX area

Members: 36,000

Number of staff (full- and part-time): 806 full-time / 250 part-time

Combined weekend attendance: 27,000 – 29,000

(plus, 10,000+ online via video streaming)