



CINCINNATI-HAMILTON COUNTY COMMUNITY ACTION AGENCY

GOES PAPERLESS AND AUTOMATES JOB COSTING AND INDIRECT COST MATCHING WITH PYANGO



Introduction

The Cincinnati-Hamilton County Community Action Agency (CHCCAA) is a private, nonprofit organization that provides services to help individuals and families out of poverty. The organization was founded in 1964 as part of the nationwide Community Action network, which was part of President Lyndon B. Johnson's "war on poverty" legislation. It provides services to the community such as job training, housing assistance, and Head Start early childhood education.

Challenge

For a long time, the CHCCAA's finances had been entirely paper-based, a situation that the financial team came to see the need to change. Joan Proffitt, Chief Financial Officer at the CHCCAA, says, "We are a paper-driven

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organization, and we were looking to move to a paperless environment. So, we were looking for a solution to meet that need.”

The need for such a solution became even more apparent when the 2020 COVID-19 pandemic hit and changed many people’s working patterns. “It became very apparent with the pandemic that the need was greater than we originally envisioned,” Proffitt says. “Once we had to move to remote working, the finance department of our organization was the only department having to go into the office every day, while the rest of the whole organization was closed down.”

They decided to deploy the NetSuite ERP, searching for a solution that could help them go paperless. “We are definitely paperless as far as journal entries, deposit entries, and entries that are within selected parts of my finance operations,” says Proffitt. “And we are looking forward to going paperless throughout our organization.”

However, they soon realized that they would benefit from extending NetSuite functionality with a 3rd party solution. “In the end, NetSuite will be more powerful for us,” she says. “In the end, it will be able to function more in a paperless environment. But we needed to extend it to this nonprofit, largely grant-driven,

multiple grant year and accounting period methodologies that require serious job costing.”

“We are a heavily job-costed organization,” says Proffitt, “where our organization is predominantly federally funded. We have a lot of federal grants, and as federal stewards of monies, we have to ensure that costs are allocated to the extent of benefits received. That is an overriding principle that the federal regulations require of all organizations receiving federal funds.”

She was also looking for a solution that matched how the CHCCAA team deals with indirect costs. “We have a Provisional Actual Agreement with the federal government. That means we are granted an approved provisional rate, and we are allowed to adjust it to actual; we charge actual along the way.” While it’s a complex system, it saves them hours adjusting to actual at every grant closing because the CHCCAA has so many grants, all with different grant years. “It saves a huge amount of accounting by having the system work smarter for us, rather than adjusting after the fact.”

Solution

To help with all of this, a consultant they were working with recommended they check out



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PyanGo, a NetSuite-native 3rd party financial solution. “It was our value-added consultant that recommended, with what they saw as the need of our organization in an accounting software, that it could best be met through the combination of the core NetSuite with the add-on of PyanGo,” Proffitt says. The team at CHCCAA took his recommendation and implemented the PyanGo solution.

Results

The financial team at CHCCAA has been pleased with the PyanGo solution because of its flexibility when faced with the CHCCAA’s job costing complexity. Proffitt says, “I have to commend that PyanGo was able to pivot with the needs of our organization.”

Overall, she says, “the biggest win is that they could carry forward from a minimal solution that was unable to be effective for us long-term, that was unable to meet the needs of paperless and the number of users.” They have a vision for the organization, she says, and needed a solution that could make it happen: “Our vision is grand, and it took a solution that was as grand as our vision to get our end result. And that would not happen with a small platform.” However, she feels confident that PyanGo will help them achieve that vision.

And improving their accounting, she says, helps the rest of the organization, especially where grants are concerned. “We are known for being strong in our accounting, and the word gets out. That’s not how you get a grant, but it is a way to encourage our funders and grantors to enjoy working with our organization. And the strength of the finance is the confidence of the grantors.”

Improved Processes

As Proffitt looks at other organizations that don’t use automated solutions like PyanGo, she sees the extra cost that it produces. “As I compare to other organizations that are not using the tools of the trade . . . we probably have less in accounting specialists that would have to adjust them to actual, than what organizations that have not employed powerful customizations to it would have.”

Many nonprofits, she says, use an older system she refers to as “the old-time facility pool.” “You have to put all the costs in a fund, a facility pool, and then your accountant must manually do journal entries. In that environment, you have your budget for your facility pool, your yearly budget for that pool, and you charge your users the yearly budget. Then you have to adjust those to actual on a needed basis.”



“It was countless hours that were not necessary. Our older system was not a cost- or time-effective solution. A more modern solution, like the one offered by PyanGo, takes less time and resources and is also less prone to errors.”

Distributions

The CHCCAA financial team makes extensive use of distributions, so Proffitt appreciates how PyanGo’s solution handles those. “The ability to create a new distribution is easy in the PyanGo solution,” she says. She also enjoys that they were able to customize the solution to deal with distributions according to the CHCCAA’s current processes. “The consultant improved what began with PyanGo, and they were able to pivot with our organization. Because of the numbers of distributions, it was important for us to copy a distribution and then rename it as the next year’s distribution of a similar distribution. Pyango was able to pivot with us.”

Because the PyanGo automated solution can handle the CHCCAA distributions, this saves a lot of time and effort: “If we were not

automating distributions in our organization, with the volume in our corporate budget—how we’ve grown from when I began in the organization to what it is today—I imagine we’d probably have three accounts payable clerks, where we’re able to function with just one.”

And, she says, “That’s a huge value. The cost of the solution is much less than the cost of two additional accounts payable clerks. That’s a huge value-added.”



Community
Action Agency
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Company Snapshot

Company: The Cincinnati-Hamilton County
Community Action Agency

Location: Cincinnati, OH

Website: www.cincy-caa.org

