

Hagar International

www.hagarinternational.org

COMPANY

- Location: U.S.-based and Swiss-registered organization with offices in ten countries including Cambodia, Afghanistan and Vietnam
- Industry: Nonprofit, humanitarian aid

OVERVIEW

Hagar International is an international Christian organization dedicated to recovery of extreme human rights abuses, particularly human trafficking, gender-based violence, and sexual exploitation. The nonprofit is growing quickly and needed an affordable, web based, centralized ERP that could handle nonprofit fund accounting, deep subaccounts, and multiple currencies.

KEY RESULTS

- In-depth reporting and analysis, both globally and at the country/project level
- Compliance with regulatory laws and guidelines
- Replaced cumbersome, manual processes with fully automated activities
- Complete integration with donor management and bank systems
- Multi-currency reporting and multi-language support

Nonprofit Hagar grows internationally with Acumatica

“Acumatica really does adapt to your business needs. It’s flexible and configurable and you can mold it to the way you need to do things—not the other way around. Acumatica is a great tool for nonprofits.”

- Ruth Ellison, CFO, Hagar International

Hagar International was founded in response to extreme domestic and community violence affecting women and children in post-civil war Cambodia in 1994. It offers trauma counseling, legal and medical support, community care, education, job training and career placement. In 2008, Hagar opened an office in Afghanistan to support Afghan women and children facing gender-based violence and human trafficking. The nonprofit later expanded into Hong Kong and Singapore and now has offices in 10 countries.

SITUATION

Hagar CFO Ruth Ellison started looking for a new financial system in 2011 when she realized the mix of Peachtree, QuickBooks, and Mind Your Own Business accounting software and various Excel spreadsheets couldn’t handle the nonprofit’s growing international needs. Like many cash-strapped nonprofits, Ellison needed to find an affordable solution; one so easy to use she could implement it herself with minimal support. Doing so would allow her to funnel more of her budget into critical programs.

“Ideally, we wanted an accounting system that was simple, intuitive, and closely matched to how we already ran our business,” she says. The system needed to:

- Run in the Cloud
- Embrace industry-standard technology quickly and easily
- Be flexible to fit the special needs of nonprofits and grant compliance
- Easily scale to a larger organization
- Provide an integrated solution for Hagar by offering global support in many different countries

Ellison began looking for a web-based ERP that could handle multiple currencies and divisions with ease. The software also needed to accommodate a complex General Ledger account structure, track Hagar’s many different programs, and provide rich reports. Hagar needed a financial system that supported fund accounting as well as traditional commercial accounting.

She began looking at many products, including NetSuite, Intaact, and FinancialForce before settling on Acumatica in late 2011. “Several vendors were eliminated due to not fully meeting Hagar’s criteria in critical areas such as Cloud-based availability and limited account coding



structures,” Ellison says. “Others were eliminated due to poor company profiles, lack of support and high pricing.”

SOLUTION

“I chose Acumatica for several reasons,” says Ellison. “They are the most organized and detailed with their plans for implementing the software. They offer unlimited users and companies with a fixed dollar pricing over five years so there will be no surprises on pricing increases. And they have a flexible coding structure and currency translation.”

Ellison talked to other nonprofits that chose Acumatica after using software from Sage, QuickBooks, NetSuite, SAP and other competitors and becoming disappointed with the various systems and lack of support.

She liked that Acumatica had built-in integration tools with other software systems and that the company has an employee portal which allows Hagar to connect all staff to the system without any additional user fees.

Ellison also enjoyed working with the Acumatica team, which included Acumatica partner Crestwood Associates LLC, based in Mount Prospect, IL, which has provided financial consulting to nonprofits for many years. Crestwood’s Rick Feterick worked closely with Acumatica on the sale and implementation.

Due to other commitments and a limited IT staff, Ellison scheduled a two-year rollout for Acumatica. The first goal was getting everything set up properly so she could have three countries running parallel.

IMPLEMENTATION

To extract data from the several accounting systems, Ellison created a macro with Excel in order to export the right account structure into Acumatica. She then handled the set-up herself with support when needed from Crestwood.

“With limited funds, Hagar wanted to take on as much as possible,” says Feterick.

“Ruth should be commended because she was able to do so much on her own, which is a testament to the ease of use and flexibility in Acumatica.”

BENEFITS

One of the biggest benefits has been the way that Acumatica adapts to Hagar’s business rather than the other way around, says Ellison. “Acumatica has a very flexible coding structure that is built into all their standard reports,” she says. “The account code can be up to 30 characters and the subaccount can have up to 30 characters, which are user definable.”

That feature is important because it allows Hagar to set up subaccounts like a numbering system, with each number corresponding to a specific grant. “This allows us to track by log frames, which include outcome, output and activities, for specific donor reports and grants,” Ellison says. “Having that flexibility is really nice.”

“Acumatica handled fund accounting well”, she says. For many nonprofits, financial accounts are grouped into various funds that capture revenues from many sources, including donations and government grants, and expenditure reporting is needed to ensure monies are spent in accordance to the purpose of the organization and rules of each program they provide.

As such, Hagar needed to capture granularity through its financial reporting so that the account structure reflected more than just an account number and typical department. Hagar needed to reflect projects, programs and donors, and needed a system to provide rich reporting and dash boarding on the outgoing expenditures as well.

Nonprofit reporting requirements may be on a calendar year or a fiscal year basis or both. Some programs need to be closed out each year while others can carry forward to the next year. Reports need to be sent to donors, government agencies and tax authorities. Acumatica’s flexibility allowed her to handle the complex structure and reporting easily.

Because of its international nature, Hagar also needed to run different country locations in their native currencies; however, the headquarters’ office also needed an easy way to consolidate those figures in a standard currency for overall agency reporting, and then convert them back to create reports for governments in their native currencies.

“Acumatica’s currency module converts transactions into any currencies that are set up by the user and reporting can be done in any of the set up currencies,” Ellison says, adding that the employee portal allows staff to easily enter their own expense reports and time sheets, which can be easily consolidated into one currency.

Previously, it took Ellison and her team about a month just to gather the needed information from the various offices to be able to start consolidations for year-end reporting. “We had to send out emails asking people to send certain information and gave them two weeks to respond. Some missed that deadline so it stretched information gathering further. Now, information is available instantaneously.”

Ellison likes Acumatica’s unlimited user business model because it allows her to add users without increasing licensing costs. “We plan to add multiple locations in the next few years, and adding users will be important,” she says. “The fact that adding people won’t mean added software costs was a big plus.”

Acumatica’s ease of use has also been a big benefit, says Ellison, who implemented Acumatica by herself with help from her IT manager and remote support from Crestwood Associates. “We didn’t need a programmer and the software includes built-in tools that allow you to integrate it with other systems, such as Salesforce.”

“Acumatica really does adapt to your business needs, she adds. “It’s flexible and configurable and you can mold it to the way you need to do things—not the other way around. Acumatica is a great tool for nonprofits.”