

Accounting **vs** Development

What You Need
to Know
to Have a
Great Relationship

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Primary Roles and Objectives



Accounting

Recording/projecting financial activity

Reporting to stakeholders



Development

Cultivating donor relationships

Obtaining/tracking contribution funding



Roles and Responsibilities of Development Department



Roles and Responsibilities of Accounting Department



Commonalities + Differences

Commonalities

Advancing the mission

Tracking + monitoring key
financial metrics

Tracking + reporting
incoming funding

Monitoring pledge + grant
requirements



Differences in Focus



Reporting
current-year
financial activity
under GAAP

Fund raising and
reporting current-
year activity for
funding secured



Differences in Objectives



- Manage risks
- Stay compliant
- Keep board, bankers + auditors happy



- Keep donors happy
- Connect people to the mission



Enhancing the Accounting-Development Relationship

Communication



Education



Development Issues for Accountants to Know



Pledge + Grant Requirements



Donor Restrictions



Accounting and Donor Databases



Reconciliations



Restricted and Unrestricted Funds



Finance Committee Requirements

Accounting Issues for Development Officers to Know

Proper Recording of Contributions



Contribution Types

Unrestricted vs. Restricted

With or Without Donor-Imposed Conditions



Recording Pledges



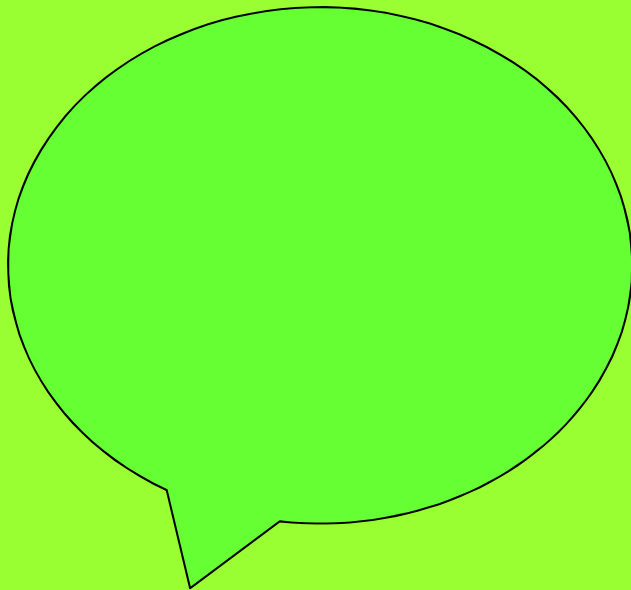
Grant Restrictions



Capital Campaigns



Conclusion?



Talk More!

- **Understand the differences**
- **Establish clear policies and procedures**
- **Require regular communication between departments**
- **Careful coordination**



Questions?

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