



Sage Intacct: Solving the Challenges Family Offices Face on QuickBooks

CROSSCOUNTRY
CONSULTING



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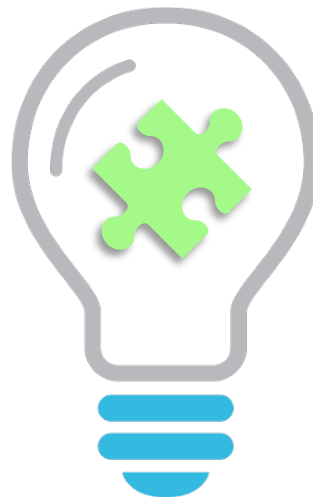
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Introduction

Family offices face significant challenges in achieving operational efficiency for back-office accounting and reporting.

These challenges become more evident as your family office grows and the number of legal entities increases. Time-consuming manual processes, lack of quick and timely reporting, and over-reliance on spreadsheets are a fact of life when operating in QuickBooks or any inflexible system. The increasing complexity of trusts, business ventures, properties, investment, and personal expenses are difficult to track, let alone providing timely reporting on investment Key Performance Indicators (KPIs).

There are many “hidden” costs of using a legacy solution such as QuickBooks that you may not realize. Without flexible enterprise resource planning (ERP), you are incurring indirect costs such as:

- Lost efficiency and reporting insight which can lead to lost investment opportunities;
- A reliance on manual processes that often results in errors and exposes the family office to risk; and
- A lack of a single source of information that can facilitate the analysis of data needed to drive the business forward.

If this all sounds familiar, you are in the right place. Making a switch to Sage Intacct, a cloud-based financial management and accounting system, can alleviate all these pain points and more.

With Sage Intacct you can say goodbye to the manual spreadsheet work, gain access to real-time reporting, improve the flexibility of reporting through the use of dimensions, increase productivity, grow and scale your business, and automate your procure to pay and payment processing. If you are interested in learning how Sage Intacct can help your business, please read on as we highlight the critical challenges family offices face and how Sage Intacct can overcome them.

Topics we will cover include:

1. Inconsistent Chart of Accounts
2. Inefficient Procure-to-Pay Process and Lack of Spending Approval Controls
3. Manual Fixed Asset Tracking
4. Limited, Slow, Error-Prone Analysis and Reporting
5. Manual Multi-Entity Consolidation
6. Complex Inter-Entity and Multi-Currency Transactions
7. Business Growth Compounding Reliance on Manual Processes
8. Lack of a Comprehensive Audit Trail
9. Inadequate Security, Privacy, and Disaster Recovery
10. A Patchwork of Unintegrated Systems



The **Challenge** in QuickBooks

Many hours have been wasted manually adding any required accounts into each entity in QuickBooks.

This means less time working on important financial projects and more on something your system should do for you.

How often do you have to make changes to your COA in QuickBooks?

With the linear COA format provided, each new account or segment is required to be added as a distinct report. In an ideal world, every time a new one is added, the user would go through and enter it into each entity in order to ensure accuracy. However, as you may have experienced, this is not always the case.

There are many daily tasks to complete and everything cannot be dropped to spend time adding accounts over and over in the moment. Depending on when and by whom it is added, this can result in accounts having different naming conventions or numbers. When it comes time for reporting, many accounts may be difficult to compare across entities or cause consolidations to be exceedingly laborious.

Wouldn't it be nice if you had a consistent Chart of Accounts across all of your entities?





Sage Intacct's **Solution**

You can add a new account one time at the “Top Level,” and it will be available for use in any entity. With this type of shared COA, you never have to worry about if accounts match or if you are using the right naming convention across entities. This gives you more time to do important tasks such as reporting, which Sage Intacct also makes easier. When it comes to reporting, you have a simpler process for comparison across entities, as well as for consolidations.

Additionally, Sage Intacct allows you to “tag” transactions as well as operational data with dimension values. Tagging with dimensions, enables you to add business context to your data easily and gives you more flexibility for reporting. For example, by tagging your transactions (revenue/expense accounts) with a department, you can easily expand a Profit and Loss (P&L) report by department in one click. By utilizing Intacct’s dimensions with your chart of accounts, your family office’s entire P&L (with budget versus actuals) can be generated with a single setting. Sage Intacct offers a simplified, yet dynamic process and more flexibility with your Chart of Accounts.

Sage Intacct gives you a shared dimensional Chart of Accounts across all your entities, which allows for easier maintenance, less errors, and a more detailed way of reporting.





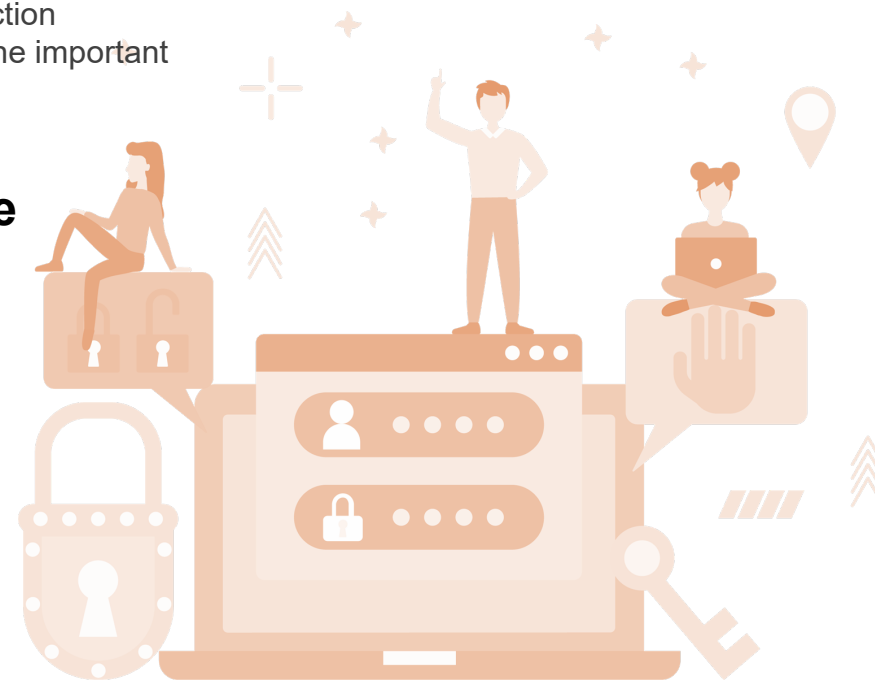
The **Challenge** in QuickBooks

As it exists in QuickBooks, the Procure-to-Pay process has several limitations that significantly hinder its efficiency and internal controls. Purchasing workflows are not customizable, so you can forget about molding the process to fit your family office's needs. Even worse, purchase orders are not "connected" with other modules/functionality, so you will find yourself performing redundant data entry. Expense processing is an unproductive endeavor where payment is made through a manual fax and there is no simple way to pay multiple bills in one step.

For a growing business that might process hundreds, if not thousands, of purchase orders, this can be an extremely **time-consuming inefficiency.**

Perhaps the most dangerous problem with Purchasing in QuickBooks is the complete lack of an approval process. Because there are no audit capabilities to track transaction approvals, your finance team will struggle to prevent unauthorized spending. The important question is to ask yourself:

Is our spending always being done in accordance with the family's consent?





Sage Intacct's **Solution**

You can use the Sage Intacct Purchasing module to create custom approval workflows that increase purchasing speed, accuracy, and efficiency. Combining Sage Intacct's Purchasing module with the system's suite of dashboard and reporting tools, you can monitor budget versus actuals, analyze costs, and gain visibility into your entire Procure-to-Pay cycle. The benefits can be summarized into three key areas:

Streamlined Procurements and Payments – The Purchasing module connects with the Accounts Payable and Cash Management modules so that you only enter data once. Sage Intacct enables you to attach files with drag-and-drop simplicity for easier recordkeeping and instant access to supporting documents.

Visibility and Reporting – Sage Intacct gives your Procure-to-Pay team instant access to real-time information in order to help them make more informed decisions. Customizable dashboards can be used to check budget to actuals, transaction status, and pending approvals. Drill-down and slice-and-dice reporting by dimension give your team deeper visibility from any perspective.

Control and Flexibility – You can either adopt Sage Intacct's standardized processes or adapt workflows to fit your family office's unique needs. Strengthen your internal controls with GAAP-compliant customized approval workflows and automated alerts and email notifications.

Automated Payment Processing – Automate processing of an individual payment in Sage Intacct by compensating the vendor through transmission of an electronic payment file instead of manual fax.

By switching to Sage Intacct, you can take control of your Procure-to-Pay process, lower your payment processing costs, and prevent unauthorized spending that was not properly approved.





The **Challenge** in QuickBooks

One of the biggest challenges family offices face when managing fixed assets is the sheer volume of data that must be maintained. This entails tracking asset acquisitions, improvements, disposals, impairments, and relocation.

The **complexity grows** when faced with multiple accounting and tax regulations.

QuickBooks simply isn't equipped to manage it:

- Are you tired of having to manually track your fixed assets in Excel spreadsheets?
- Are you tired of not having an integrated solution that both enables the tracking of fixed assets as well as the posting of all fixed asset-related journal entries?
- Are you tired of having no audit history to see the changes made?
- Are you unsure if your fixed asset spreadsheet is completely free of unknown, inadvertent errors?

If your answer to any of these questions is yes, please read on to discover why Sage Intacct is the right fit to address your fixed asset problems.





Sage Intacct's **Solution**

As a steward of the owners' assets, you need a management system that looks beyond depreciation to provide visibility into valuation, condition, insurance status, and more. Sage Intacct fixed asset accounting software accelerates and simplifies accurate accounting throughout the asset lifecycle. You work with a single set of asset acquisition, depreciation, and disposal information that's automatically shared with the general ledger, accounts payable, and purchasing modules.

The Fixed Assets module in Intacct provides you with the following key benefits:

- **A single, integrated system** that allows you to easily manage the complete asset lifecycle;
- To **simplify asset tracking** and increase your accuracy, eliminate data re-entry and work with a single set of data;
- **Reduce risk and increase control** by tracking assets on a cloud platform;
- **Easily maintain** separate tax and accounting books and automatically record different depreciation methods for asset categories;
- **Custom** depreciation methods and schedules;
- **Ability to tag fixed assets** with dimensions to track how costs are distributed to improve decision-making and visibility; and
- Clearly communicate book values to stakeholders using **visual fixed asset dashboards and reports**.

Sage Intacct fixed asset accounting software accelerates and simplifies accurate accounting throughout the asset lifecycle.





The **Challenge** in QuickBooks

You need customizable reporting to highlight the impact your decisions, investments, and spend has had. However, the length of time it takes to produce reports and reconcile data and the accuracy of said reports can be a constant struggle. Unfortunately, QuickBooks often falls short of a family office's quick, accurate, and granular (oftentimes ad-hoc) reporting requirements.

Reporting in QuickBooks lacks the speed necessary to be a true differentiator in terms of cost and profitability as it relies on the manual creation of spreadsheets.

The inherent inflexible reporting leads your team to resort to exporting data to Excel and parse through inconsistent tags in memo fields to try to make sense of it. Not only does this take time, but it also carries serious risks. You're passing data around where there are many nested entities, investors, and pooled funds. There are no safeguards, so how do you ensure it's accurate? How do you audit to certify that the data is reconciled?

Enhanced reporting reinforces the value-add to the client. Family offices need the flexibility to slice-and-dice information to meet a spectrum of reporting requirements.

Unfortunately, this type of ad-hoc reporting is limited in QuickBooks and many legacy solutions.





Sage Intacct's **Solution**

Sage Intacct was uniquely designed to give you endless reporting flexibility thanks in part to its shared Chart of Accounts and additional dimensionality that enables you to break down your information to meet your needs (across funds, locations, or asset classes). You no longer need to spend countless hours on monthly reporting. Unlike QuickBooks, Sage Intacct enables you to track both financial and operational data in real-time, allowing you to make quick adjustments to your business depending on the situation and shorten the reporting cycle.

You can easily drill down from top-level results to the performance for a specific entity, then to individual transactions. Role-based **dashboards** provide **instant shared access** to analytics across entities that allow you to track **financial data** (P&L, budget vs. actual, cash) as well as **key metrics** (assets under management [AUM], fair-market value, internal rate of return [IRR], and cash-on-hand) over time. The opportunities for ad-hoc reporting to meet specific reporting requirements are nearly endless thanks to multiple custom reporting tools that can pull financial, operational, and statistical data.

A faster reporting cycle with ad-hoc reporting capabilities, and real-time access to dashboard analytics of key financial and operational information are also possible to achieve by switching to Sage Intacct.





The **Challenge** in QuickBooks

It's no secret that QuickBooks works best for smaller businesses with relatively simple accounting, but many growing family offices have difficulty determining when they should switch to a system that has greater capabilities.

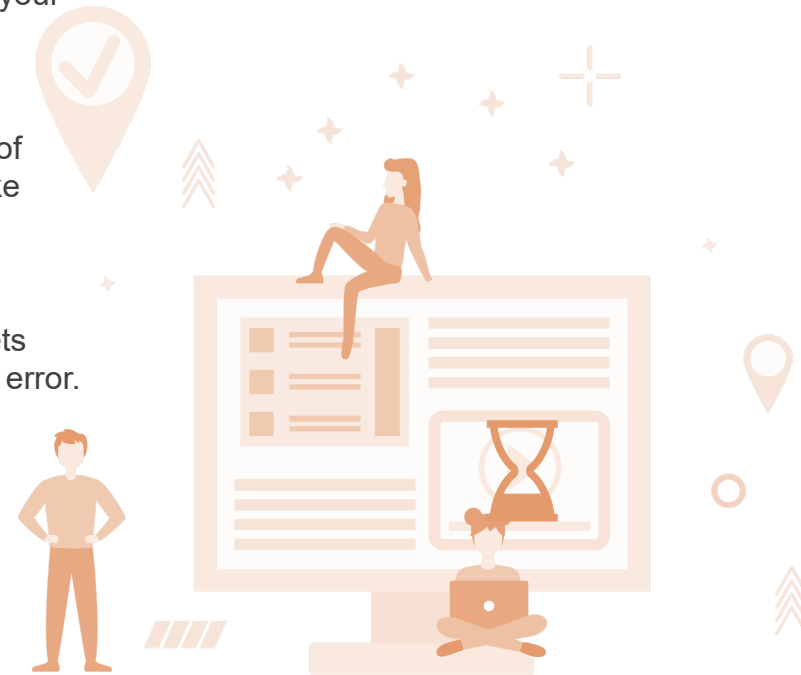
A common pain point many quickly discover is that it is a **cumbersome consolidation process when growth leads to the incorporation of additional entities.**

Within the context of a family office, these additional entities can take many forms: a trust, a fund, a business venture, etc. Here are a few limitations of QuickBooks that can make multi-entity consolidation a nightmare:

You Need a Separate Instance of QuickBooks for Each Entity – If you want to have full reporting for each entity, you need to use a separate instance of QuickBooks for all, which requires logging out and logging back in every time you want to switch. This causes your finance/accounting team to waste valuable hours in order to access data and export reports to Excel.

No Automatic Consolidation Across Entities – Separate, unintegrated instances of QuickBooks require manual consolidation of your data. Not only can this process take days, or even weeks, it can be difficult to sort through the spreadsheets for relevant records.

Few Controls Against Mistakes and Oversights – Relying on manual spreadsheets opens your business up to the possibility of fraud or, more commonly, simple human error. This also means that your audit trail will be reduced to breadcrumbs.





Sage Intacct's **Solution**

Sage Intacct's cloud-based financial management system provides a solution to all of these problems and more. **A single instance will house all of your legal entities, making consolidated data readily available for your team.** For entities with the same base currency, you can run any report across all of them. To automate intercompany eliminations or to consolidate data across multiple base currencies, this can be achieved with a single click or an automatic scheduled action.

What used to take days, or even weeks, in QuickBooks **can now be accomplished in minutes using Sage Intacct.** Addressing the challenges of consolidation using Sage Intacct can propel the accounting and finance function forward by:

- Providing real-time consolidation from across the family office at any time;
- Drilldown insight from the consolidated perspective to an operating entity;
- Automate intercompany eliminations at the point of consolidation;
- Consolidate complex ownership structures, such as minority and partial ownerships;
- Save time and increase accuracy using up-to-date exchange rates for currency conversions and revaluations; and
- ASC 830/FAS52 compliant multi-currency consolidation, creating cumulative translation adjustments.

Most importantly, quality and trust are reintroduced into the process. The finance team can circulate relevant and timely information with confidence. Accounting staff can perform higher-value work in the time that was previously spent compiling manual consolidations and performing reconciliations when the consolidation process becomes automated.

Say goodbye to the endless spreadsheets of manual reconciliation thanks to automated intercompany transactions and rollup consolidations across entities and currencies.





The **Challenge** in QuickBooks

If you're trying to make QuickBooks work for your growing multi-entity family office, you're likely struggling with the system's lack of complex functionality. We have addressed the challenges you face when operating with a time-consuming consolidation process, but two other critical features QuickBooks can't perform are inter-entity transactions and multi-currency processing.

To put it bluntly, QuickBooks is not designed to solve the accounting challenges that arise from inter-entity transactions.

There is no way for them to be automated, so the finance team must constantly track their intercompany accounts and create manual entries in the affected entities.

As you have probably experienced, when someone misses one of these transactions, the issue is usually not discovered until much later when the details of the transaction have been forgotten.

QuickBooks also cannot process transactions in multiple currencies. As a result, you must manually convert each to your base currency prior to entering it into QuickBooks.

Producing a consolidated financial report consisting of entities with different base currencies is a massive manual effort.





Sage Intacct's **Solution**

Luckily, Sage Intacct has an automated solution for both of these challenges. Here, when you create entities, you have the option of defining intercompany relationships that control the automatic posting of intercompany transactions, making it much easier to centralize payables and receivables. Sage Intacct will auto-eliminate intercompany balances when running a consolidation.

Sage Intacct helps you **process multi-currency transactions through automated, accurate conversions to the base currency using daily rates.** Sage Intacct allows you to calculate unrealized gains or losses by running revaluation reports if adjustment entries are needed for changing currency rates. Through the use of out-of-the-box reports, it is quick and easy to accrue for unrealized gains/losses for the period. You can increase accuracy and reduce the time for multi-entity, multi-currency transacting and consolidation. Sage Intacct is ASC 830/FAS-52 compliant for multi-currency consolidation and is a system that creates cumulative translation adjustments.

Let Sage Intacct help you eliminate the complexities surrounding inter-entity and multi-currency transactions and free your staff from the manual work these processes entail.

Sage Intacct helps you process multi-currency transactions through automated, accurate conversions to the base currency using daily rates.





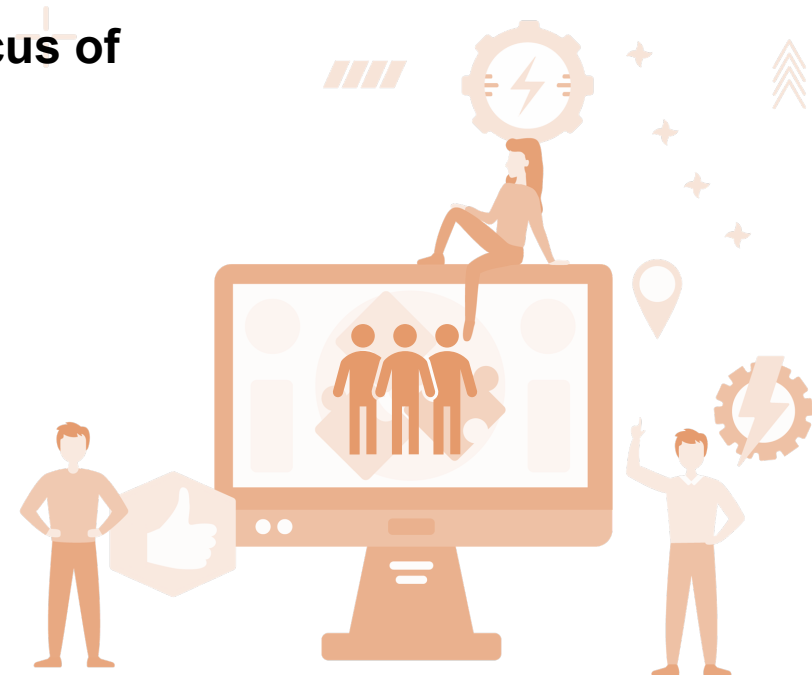
The **Challenge** in QuickBooks

Predictably, as your family office business grows and the number of systems used for accounting and investment reporting increases, the amount of manual work your staff must perform compounds. This causes costs to spiral in the form of increasing headcount.

The problem is that there is no leverage in having employees working in QuickBooks and Excel; you merely continue to hire more people as the workload increases.

As we have seen in earlier chapters, the laborious manual work that QuickBooks requires for consolidating data demands additional assets. Finance resources are consumed with gathering, reconciling, aggregating, and cleansing data as **spreadsheet bloat prevails**. Ideally, the finance team should be focusing on analysis of data to uncover insights, and establishing KPIs that measure and communicate performance.

How can we improve this situation and shift the focus of the finance team to more value-added activities?





Sage Intacct's **Solution**

As a web-based, live, and real-time system, Sage Intacct greatly accelerates critical financial processes such as consolidations, reporting, and payment processing. The efficiencies and productivity gained from Sage Intacct allow your business to scale without additional headcount.

Leveraging a multi-dimensional general ledger, the finance department can add new entities in just minutes and automate intercompany transactions. By standardizing a shared Chart of Accounts by dimension (such as entity, investment, fund), it is possible to increase the number of entities in your portfolio significantly without adding more headcount to the finance team. **Consolidation is now at your fingertips** instead of a time-consuming task represented by a spreadsheet conglomeration.

Even as transaction volumes increase, automated processes can reduce the amount of data entry required through integration or simple data uploads. All of this leads to a shortened close process and greater visibility and insights into your financial data that allow for improved decision-making while keeping your finance team efficient.

Sage Intacct greatly accelerates critical financial processes such as consolidations, reporting, and payment processing.





The **Challenge** in QuickBooks

When changes are made in your legacy system, do you know why they were made? When? And by whom? If the answer to any of these questions is no, you are putting your business at risk because you cannot trust your data to provide a complete financial audit trail.

This issue is exasperated by the fact that because the controls are activity-based, QuickBooks does not enable you to set granular permissions for different types of users. Since the audit trail is transactional only, it will not record login/logoff activity or changes to master records. In certain cases, the transactional audit trail can be circumvented or even completely cleared.

In order to be able to make sound decisions on your financial data, you must be able to **inherently trust that the data is 100 percent accurate.**





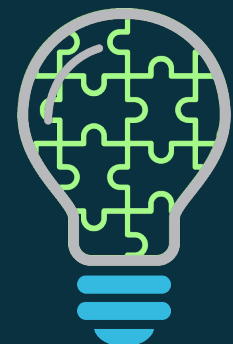
Sage Intacct's **Solution**

Sage Intacct offers a comprehensive front-to-back office collaborative audit trail that removes any confusion over when a transaction changed or what it was changed from. The audit trail shows what a field value was before it was changed, what it was changed to, when it was changed, and who changed it.

This even extends to changes in process and master records. If you adjust the approval rules surrounding your Procure-to-Pay workflow, Sage Intacct's audit trail will document that amendment. If you change a customer's address information, Sage Intacct's audit trail will also record that modification. Furthermore, Sage Intacct has an out-of-the-box access log that will show you which users have accessed your environment during a given time and for how long.

We have addressed Sage Intacct's audit trail in the context of the what, where, when, and how of any action taken in the system. Does Sage Intacct capture why something was done in the system? Fortunately, they provide a collaborative compliance tool, which is a secure social layer embedded into your environment where finance, sales, and services teams can communicate anywhere there's an issue about specific journal entries, accounts, projects, invoice, and purchase requisitions. This feature will bring the whole team together by **facilitating better communication and teamwork on a transaction record**.

Sage Intacct offers a comprehensive front-to-back office collaborative audit trail that removes any confusion over when a transaction changed or what it was changed from.





The **Challenge** in QuickBooks

From a security standpoint, QuickBooks might be adding risk to your accounting process and lost time due to mitigation and workarounds by holding you back in following ways:

User Permissions – In QuickBooks, permissions are activity-based and are “all or nothing.” Because you are not able to restrict certain tasks at the user level without giving up control, this makes delegating accounting work much more difficult than it should be.

Infrastructure – Hardware failures and natural disasters can disrupt your business and affect the integrity of your data.





Sage Intacct's **Solution**

With security features built into the Sage Intacct application, you can tailor permissions to ensure that the right people get the correct level of access. Sage Intacct has the ability to restrict a user's permissions via granular, role-based security policies across all of their modules. They also allow you to restrict a user's viewing/transacting ability to specific entities or departments, which permits you to **protect confidential data** from anyone who does not need this level of access. User password requirements can be made as strong as required and changes can be enforced at specified intervals. Additional security features include single sign-on, two-step verification, automatic session timeouts, and IP address filtering.

You may assume that on-premises systems offer greater privacy and security because the hardware is physically located at your business. However, by capitalizing on the combined investment of major cloud providers and data security expertise worldwide, you can **benefit from higher levels of privacy and security than an on-premises solution**. Cloud providers can scale for millions of users and create more secure environments by incorporating the latest standards and controls for physical access that individual family offices cannot match.

For example, Sage Intacct operates Fortune 100-class data centers that have a specific set of operational characteristics built into the system that ensures the highest levels of privacy and security. Data is encrypted when it leaves the cloud, and data centers are monitored 24/7/365 and provide full recovery within 24 hours in the event of a major disaster. Sage Intacct is built on the Oracle database infrastructure, helping to ensure that you can access your records at any time. They provide full daily backups to multiple locations, continuous backups of transaction data, and secure streaming of transaction data to a remote disaster recovery center.

Sage Intacct has the ability to restrict a user's permissions via granular, role-based security policies across all of their modules.





The **Challenge** in QuickBooks

Whether it's an expense management, HR, or investment tracking system, there are many valuable solutions that allow teams to streamline several of their day-to-day processes. However, if you use systems like QuickBooks desktop, getting this data into your accounting program may be a meticulous process.

Have you ever wished that QuickBooks could speak to your other **systems**?

This is a very common issue for family offices who struggle to get their financial information from other back-office solutions into QuickBooks, but imagine a world where your team didn't have to spend hours converting data from one to the other.

QuickBooks desktop does not offer any direct integration with outside party systems and does not have flexible web services offerings. This means that in order to get data from one solution to another, you must go through either an Excel or CSV data load. QuickBooks does provide a tool in order to import data into the system, but you need to ensure that it is in the correct format in order to import it.

This process takes up valuable time from team members and reduces the speed and accuracy of your reporting.





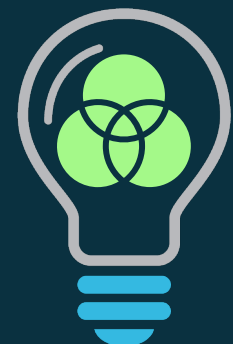
Sage Intacct's **Solution**

With Sage Intacct, the silos you are operating in can be shattered. As a best-in-class financial management solution, Sage Intacct was built to integrate with other best-in-class solutions and most customers integrate at least two external applications.

Sage Intacct has a wide range of Marketplace partners with prebuilt integrations from day one. Through direct Application Programming Interface (API) integrations, they bring real-time information from outside systems into your ERP. This means that you don't have to import any of the data or deal with formatting day after day in order to maintain accurate records. With the click of a button, you have precise data flowing into Sage Intacct, which means that your reporting includes real-time figures from other systems. Many of these integrations are simple and easy to set up, requiring only a few up-front hours of time from your team.

What if your system is not a partner? No problem! Sage Intacct also offers the ability to create XML API calls from your outside party system into your ERP. **So stop manually moving your data from one system to another and let the beauty of automation do the work for you with Sage Intacct.**

As a best-in-class financial management solution, Sage Intacct was built to integrate with other best-in-class solutions and most customers integrate at least two external applications.



Conclusion

While your legacy solution may have worked initially for your family office as a low cost, easy-to-use solution, it's no longer feasible as your growth exposes its limitations. QuickBooks is too basic to handle your evolving needs. We have covered 10 of the most common pain points, but this is by no means an exhaustive list. Ultimately, it is important to analyze the hidden costs of QuickBooks when deciding the best time to make a switch.

Sage Intacct offers your family office the solution you need to work strategically by providing the financial data to plan and make important financial decisions.

Sage Intacct streamlines and automates processes to help finance organizations improve the accuracy, reliability, and timeliness of business-critical data. As a robust and scalable best-in-class financial management system, Sage Intacct extends the reach of finance to encompass areas across business units, aids in the planning and budgeting processes at a level that fully reflects strategic priorities, and provides actionable insights into key performance areas, giving you the business intelligence and custom reporting capabilities that are needed.

