

# Nonprofit Technology Trends for 2023 & Beyond

**Presented by:**

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- Over **36 years** of experience providing audit and advisory services to the nonprofit and health care industries
- **Focus:** Organizations serving individuals with special needs, religious organizations, educational institutions, membership associations, social service providers, healthcare providers, foundations, and arts and culture
- **Advises On:** Financial reporting systems, implementation of new accounting standard updates, sustainability/succession planning, internal control reviews, strategic planning, retreat facilitation, and providing quality board education and governance advice
- **Firm Involvement:** Member of the Accounting and Auditing Committee and the Strategic Partner Retreat committee, which plays a significant role in cultivating the firm's culture and strategic objectives
- **Community Involvement:** Serves on the Board of the National Multiple Sclerosis Society, the New York Council of Nonprofits (NYCON) and Governance Matters and is a member of the AICPA and NYSSCPA
- **Presentations and Publications:** AICPA and NYSSCPA Conferences, internal education sessions, webinars and the CPA Journal

# Hassan Khan

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- Leader of Grassi's Technology Advisory Practice encouraging executives to drive value from technology and improve their organizations performance
- Over **20 years** of experience in Technology Assurance, Operations & Business Process Optimization, Strategy & Governance, Risk Analysis, Offshoring, and Enterprise Intelligence
- Practice areas include implementation of technology risk management frameworks, development of tailored regulatory compliance frameworks, IT platform/systems/infrastructure review, IT due diligence and crisis management
- Extensive experience in IT cost reduction, insourcing and outsourcing analysis, vendor negotiation, and end-to-end IT transformation
- Certified Systems Auditor in the State of New York and member of the Information Systems Audit and Control Association (ISACA)
- University of Oklahoma Alumni

# Technology Trends

Technology should support business operations **and** your mission!

- Assist nonprofits harness the full power of their systems and software to streamline operations, save costs & mitigate risk.
- Employing the latest advances in automation, artificial intelligence, and more, to help you identify the best technology tools to run your business, protect digital assets, measure performance and make confident data-driven decisions.
- Examples include digital transformation strategies, Enterprise Resource Planning (ERP), vendor selection & more.

# In Parallel, Risk Mitigation

- Examples include cybersecurity and data privacy programs, governance and (third party) risk management, & more.
- Technology assessments and audits uncover hidden risks and inefficiencies in your IT infrastructure; findings delivered with customized strategies that put your business ahead of the digital curve.

# Artificial Intelligence & Automation

To eliminate mundane tasks and free up employees to focus on creativity, problem-solving and other human skills.

Machine learning extracts patterns to define repetitive tasks and automate them. Once tasks are known, robotic process automation (RPA) tools automate the process.

Examples include taking information from email & placing in CRM, payments, invoicing etc. From auto-scheduling your emails to auto-scheduling your social media content. And from adding triggers to your accounting software to creating workflows in your online donation platforms, you can automate almost anything in your nonprofit.

# Data Management & Analytics

Modern data-management is about having the right data available to the right people at the right time. Transforming raw data into actionable intelligence requires the application of advanced data analytics tools & techniques; example ACL, Tableau & UiPath.

- Descriptive analytics - analysis of historical data to determine how an organization has changed. Examples include year-over-year revenue changes, and changes in revenue per donor.
- Diagnostic analytics - 'why did it happen?' by using techniques such as drill-down, data discovery, data mining, and correlations.
- Predictive analytics takes analysis further by making predictions about the future via application of statistical algorithms and machine learning to historical data.
- Prescriptive analytics - is the latest development, promising to go beyond predicting future events to recommending actions. This is accomplished by applying artificial intelligence methods to historical data.



# Cloud & WFH

With the pandemic validating the need for cloud, public cloud services from Amazon, Google, Microsoft and others are seeing a dramatic increase in usage; with sustainable growth continuing through 2024.

Non-profits should look to move more of their IT and network workloads to the public cloud to increase agility and the pace of innovation and to gain access to the developer ecosystems and toolsets that these hyperscaler's bring to the table.

- Braid the digital & physical Experience. The solution is to integrate physical spaces and technology with three key concepts in mind: equity, engagement, and ease.
- Shift from fixed to fluid
- Balance 'we' & 'me' Work

# Digital Wallets

Incorporating Apple pay, google wallet, PayPal and other emerging payment forms into your development process!

Digital wallets, also known as e-wallets, allow donors to give to your nonprofit via a linked credit card on a mobile device. Payment information is typically accessed via fingerprint or facial recognition.<sup>1</sup> Google Pay, Apple Pay, and PayPal are three highly used digital wallet options.

With over 275 million digital wallet users expected by the end of 2025 in the United States, now is the time to make sure your nonprofit can accept these payment types since preferences are changing. Digital wallets offer a high level of security, are incredibly convenient, and are donor-centered.

# Outsourcing Your Tech Function

## Outsourced CIO/CTO/CISO

- Creating an IT Roadmap, with clear direction & planning to support current and future growth of your mission
- Providing ongoing strategic planning aligned with your organizations business goals
- Helping organizations understand their technology lifecycle, and aligning technology investments with your future growth
- Developing up-to-date IT policies and procedures
- Performing Internal IT audit/change control support

# Outsourcing Your Tech Function

## Outsourced IT Managed Services & Proactive Maintenance

- Proactive monitoring
- Patch management
- Monitoring and testing backups
- Hardware/software inventory
- Vendor liaison
- Help desk support
- Network Administration; 'virtual IT department'

# Enterprise Resource Planning (ERP)

ERP is your backbone & foundation!

An ERP system is software that automates, integrates and streamlines business processes across an organization, making accounting, data analysis and other operations more efficient. The benefits of ERP have a direct impact on your constituents, which makes it one of the most important technology decisions you will make for your non-profit.

# ERP - How to Select

1. Define clear requirements
  - Define your goals and link them directly to the ERP features that will achieve them. Save time & lower costs, automation features will most likely be a requirement. Improve customer communication or analysis across the business, data management tools may be must-haves.
2. Assess current environment
  - Analyzing existing systems, workflows, and critical business processes is another best practice that can uncover deficiencies that the ERP system should address.
3. Narrow down your options
  - Shortlist & evaluate at least four different ERP systems to find the best match to the identified requirements.

# ERP - How to Select

4. Evaluate the impact on your workforce
  - Depending on the level of automation and process improvement provided by the system you select, the change may lead to necessary skills retraining or increased training expense.
5. Communicate with your workforce
  - Before the selection of a software infrastructure is even made, communicate the reasoning for this change, manage expectations about the project and proactively address any negativity and concern.

# ERP – Implementation Practices

- **Don't** treat your ERP implementation as an IT project; focus on 'people'
- **Do** define clear project scope and goals
  - Which specific modules are you implementing?
  - Which systems will require integrations to your new ERP?
- **Do** obtain executive buy-in
  - Successful ERP implementation requires cross-functional collaboration and the reallocation of budget and resources throughout the implementation process. A member of senior management should be assigned as a “project sponsor.
- **Do** assign a core project team
  - They will establish goals and KPIs, as well as carry out daily project management tasks.



# ERP – Implementation Practices

- **Don't** customize – configure
  - Conform to the standard business processes of your new ERP system as closely as possible. Doing so will make the implementation quicker, the maintenance costs cheaper, and future upgrades easier.
- **Do** clean data before migration
  - The process of cleaning legacy data before migration includes ensuring existing tables and databases are correctly formatted before they are imported and removing redundant data that provides little value.
- **Do** test the system before deployment
  - Develop a full UAT (User Acceptance Testing) plan that allows actual end-users to test the ERP system before implementation.

# Cybersecurity

Cybercrimes have increased by 300% since the onset of the COVID-19 pandemic and have grown exponentially every year afterward.

- Cybercrime caused about \$6 trillion of damages in 2022.
- Experts estimate bad actors will breach more than 30 billion accounts in 2023.
- It costs businesses an average of \$1.85 million to recover from a cyberattack.

# Governance, Risk & Compliance

- EU's GDPR
- CCPA
- & most pertinent to those in attendance today, the NY Shield Act

# Outsourced Internal Audit

Technology assessments and audits uncover hidden risks and inefficiencies in your IT infrastructure; findings delivered with customized strategies that put your business ahead of the digital curve.

- Identity & Access Management (IAM) - distribute access levels with user-based permissions.
- Change Management
- Operations:
  - Systemic Interfaces
  - Disaster Recovery & Business Continuity

# Questions?



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David M. Rottkamp, CPA, is an Audit Partner, Nonprofit Practice Leader, at Grassi. David has over 35 years of experience providing audit and advisory services, include Uniform Guidance audits, to the not-for-profit and health care industries. David focuses on organizations serving individuals with special needs, religious organizations, educational institutions, membership associations, social service providers, healthcare providers, foundations, and arts and culture.

David has advised some of the area's most successful not-for-profits in areas such as: financial reporting systems, implementation of new accounting standard updates, sustainability/succession planning, internal control reviews, developing financial forecasts, and providing quality board education and governance advice. Through his focus on education and board awareness, he has improved the internal structure and sustainability model for many of his clients, demonstrating his industry leadership.

David has presented in several Nonprofit industry conferences, including the AICPA and the NYSSCPA. David leads internal education sessions, webinars and has been published in the CPA Journal several times. David is also a member of the firms' Accounting and Auditing Committee and the Strategic Partner Retreat committee, which plays a significant role in cultivating the firm's culture and strategic objectives.

David serves on the Board of the National Multiple Sclerosis Society, the New York Council of Nonprofits (NYCON) and Governance Matters and is a member of the AICPA and NYSSCPA. David is a graduate from Pace University with a BBA in Accounting.



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Hassan's practice areas include implementation of technology risk management frameworks, development of tailored regulatory compliance frameworks focused on GDPR, CCPA, GLBA, PCI, HIPAA and FERPA, IT platform/systems/infrastructure review, product strategy and innovation, as well as IT due diligence and crisis management. Hassan also has extensive experience in IT cost reduction, insourcing and outsourcing analysis, vendor negotiation, and end-to-end IT transformation.

Prior to joining Grassi, Hassan was a Managing Director at a national accounting firm. He worked with clients' management, audit committees and boards, and provided independent, senior-level expertise that enabled executives to drive value from technology and improve business performance.

Hassan is licensed in New York as a Certified Systems Auditor, a member of the Information Systems Audit and Control Association (ISACA), and holds a Bachelor's degree in Business Administration from the University of Oklahoma.

# For More Information



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