

## American Lung Association Standardizes Nation-wide Organization with Sage MIP Fund Accounting

### Improving life “one breath at a time”

When the American Lung Association (ALA) was formed in 1904, its goal was to fight tuberculosis, then one of the most dreaded diseases in the world. Today, tuberculosis is less of a threat in the United States, but the ALA is stronger than ever, devoted to fighting lung disease of all types. Its main targets are asthma, tobacco control and environmental health. The ALA is funded by contributions from the public, along with gifts and grants from corporations, foundations and government agencies.

### Multiple systems cause major headaches

Given the enormous scope of the ALA's operations and its numerous corporate entities, it is not surprising that the organization ended up with a mish mash of accounting packages. “If you viewed all of our offices, you would have found practically every financial software on the market being used,” says Rusty Burwell, vice president of data and technology. “From the smallest off-the-shelf package to the more complex accounting solutions, someone had it running.”

“This created serious issues for us. With multiple charts of accounts, it was an onerous process for the national headquarters to get local data. Every office had its own closing dates. Monthly reports were so much work that we eventually gave up producing them,” he adds.

“When we did get data, it was always late, making it impossible for us to have a current picture of operations. Then consolidating the data was a real bear, because formatting was inconsistent. Factor in staff turnover and mergers between groups, and it's obvious that we needed a better answer—because having solid financials is critical when you're running any large organization,” Burwell continues.

“The solution was clear. Having field, regional and national offices on the same accounting package would not only streamline the packaging of end-of-year summaries, reports and analyses, but would also allow the national office to run reports, comparing and analyzing financial information across the organization on an ad-hoc basis. This would let us be proactive in financial planning that had previously been impossible.”



### CUSTOMER

**American Lung Association**

### INDUSTRY

Health Research & Education Nonprofit

### LOCATION

New York, New York

**Local offices:** 150

**Headquarters Employees:** 130

**Users on system:** 250+

### SYSTEM

Sage MIP Fund Accounting

### MODULES

All available

### Challenge

The American Lung Association needed to standardize accounting management and reporting functions throughout its 18 regions and 150 local offices.

### Solution

Sage MIP Fund Accounting with a full complement of modules provides robust financial management tools both at national headquarters and throughout the organization.

### Results

By standardizing on Sage MIP Fund Accounting, the ALA estimates it will save about 20 percent in finance and IT costs over the next three years. Also, Web-based system access gives staff greater flexibility.

### Careful selection process

About half of the ALA's corporate entities already used Sage MIP Fund Accounting, and were very happy with it. Still, the organization conducted a thorough investigation to find the best financial system for standardization. Local chief financial officers joined together in a selection task force, and created a list of must-have and desired criteria for a new system. These criteria were then used to differentiate and rank available products.

Highest on the ALA's list of must-have features was the ability to budget for at least five years, projecting monthly levels. The new system also needed an endowment or planned giving module, and automated purchase order and encumbrance handling, with notifications and approvals. A grant module with state-specific information was another must. The chart of accounts had to be very flexible, for handling possible mergers, and able to track departments and project codes in minute detail. And being able to attach PDF files, images and documents to files would help the ALA minimize paper.

### Championing a favorite

"We started with five vendors who seemed to meet our criteria, and narrowed those down to three, and then just one—Sage MIP Fund Accounting," says Michael Lebo, CFO of ALA of the Mid-Atlantic States. "All of the evaluators work with diverse grant and funding sources, so we needed very flexible reporting. The price of the new system was a consideration, but not the deciding factor. On the other hand, support was key. Sage Software had an excellent reputation for support."

Lebo admits that he was slightly biased. "I'd used Sage MIP Fund Accounting on our own office for years, and was really impressed by it. Given its features, ease of use and reporting capabilities, I knew first-hand that it would work well as a national standard. So I fought to get on the selection committee and be a strong advocate for the software."

### Separate databases, equal access

The ALA installed Sage MIP Fund Accounting, with a full complement of modules, at a commercial data center, to serve as the nerve center for the entire organization. The center hosts a database for each of the 19 corporate entities and a consolidated database. The regional sites all use a standard chart of accounts, which makes consolidation and other tasks much simpler. The system can be accessed anytime, anywhere, over the Internet, and has 250 users, 75 of whom can be on the system at any one time. A national administrator has overall control and responsibility, while local administrators control their individual databases.

Autonomy of each entity is important to the ALA. So the ALA structured its system in a manner to keep each organization's database housed separately on the server. "The California office can't view data from the Florida office," explains Burwell. "Even the national headquarters can't go rummaging around in an office's financial records. Instead, we can only view summary data. This shows respect for the field offices, while still streamlining the reporting process at the national level."





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– Rusty Burwell  
Vice President of Data and Technology  
American Lung Association

#### Improvements at every level

Burwell has seen dramatic improvements since standardization. “On the national level, the IT staff now only has to support one product, which makes our lives much easier. Also, we have consistent data across the organization,” he says.

“Before, we were always calling the local and regional offices asking for reports, since this was the only way we could obtain data,” Burwell adds. “Now that data is centralized into a single repository, we can pull the information ourselves without bothering them.”

He reports other benefits at the local level. “Every office has complete access to all of the various modules in Sage MIP Fund Accounting. Being Web-based, the system can be accessed from anywhere, opening up possibilities for the accounting staff to be based outside of the main office, or to work from home or on the road. Networking among peers in different offices is easier now too, because everyone is on the same software.”

Efficiencies are translating into bottom-line improvements as well. “Best of all, we have achieved all of these benefits at a similar cost to what each organization was paying before—and are saving money on software licensing. I estimate that we’ll save 20 percent in IT costs overall at the end of three years,” Burwell says.

#### Breath of fresh air for regional and local offices

Lebo heaved a big sigh of relief when the national organization standardized on Sage MIP Fund Accounting. “We used to have to generate a lot of reports for the national office, and much of the work had to be done manually. They required monthly, quarterly and end-of-year reports in various formats. Being on the same system has saved us at least half a day every month, plus several days at year’s end, just in report preparation,” he says.

He had been accustomed to Sage MIP Fund Accounting’s capabilities since joining the office in 1999. “All organizations within the ALA work with many grants and funding sources, who each have their own ways of requesting information. Sage MIP Fund Accounting gives us the flexibility to track by various project codes, including grants and their sources, plus all expenses. It’s relatively simple to create specific reports whenever we need to.”

## Managers run their own reports

Lebo has started giving senior managers and event managers access to the database to run their own reports. "Managers enjoy the self-reliance that the system gives them. They can determine how their program is running compared to the budget, and what amounts they can expect to receive in the future. Sage MIP Fund Accounting provides excellent security features, so we can be certain that managers view only the data that's appropriate," he says.

"A good example comes from our West Virginia office, where one person administers eight grants in the state. She must prepare quarterly reports for each one. Previously, she tracked the information manually and on spreadsheets, and needed quite a bit of assistance from us in the regional office each time a report was due. Now she has become a very capable user of Sage MIP Fund Accounting, and is saving several days of work every quarter."

The Harrisburg Walk for Life and Breath in Pennsylvania, one of the Mid-Atlantic ALA's larger fundraisers, uses Sage MIP Fund Accounting to access real-time financial data about its event online. "Managers have up-to-date information on details like when sponsorship checks should come in, how much is donated from each sponsor, and all expenses charged to the event. They can compare this year with last. And all of these reports can be checked via the Web. It's a great way to empower managers to assume more fiscal responsibility for their operations."

## A major triumph

Lebo is convinced that the new system has been a wise move. "I'm certainly sold on Sage MIP Fund Accounting. In fact, I attend the user's conference each year, and lead sessions to help others get the most out of the software," he says.

Burwell concurs. "Standardizing on Sage MIP Fund Accounting has definitely been a win for our organization. Normally, you would worry about potential political barriers when trying to consolidate national, regional and local organizations in this manner. But this project followed such a logical path that we didn't run into any roadblocks. I've heard nothing but positives."

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– Michael Lebo  
Chief Financial Officer  
American Lung Association



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